AGRICULTURAL DEVELOPMENT STRATEGIES IN TANZANIA: Social and Economical Consequences of the Villagization and IMF/World Bank Adjustment Programmes

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Those Who Pay the Bill

Julius Nyerere

Our emphasis on money and industries has made us concentrate on urban development. We recognize that we do not have enough money to bring the kind of development to each village which would benefit everybody. We also know that we cannot establish an industry in each village and through this means effect a rise in the real incomes of the people. For these reasons we spend most of our money in the urban areas and our industries are established in the towns.

Yet the greater part of this money that we spend in the towns comes from loans. Whether it is used to build schools, hospitals, houses or factories, etc., it still has to be repaid. But it is obvious that it cannot be repaid just out of money obtained from urban and industrial development. To repay the loans we have to use foreign currency which is obtained from the sale of our exports. But we do not now sell our industrial products in foreign markets, and indeed it is likely to be a long time before our industries produce for export. The main aim of our new industries is 'import substitution' - that is, to produce things which up to now we have had to import from foreign countries.

It is therefore obvious that the foreign currency we shall use to pay back the loans used in the development of the urban areas will not come from the towns or the industries. Where, then, shall we get it from? We shall get it from the villages and from agriculture. What does this mean? It means that the people who benefit directly from development which is brought about by borrowed money are not the ones who will repay the loans. The largest proportion of the loans will be spent in, or for, the urban areas, but the largest proportion of the repayment will be made through the efforts of the farmers.

This fact should always be borne in mind, for there are various forms of exploitation. We must not forget that people who live in towns can possibly become the exploiters of those who live in the rural areas. All our big hospitals are in towns and they benefit only a small section of the people of Tanzania. Yet if we have built them with loans from outside Tanzania, it is the overseas sale of the peasants' produce which provides the foreign exchange for repayment. Those who do not get the benefit of the hospitals thus carry the major responsibility for paying for them. Tarmac roads, too, are mostly found in towns and are of especial value to the motor-car owners. Yet if we have built those roads with loans, it is again the farmer who produces the goods which will pay for them. What is more, the foreign exchange with which the car was bought also came from the sale of the farmers' produce. Again, electric lights, water pipes, hotels and other aspects of modern development are mostly found in towns. Most of them have been built with loans and most of them do not benefit the farmer directly, although they will be paid for by the foreign exchange earned by the sale of his produce. We should always bear this in mind.

Although when we talk of exploitation we usually think of capitalists, we should not forget that there are many fish in the sea. They eat each other. The large ones eat the small ones, and the small ones eat those who are even smaller. There are two possible ways of dividing the people in our country. We can put the capitalists and feudalists on one side, and the farmers and workers on the other. But we can also divide the people into urban dwellers on one side and those who live in the rural areas on the other. If we are not careful we might get to the position where the real exploitation in Tanzania is that of the town dwellers exploiting the peasants.

"I believe the Third World must realize that these institutions [i.e. the IMF, the World Bank], originally meant as institutions of cooperation among the developed countries, are now being used as instruments of control over the developing countries. They have become instruments of a new kind of empire... they are being used as instruments of power to dominate the Third World."

excerpt from J.K. Nyerere, 1984,
In RAU, B.,
"From Feast to Famine: Official Cures and Grassroots Remedies to Africa's Food Crisis",
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1. INTRODUCTION: the crisis, Africa's crisis?

For hundreds and thousands of years, African societies managed their affairs so as to grow and prosper, to become and remain self-sufficient in food production, and to develop elaborate cultural, ritual and political systems. The intrusion of world economy, through contact with Western European nations, began to alter the conditions Africans had created for themselves. The slave trade, followed by the era of colonial rule and now the period of national independence, in turn progressively integrated Africa into the world economy. Indigenous skills and know-how of crops, soils, environment, manufacturing, labour relations and religion were challenged and widely discounted by outsiders.

In recent decades, Northern-defined concepts of development have replaced African concepts of well-being; Northern technical expertise has come to be seen as more legitimate that African scientific experimentation and observation. Internal management of social relations for the social good has given way to external and elite control for their self-enrichment and the promotion of agricultural crops for export at commercial advantage of outsiders'. It is against this background of colonial and neo-colonial intrusion, disruption and the failure to liquidate underdevelopment that the various solutions proposed for dealing with Africa's problems need to be placed. Therefore, Nyerere's statements (cfr. above) indicate that the prescriptions of Northern contributors must be assessed not only in terms of their current impact but against their origins in colonial perceptions of Africa and the advantages derived by Northern businesses from the dominant definition of development.

In trying to alter this situation of structural violence, popular analysis and actions in Africa have generally been ignored or discredited by the major Northern development agencies and even by many African governments. The World Bank—the largest multinational lending and technical agency involved with Third World development issues—, USAID, the EEC and other donors have used their financial and political power to prescribe and enforce views, programmes and financial resources for African countries which pose direct threats to popular control and well-being. According to the dependency vision (cfr. note 29), these programmes serve to increase the power of elite groups (both in Africa and in their home countries) which generally control central governments (= centralizing power and legitimacy in the national elites), channelling that powers into self-serving structures at the expense of decentralized decision making and popular control (= growing inequalities between classes), thus sustaining structural violence (= greater external influence over national policies). The attention and money provided by aid contributors give continued credibility to national elites. Together, aid programmes and elite-defined policies exert greater pressure on the peasants and

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1 RAU, B., ibid., 193.
3 The World Bank uses an annual administrative budget of nearly $one billion, two thirds of which goes for the salaries of its 6,000 plus employees. It has an annual lending authority of over $20 billion and as a commercial lender, regularly makes annual profits of over $one billion. And behind the Bank itself, its membership (and voting authority) is dominated by United States (U.S.), Japan and the Eastern European countries.
4 RAU, B., ibid., 193.
5 The term 'peasant' has been used in the social sciences for the description and analysis of types of rural society with reference to a wide range of geographical settings and historical periods. Despite considerable usage, we found no consistent definition of the term. This conceptual inconsistency has had the consequence that analyses of 'peasant society' are by no means readily comparable in either scope or their theoretical underpinnings.
workers, intensifying inequalities demanding greater productivity in order to earn foreign exchange. Pressures from below for change are regularly resisted. So the common assertion in among many people in the North that governments as institutions are the cause of the problems within Africa is wrong. If our analysis is correct, it is clear that governments are a secondary, indirect problem. Rather, it is the ruling groups which control government and their alliances with external sources of aid, policy and material aggrandizement. These forces are strong and prevent substantive change by excluding grassroots initiatives and redefining the direction of development only in elite terms.

In both its analysis and prescriptions, the World Bank begins with a series of working assumptions:
+ the need for the nations to export goods and commodities in which they have a comparative advantage in the international market place;
+ the value of biotechnology in promoting any form of agricultural growth;
+ the importance of economic growth over other social development programmes and the need to express social programmes within the context of their contribution to economic growth;
+ the need for technocratic bureaucracies to direct and control economic growth; and
+ the need to maintain national economic systems in line with the dominant structure of the world economy; thus in casu within a capitalist tradition. These assumptions in praxis we can basically schematize as follows.

Though, there maybe much cause for hope within Africa. People are drawing upon their own knowledge and skills, and creating and adapting their own organizations to pursue effective problem-solving. These initiatives demonstrate the incomplete nature of much of the analysis of the national elites and their cohorts in international agencies. The popular initiatives demonstrate the inadequacy of the elite models.

the variety of peasant types and the variety of approaches by social scientists to them promises to provide sufficient fuel for a virtually endless debate on the appropriate dimensions of the concept. As there can be among peasants different peasantry differentiated according to their structural position at a specified moment of time, and as there exists a criteria to differentiate peasants from other rural people, basically on the structural position of the peasantry seen as being a certain stratum within some wider political and economic system, and on the importance to the peasantry of the family economy, we can define peasants as "those whose ultimate security and subsistence lies in their having certain rights in land and in the labour of family members on the land, but who are involved, through rights and obligations, in a wider economic system which includes the participation of non-peasants". SAUL, J.S., and WOODS, R. 'African Peasancies', in SHANIN, T, 'Peasants and Peasant Societies', Selected Readings, Penguin Books, Basil Blackwell Ltd, 1988, 80-81.

RAU, B, ibid, 99.
To measure the depth of the World Bank’s programmes we can, for example, refer to the 1981 ‘Accelerated Development in Sub-Saharan Africa’ Report, also called the Berg-Report, after its principal author. Although the report doesn’t incorporate and reflect the Bank’s basic position on Africa any more, a point made clear by the fact that the Report isn’t on the reference list of the Bank’s last Report of 1994 (cfr. infra). It is still worth to look at and examine the Bank’s contribution to the dialogue on Africa’s economic future, certainly because it was a basis for many other World Bank reports. In essence, the document is written as an authoritative piece, offering little room for compromise, dissent or popular alteration; it is a polemic that describes the continent in crisis terms and prescribes solutions which conform only to Northern and World Bank realities, not those within Africa itself.

Rau argues that the Berg Report is a direct attack on African governments for their failure to design effective policies for economic growth and to manage their
economies in sound ways. But, African states inherited unevenly developed economies with rudimentary infrastructure at independence, and the distorting and extractive impact of colonialism severely curtailed Africa's independent ability to quickly or effectively pursue policies of abroad economic and social development. Further, the advice which many African governments were given by the World Bank and other donors in the 1960s and 1970s directly contributed to 'Africa's crisis' in the 1980s. As we have already mentioned, this crisis was to a significant degree, the result of development policies and projects imposed by outside contributors who had used money and their expert's mystique to gain government compliance.

In Tanzania, for example, the World Bank helped design and finance an industrial policy divorced from the agricultural base on which almost all Tanzanians gained their livelihood. Also, the World Bank provided substantial loans for Tanzania’s village consolidation process. Later, the Bank roundly criticized the latter programme without mentioning its own earlier advice and lending (cfr. infra).

In general we can conclude from the articles and books that we have read that the majority of the projects supported by outside contributors failed. The Berg Report reflected the forthcoming frustrations of both large and small contributors, saying that their work in Africa has not brought about sustained growth, nor equitable development, nor greater structural stability. But, rather than carefully searching out the range of reasons for such massive developmental failures, the World Bank—and others—blamed the Africans themselves for being poor managers and planners.

1. Are African agriculturalists poor managers?

First of all, we have to make some remarks on this general point of view that says that Africans are poor managers; later we come back to the point concerning Tanzania’s development of self-reliance.

In his article entitled 'Are African Cultivators to be called Peasants?' 7 Fallers defines, confining himself to the discussion of ‘traditional’ social systems8 rather abstractly conceived and working partly in the anthropological tradition of Kroeber and Redfield, peasant society as being a society 'whose primary constituent units are semi-autonomous local communities with semi-autonomous cultures' ranging from economic, political to cultural dimensions9. He demonstrated the involvement of many Africans in the trade and exchange of agricultural produce and even the existence of political states. In these societies, (African) peasants (especially women10) are well ahead of agricultural researchers in understanding the conditions which influence crop growth while reducing the risks inherent in all agriculture. Detailed knowledge about the specific characteristics of seeds and soils is common place. A 1980 study in Tanzania found that they did not need improved techniques, tools or training to turn out efficient products. Their manufacturing methods were quite adequate. Peasants know how to feed themselves and their communities except in extreme conditions.

The example of a recent work on the economics of pastoral society in Tanzania, written by the 'formalist' anthropologist Schneider, shows the study of the distribution of scarce resources between alternative ends11. A study like this is always the study of a process in social competition, since the formalist theory assigns economic anthropology to be the study of the variety in human behaviour involved in working out, in the best possible way, the determined and scarce means for achieving specific ends. In this way economic science loses its purpose, since all achieved human

8 Using the undifferentiated notion of 'traditional society', the non-European world as whole would appear to be in a uniformly disadvantaged position in the race to catch up with the Western levels of industrialization, PUTTERMAN, L., Social Capital and Development Capacity: the example of rural Tanzania', Development Policy Review, Vol. 13, no. 1, 1995, 16.
9 SAUL, J.S., and WOODS, R., ibid, 82.
10 These women farmers command detailed knowledge about soil types and salinity conditions; about problems of water control and changing responses of plants to water variations over the growing season; and about methods to minimize weed growth and erosion and to maintain soil fertility.
actions must be regarded as the accumulation of material wealth, political power or supranational salvation. Thus, Schneider takes up against those anthropologists who have overestimated the value of communal traditions within traditional African economic systems, thus hiding the fact that individuals may accumulate private wealth for themselves. Although this reasoning may account for production among pastoral people, we argue that cooperation in production is quite different among agriculturalists because of the fact that livestock is an immediate, or almost immediate, mobile source of wealth, which circulates in makeable or non-marketable forms and increases at great speed, in comparison with land and agricultural societies. Hershkovits used the term ‘cattle complex’ to refer to a collection of cultural traits such as the identification of individuals with ‘favourite’ beasts, the use of cattle in sacrifice and bridewealth and preferences for certain skin colours and patterns and horn shapes. These is a particularly good example of the “culture-as-obstacle-to-change” idea which argues that the chief obstacle to the development of pastoralists lay in their “irrational” preoccupation with the accumulation of stock as an end in itself and their predilection for a wandering way of life. Though by concentrating on the social and cultural elaboration of cattle at the expense of analysing pastoral production systems, they did help to give an exaggerated impression of the uniqueness of the ‘pastoral way of life’ and of its isolation from regional and national economic and political processes. But, as soon as the cultural traits for cattle were further illuminated, it was soon noticed that one had been too hasty in turning livestock into purely prestige goods; on many occasions cattle were used not only for ceremonial purposes but in exchange for agricultural and craft products of sedentary peoples. So indigenous methods of livestock production are now seen not only as making economic sense but also as probably the only feasible means of gaining a livelihood in these arid and semi-arid East African areas.

On the other hand, the “tradition-bound peasant” model of development says that the economic behaviour of rural people in the Third World is governed by tradition. Present and past states of LDCs is an original stage of development through which the now advanced capitalist countries have also passed. Their social systems are inherently static and development requires the sweeping away of indigenous institutions and practices which stand in the way of “modernization” and of the rational pursuit of self interest. Thus, although peasants know they can produce food and cash crops efficiently; although they know the forms of organization and social services that best meet their needs; although they know they can face problems of drought, scarcity or food shortage and devise meaningful solutions, in first instance, they put communal values above all personal wealth accumulation (this means before the colonial era). For example, in addition to the sound ecological and agricultural knowledge on which intercropping is based (cfr. infra), peasants are continually experimenting with their farm systems. Rural people are constantly making decisions about the use of productive assets, labour, savings, and investment, that agricultural innovation and experimentation is going on all the time and that traditional institutions and values are not necessarily incompatible with modern or capitalist forms of political

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12From Hershkovits’ ‘cattle complex’ theorem on, cattle seem to be wealth accumulated in order to acquire prestige and social status rather than to assure the possessor’s subsistence or financial enrichment through market exchange. When exchanged it is often not for market purposes but to seal matrimonial alliances and descent obligations. Cattle are usually accumulated in large herds and the meat is consumed on certain ceremonial occasions; the animals are not used as work beasts and provide, at the very most, a meagre milk supply.


14The achievement of modern society has the following characters: social patterns of demography, urbanization, and literacy; economic patterns of production and consumption, investment, trade and government finance; and psychological attitudes of nationalisation/calculability, ascriptive identity and achievement motivation. CHAMBIA, S., Ibid., 38.

15TURTON, D., Ibid., 134-135 and 137.

16Also slash and burn agriculture, the storage of crops etc. are agricultural processes which are carefully practised by farmers to ameliorate their production and conservation of the food production. RAU, B., Ibid., 147-149.
and economic organization. Findings such as these could not easily be reconciled with
global, unidirectional theories of social change, whether of the the 'modernization' or
more recent 'structural dependency' variety. Both types of theory are western-
centred, being concerned with the impact on a supposedly homogenous class of
'traditional' or 'underdeveloped' societies of world-wide capitalist expansion. We define
this theory in the context of our inevitable ethnocentric view of other people's
"customs", which helps to explain why the attempt to export Western "efficiency" to
the non-Western world has proved so remarkably inefficient.

If hunger and food insufficiency are the case, the problem is defined as one of
poverty, arising out of decades of colonization or external exploitation and continued
misuse of human and natural resources. A serious disequilibrium between people and
their environment has arisen from that process of underdevelopment. In this context it
is fruitful to view the creation of the present differentiation among African peasantries,
as being primarily the result of the interaction between an international capitalist
economic system and traditional socio-economic systems, within the context of
territorially defined colonial political systems. The colonial situation was everywhere and
there were two ways open to the local populations: sale their labour or sale of their
agricultural produce. As a significant number of African Sub-Saharan cultivators moved
out of the peasantry category and must also be called capitalist farmers, other
peasants lost their land rights and have been proletarianized in either the rural or
industrial sectors of the economy, and people placed greater pressure on their
environment causing losses of soil fertility, erosion and clearing of marginal land. In other
words,

"the further development of capitalism has begun to phase out the very
peasantry at first defined and created" which was replaced by the so-called class
societies within which the peasantry constitutes an exploited class, dominated
economically, politically and culturally by a class which no longer participates directly in
production. Underdevelopment in general became worse as

...,surpluses (were) transferred to a dominant group of rulers that uses the
surpluses both to underwrite its own standard of living and to distribute the
remainder to groups in society that do not farm but must be fed for their specific
goods and services in turn".

Although peasants then formed a dominated class, the nature and role of this
class differs according to specific relations of production which make them dependent
on the ruling class. In the case of Tanzania, we notice the development of one sizeable
and homogeneous group of cash-crop farmers from her peasant ranks. In many
different areas (in accordance with the environmental potential that existed) annual or
perennial crops have been developed as marketable cash crops, and in each such
area some degree of differentiation has emerged among farmers. This differentiation,
as Saul and Woods say, is expressed not simply in terms of economic status, but by
differential involvement in cooperation organizations and other modern institutionas and

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17Anthropology, in particular British social anthropology, grew up and flourished under colonialism, but manifestly
did not wither with the passing of the colonial order, which it surely would have done had it been necessarily tied
to the study of colonial people. It is true that anthropologists were regarded by some colonial officials as a
potential source of useful information about subject populations and that anthropologists so presented themselves
as a means of gaining research funding. But, the attitude of colonial administrators to anthropologists was
overwhelming one of suspicion, distrust and disapproval. This was mainly because, even when consulted at the
planning stage of a project, an anthropologist's report may well remain ambivalent about the desirability of
different possible courses of action. TURTON, D., Ibid, 143-144 and 152. In some cases this may be due to a trained
inability to write the kind of reports administrators find useful; this means, the detailed, "holistic" analysis of
particular situations in which the interconnections and interdependencies between what at first sight seemed
unconnected items of behaviour are traced out. Another determinant reason was probably that there were so few
indigenous anthropologists working in the third world - especially in Africa.
privileged access to the advantages which they make available. Increasingly, there have been for the early movers paths leading out of the peasantry into the former class introducing a complex pattern of stratification, marked by a number of strata of agriculturalists stretching all the way from capitalist farmer to landless labourer. Moreover, the Tanzanian government has - almost alone among governments in Sub-Saharan Africa - been aware of the regional differences which might give rise, as has happened elsewhere, to “local” paeantries, which have different structural positions, and conflicting interests, in the total system. As an example of such in this field we can suggest the article by Moline, which shows the impact and role of small rural trading centres in Tanzania. It shows that significant intra-district trade an labour migration takes place in the more peripheral areas. Tensions between administrative or political decisions regarding location of various agencies and businesses rivalries combine with regional ethnic differences to define the arena in which various contenders for class power are clashing. Hence, Tanzania had chosen to confront the tasks of pre-empting them by putting the peasantry into the administrative domain of the governing tasks (cfr. Wolf in Godeier, Russian kolkhozes or sovkhozes, Chinese communes or Mexican ejidos which all constitute forms, directly maintained by the state, of the organization of agricultural processes). So, the leadership did argue, after implementing settlement schemes in the 1960s aiming at transforming the rural traditional economies into modern economies by injecting capital into few settlements which could act as centres of diffusion of new technology, for the possibility of a socialist transformation of the paeantries and has embarked upon a search for the modern collective forms appropriate to that end (cfr. the Villagization Programme in 1967). So to say, it is clear from the above survey that the conditions of hunger, food shortage and famine were the result not of ignorance or poor farming practices, but of tremendous outside pressures exerted on communities to produce crops for external markets while also seeking to maintain some level of household food production. The famines in Africa in this century have been man-made. Again, they have been the result of decisions to organize national economies in specific ways, alongside processes originated early in the colonial era and strongly reinforced at the time of

20SAUL, J.S., and WOODS, R., Ibid., 66.
22GODELIER, M., Ibid., 31.
23Cfr. the growth pole policy in 1955 by Peroux which suggested that public investment programmes would have maximum effects on regional growth if concentrated in a small number of favourable locations. So, we could expect markets to exist in situations where the preconditions for marketing are satisfied. In the same context we can refer to the central place theory proposed in the 1930s by the German geographers Christaller and Losch, in which landscape, demand (= minimum threshold of the trading firm), distance or transport (= cost) and the growth pattern of the markets are at the centre. PLATTNER, S., Economic Anthropology, Stanford University Press, Stanford, California, 1989, 182-186. "Suppose ... a schematized model of landscape with farming communities surrounding local market communities. There is only one level in this marketing system, with local markets selling goods like fresh produce and simple tools. When the marketing system increases in complexity to have several levels, the model looks like this: the intermediary level may offer goods such as cloth and heavier machinery, whereas the high-level market may offer motor vehicles, luxury goods, and legal services".

Thus, the usual view of the developmental role of growth centres involves the simultaneous filtering of innovations that bring growth down the urban hierarchy and the spreading of benefits resulting from the centre to the periphery (cfr: education, technology, trade, employment opportunities...). As in all rural areas in Africa which have poor communication links with the centre, very few households use bicycles or motor vehicles, and the primary means of transport in on foot. The main commodities purchased in these major centres include essential commodities like soap, kerosene, salt, and clothes plus some agricultural inputs like hoes, fertilizers and insecticides. Few households obtain luxury goods such as radios and beer from these centres which are sold at higher prices when compared to major trading centres. MBOLINE, M., Ibid., 15-16 and 19-20.
24MBOLINE, M., Ibid., 8.
26RAU, R., Ibid., 74.
independence. Those political decisions on the distribution of resources have resulted in the early extraction of value from African labour in order to enrich industries overseas and African governments and national elites. These experiences offer the basis from which African people call for economic and political democracy and social justice at all levels, from their local communities to the international scene; control over their own affairs by more fully engaging in developmental thought and action, more political involvement in the development process, local-level cooperation and coordination, and the reduction of financial autonomy and a reduction in the role of multinational corporations in Africa. This and the repeated failure of the simple transfer of Western technology to improve the living standards of the world’s poorest people has led, in the recent years to a new climate of opinion in development studies which accepts the economic rationality of Third World farmers and pastoralists as the proper starting point of successful development. That development should be from below: that projects and programmes should be well adapted to local conditions and should seek to build on, rather than replace, local knowledge, agricultural practices and social institutions.

Peasants know all too well that their crops provide for foreign exchange which fills stores in cities of their countries with luxury imports, which pays for the cars and fuel used by the elite and which sustains an exploitative lifestyle only a small minority can ever enjoy. This knowledge provides producers with the power to withdraw products and labour from the government-controlled markets, ask higher prices for crops, or even commercialize their produce via unofficial market channels. On the one hand, governments reacted by promising higher producer prices and wages; though, peasants and workers in most of the African countries now know they have been victimized. The case of Tanzania, on the other hand, shows that governments, have revised policies more than once under strong popular pressures.

2. Secondly, we are not convinced about the sincerity of Third World governments in general and the Tanzanian government under Nyerere in special when they lance development policies underling “non-reliance on foreign aid” from some so-called ‘imperialistic Northern, capitalist countries’ because of a core non-comprining attitude or ideology. This would certainly mean that those countries take the same pace as for example the Newly Industrialized Countries from South-East Asia (NICs) in which most of the developmental policies are stipulated by the bureaucratic authoritarian state. We find evidence for the argument that the non-reliant development path is not the case for Tanzania, for instance, in the existence of the Tanzanian post-colonial governing class and the Tanzanian socialist economic development strategy of the post-Arusha (after 1967 and during the 1970s) which was aimed to develop production for the home market through a state-led aid-driven investment strategy in import-substituting industrialization, but ended up by eroding its most critical component -the exchange with the peasantry. So, while the objective was to construct a self-reliant industrializing economy which would create a

27In earlier centuries drought also occurred, but the recent famines have their underlying causes in decisions, which altered the ways of life and agricultural production of the majority of rural peoples. Unfortunately, Rau states, these decisions did not significantly improved rural life.
28TURTON, B., Ibid, 142.
29This choice of language certainly fits in the context of the dependency theory of development. In brief, dependency theory holds that the form and direction of economic relations in the Third World is largely determined by the power of the Northern, industrial countries to extract commodities and labour for their exclusive benefit. The Third World is dependent upon the intensity and economic direction of the capitalist world, and unable to explore alternatives or exploit its own wealth for internal growth. Dependency is maintained by alliances between Northern capitalist agents and Third World elites, often those holding the reins of political power. RAU, B., Ibid, 130. The key mediating conditions are first the degree of international economic dependency as indicated by the presence of foreign capital and the survival of colonial trade patterns, the second the long-term mass deprivation and underdevelopment and third an increased debt burden and associated economic hardship. WALTON, J. and RAGIN, C., “Global and National Sources of Political protest: Third World Responses to the Debt Crisis.” American Sociological Review, vol. 55, Dec. 1990, 879.
satisfactory international exchange rate for their products on the world market, a higher import of valuable commodities and clear the international debt and national budget deficit, the major means to achieve this aim was to rely on foreign aid to step up the rate of investment in the economy. Clearly, Tanzania never took too much distance from the International Monetary Fund, the World Bank, or any other bilateral donor countries neither from their on conditionality based adjustment programmes, so that it would have been in a position of total self-reliance. So that change has primarily been a consequence of externalisation of Western capitalism through the formation of a world market, colonialism, and neo-imperialism.\footnote{CHAMBWA, S. ibid., 41.}

At the same time and for its own sake, the World Bank was seeking to garner support for its Structural Adjustment Programmes/Loans\footnote{SAPs are suggested as examples of promoting greater equity, buy the Bank fails to mention its central interaction with African governments during the 'economic crisis of the early 1980s [which] diverted attention from basic need programmes'.} (SAP/Ls) and policy reform packages to African countries, by arguing in a 1989 Report that countries that had undertaken reforms showed better economic performances than countries which had not (cfr. infra part 5)\footnote{"What is clear is that the World Bank in quite capable of both making mistakes and engaging in cover-ups and lying to pursue its ideological mandate" RAU, B. ibid., 101, and MOSLEY, P., and WEEKS, J. 'Adjustment in Africa', Development Policy Review, Vol. 12, 1994, 320–323.}. The Economic Commission for Africa (a United Nations agency) convincingly countered by showing that the Bank's analysis was based on faulty use of the Bank's own data and only limited consideration of all available evidence (cfr. conclusion part 5). Nevertheless, to date, the views of the World Bank and other contributing agencies have played a key role in contributing to the choices governments have made in defining their developmental policies. Therefore, in Tanzania, the World Bank has contributed to what it calls “Africa’s crisis” more than it knows or at least more than it acknowledges.
2. THE COLONIAL TANZANIA.

2.1 Colonial Tanzania: A brief history of colonial agriculture in Tanzania

Petty commodity production and capitalist production predominated in Tanzanian agriculture during and after European colonization. During the colonial period, petty commodity production was mainly based on peasant farm and livestock production, and capitalist production on plantations owned primarily by foreign-based corporations. This capitalist agriculture provided more than half of the export earnings and officially marketed produce during the colonial period, led by the sisal industry which earned some 61 per cent of total export earnings at its peak in 1951. During the British colonial rule, non-indigenous people numbering some 12,000 people controlled some 3 million acres, compared to some 4.5 million acres under the control of 8.7 million Africans in 1956. The European population nearly doubled between 1948 and 1957, and by 1957, the European population alone controlled some 2.25 million acres of 109 acres per capita, compared to half an acre per capita in the indigenous population. Tanzania was unique in colonial Africa because both the peasant and the plantation sectors were significant.

2.11 The characteristics of the colonial labour force.

The nature of the colonial labour force, which the colonial state created and maintained, was an expression of the articulation between the pre-capitalist modes of production and capital. The colonial labour force was not a capitalist working class completely dispossessed of its means of production and therefore forced to sell its labour power, but rather labourers forced temporarily to sell their labour power to capital on the basis of unequal exchange as a result of contradictions arising in the process of primitive accumulation.

Cheap labour of young migrant men characterized the colonial labour force. Cheap labour does not exist naturally or automatically, the introduction of a capitalist mode of production in Africa has helped to construct social relations which reproduce cheap labour. Four types of ‘cheap’ labour emerged, in response to different kinds of employer demands and different local conditions, migrant, casual, peasant and family labour.

The Masters and Native Servants Ordinance helped reproduce the migrant and casual labour systems by enforcing short-term contracts and ‘repatriation’ to workers homeplaces after completion of contracts. The bulk of this labour force were men. They were recruited and contracted to work for periods rarely exceeding two years. Many men were known to engage themselves in two or even three contracts, returning home during intervening periods.

The two other forms of cheap labour had to do with a new, patriarchal farming system which was a further process of transformation of earlier, pre-colonial modes of production, which was based on the exploitation of unpaid family workers (mostly

wives and children) and which was completed during the colonial period. The labour recruitment of young women and their removal from their home area in large numbers would have disrupted the reproduction of the peasant sector thereby jeopardizing the supply of migrant labour as well as peasant commodity production in general. Young women as agricultural producers and childbearers were pivotal to peasant reproduction. In any case, labour contract employment of young women, prone to pregnancy, would not have suited profit oriented mine and estate owners who already complained about poor labour productivity and absenteeism.38

During pre-colonial times, male household heads took control of the land and most of the labour of household members, and deprived wives of former rights and powers. Women had to acquire ‘letters of permission’ from tribal leaders to travel from ‘home’ areas, and male chiefs, village leaders and household heads were empowered to control movements of women. There was a sexual division of labour which generally tended to confine women’s productive activities within the sphere of the lineage and family. Men were the warriors, traders and messengers.

During colonial times, the white colonial authorities imposed their own Euro- and male centric vision of gender relations on African people which devalued women. ‘Customary’ marriage, property and inheritance systems were constructed which effectively dispossessed women from usufruct rights formerly held in land, other resources and proceeds of labour, and enforced a new dependent and inferior status in ‘tribal’ marriages. The colonial construction of gender relations at household and tribal level was a central foundation of the colonial state, and forced most women to stay ‘on the far’, ‘in the country side’, and in ‘marriage’.39

However, the ultimate beneficiaries of the ‘politics of custom’ were not poor male peasants, but local merchants and employers of African labour, the colonial state, and big business! Nevertheless, male household heads were privileged by this system and extracted surplus income from the female labour under their control. Men thus ended up supporting a highly exploitative patriarchal farming system which brought them meagre rewards. And Mbilinyi concludes that: their consciousness of class, race and colonial relations was often underdeveloped compared to that of female peasants and plantation workers, whose militant, ‘unruly’ protests periodically inspired mass movements and anti-colonial insurgency.40

Labour migration of men was however leading to disruptions in peasant family life and was a source of marital instability, for it lead to severe hardships for the wife and children who are left at home by the labourer.41 Labour migration disrupted the traditionally reinforcements of the marriage union by the social pressure of the extended family. The man, removed from his extended family, was freed from their approbation, the women was not. She remained with additional pressures on her to conform as a faithful wife. The problem of desertion was dealt with again at the tribal level. Increasingly desertion became a grounds for divorce in native courts. Ngoni courts, a Tanzanian tribe, generally ruled that a man’s absence for three years was an adequate ground for his wife to divorce him whereas Nyakyusa courts –another tribe– stipulated only 18 months.42

41However, argues Gulliver, a government sociologist, the Tanganyikan wife is less dependent on her husband than her European counterpart, and she is able to continue to maintain the food supply of her home in his temporary absence. She may suffer from a break in normal married, sexual relationships, but even this should not be over-emphasised for it is the custom that a man and wife do not cohabit for two or more years after a baby is born.
Women did participate in the colonial labour force to a limited extent. Labour forces included women who migrated as wives to Tanga and Morogoro sisal plantations with contract workers, contributed to the reproduction of the worker household by subsistence and commodity production, and were hired by plantation owners on contract during periods of peak labour demand. The following peak season agricultural work in which women were engaged were listed as ones that had to adhere to the regulations:

- Cashew nuts
- Coffee
- Grain
- Oil
- Sisal
- Sugar
- Tea
- Tobacco
- Cotton
- any processes
- milling and cleaning
- milling
- extraction
- deorticating and brushing
- extracting and refining
- manufacture
- manufacture
- ginning and baling.

During the second half of the 1950s capital intensification in agriculture began to be realized on the plantations and estates during the second half of the 1950s. The migrant labour system had become too costly because of the introduction of more advanced farm mechanization and processing machinery. A process of concentration and centralization of agricultural capital occurred. Smaller commercial and capitalist farmers sold out or had their land seized by TNAs and large companies immediately after the war.

During the British colonial rule, Tanzania’s agricultural policy can be divided within four main phases between 1945–1961.

2.1.2. Encouragement of white settlers.

The first was the encouragement of white settlers. They were expected to have capital, and to quickly gain expertise if the did not have it already. Their main problem was lack of land, and it was this that brought the policy to a sudden halt in 1953, after the emerging nationalist movement had successfully taken the Meru Land Case to the United Nations.

2.1.3. The Groundnuts Scheme.

The second agricultural policy of the post war years was the Groundnuts Scheme. This East African Groundnuts Scheme was suggested in 1946 and the target was the cultivation of three million acres of groundnuts. It was the British Labour Government who accepted the proposals, and the United Africa Company and some other companies were employed as subcontractors on cost-plus contracts. The project was costed at 24 million pond (this included a new harbour and 150 miles of railway). By the time the scheme was wound up less than ten years later 35 million pond had been spent, and what remained was little more than three large areas of cleared bush. The failure was discussed in the British press. It transpired that the planning had been rushed: only nine weeks had been spent in field reconnaissance, and much of this was from the air. No detailed mapping of soils or topography had been carried out, and there was a marked lack of information about rainfall patterns of likely crop yields.

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44MILUVI, M. Ibid, 554.
45Agriculture was and still is the most important economic sector.
47In more detail, the scheme failed for the following reasons:
1. the rainfall at the largest site was insufficient for groundnuts.
The most experienced agricultural officers in Tanganyika were involved in this project, and yet, of these seven reasons for failure, five were agricultural considerations of a most elementary kind. Blind faith in machinery and large-scale operations organized by Government led the most experienced agriculturalists of the day to use 35 million pond on a project that had so many flaws that if it had not failed for one reason, it would still have failed for several others.

2.1.4. Land improvement and Soil Conservation Schemes.

The third agricultural policy lasted until the mid 1950s and emphasised soil conservation to rehabilitate agricultural land which had suffered from soil erosion due to excessive exploitation during British colonial rule. Such rehabilitation was only thought to work if backed by legal compulsion and enforced by Native Authorities. This period saw a lot of development schemes undertaken. These schemes shared with the Groundnuts Scheme a belief in the correctness of Government technical prescriptions and a military type of organization.

The construction of terraces was an attempt to increase the ground quality. The construction of terraces requires however heavy work and the systems began to break down when men left rural areas for work elsewhere or devoted more time to cash crops. Increased erosion and greater susceptibility to drought followed. Colonial governments sought to counter cases of extreme erosion by resettlement and compulsory hillside contouring.

Bye-laws covering almost every conceivable aspect of agricultural production were passed under the 1927 Native Authorities Ordinance and enforced with fines or imprisonment in Native Authority Courts, i.e. by the chiefs. Because of these bye-laws, peasants felt themselves pushed around. Everywhere new rules, regulations and taxes seemed to require this, prohibit that, or take a few shillings yearly from his pocket. He had to tie-ridge and manure certain portions of his fields, plant specified minimum acreages of cassava (as an anti-famine measure) and cotton, plant at certain times and pull out cotton stalks by certain dates for burning after harvest... The bye-laws were unpopular, and the peasant underwent a high degree of coercion and compulsion to these schemes. This led to widespread resistance from peasants by planting cassava seedlings upside down or seeds after they had been boiled in water. The other extreme was the rioting and civil disobedience in the Uluguru mountain during which and African was shot dead by a white policeman in July 1955.

2. Some chemical tests of the soil were made, but no mechanical analysis. This would have shown up a clay content which ensured that the land set hard in the dry season, effectively confining agricultural operations to periods when the soil was wet.
3. The mechanical equipment was unsuitable for the conditions.
4. Even with new machines there were problems with spare parts and maintenance, made worse by difficulties with inexperienced drivers and delays in clearing goods through the ports of Dar es Salaam and Mombasa.
5. Where groundnuts grew, they were attacked by rosette disease, for which, at the start of the project, there were no resistant varieties.
6. Headquarter sites at Kongwa and Nachingwea were built before adequate water supplies had been found.
7. Although most of the points above were obvious to technicians in the field by the end of 1948, policy changes were not made until well into 1950. This was partly because responsibility was shared between a Board of Directors in London, a headquarters organization at Kongwa and two leaders on each site. The London officials were particularly unwilling to believe that all was not well. COULSON, A., ibid., 1977, 76.
58 For instance Sukumaland Scheme (opening up new land, bush clearing and water development) from 1947, the Uluguru Land Usage Scheme initiated in 1949 (bench-terracing), and the Mbulu Development Plan of the same year (destocking of cattle and land opening) and compulsory cattle dipping which started in 1954 in Iringa Region.
59 RAU, B., ibid., 131.
60 COULSON, A., 1977, 77.
It is argued that this militancy of agricultural workers in the 1950s led to the capital intensification in agriculture. Production costs rose as a result of the large numbers of strikes and go-slow actions.\footnote{51}

The political consequences of the widespread unrest were directed against the colonial regime and undermined the position of the Native Authorities and the chiefs, who were closely associated with them. The political legitimacy of the chiefs was destroyed in the eyes of both the peasants and of the colonial administrators. This process began already before the war in parts of the country where the chiefs were used by the administration to enforce unpopular policies. The post-war schemes completed the process, and so destroyed the foundation of British colonial policy of that time! This discontent helped open up a space for the nationalist movement in the rural areas.\footnote{52} For the door was open for the nationalist politicians who, by comprising the peasants freedom from this sort of oppression, quickly gained support in the rural areas, and were able to lead the country to independence in 1961, only seven years after the foundation of their political party, TANU.

During the second half of the 1950s this policy and its attendant schemes were abandoned for mass compulsions. It is now clear that the agricultural and economic logic behind many of the rules were wrong, so that the peasants were absolutely right to oppose them, and just as with the Groundnuts Scheme, many of the technical foundations of the Land Conservation Schemes were wrong.\footnote{53} But the peasants were allowed no choice. And so time and resources were wasted.

2.1.5. The focal point approach.

In 1956 the Department of Agriculture stated a new policy which was rationalised by the use of ideology which described the African peasant as stubborn, lazy, ignorant, conservative, uncooperative. The focus of colonial agricultural policy shifted from the peasants to the wealthier African farmers.\footnote{54}

It was thought to be likely to accelerate a transition from subsistence-like cultivation, to a more commercialised agriculture. For instance, during the colonial period, the administration attempted to improve plantation agriculture, especially the sisal estates in the eastern part of the country. Therefore, migrant labours were needed, and more remote areas were compelled to supply migrant labour to plantations, throwing the burden of subsistence cultivation on women and children. Cash crop cultivation in the labour reserves was prohibited in order to obstruct alternative income generation to purchase basic commodities and to pay taxes. Areas with high cash and export crop potential, like coffee and tea, were not faced with such restrictions.

The result of this agricultural policy, and the infrastructural investments which accompanied it, was increased regional imbalances in economic and social terms. Much of the western and the southern parts of the country were sinking deeper into underdevelopment.\footnote{55}

The new approach became known as the “focal point approach”. Limited areas or progressive individuals were chosen for the initial attack. Once success has been achieved and appreciated at these points, it is then a comparatively simple matter to spread outward from them.

The grouping together of the progressive farmers can be called an attempt to establish rural elites with progressive attitudes. These selected individuals were to be

\footnote{51} Although it is also possible that the increased militancy and organization of agricultural workers were stimulated by increasing capitalization and concentration of the labour force during and after the Second World War.\footnote{52} HAVNEVIK, K.J., “Tanzania: The Limits to Development from Above”, Nordiska Afrikainstitutet, Sweden in cooperation with Muki na Nyila Publishers, Tanzania, 1993, 30.\footnote{53} COULSON, A., ibid., 1977, 78.\footnote{54} HAVNEVIK, K.J, ibid., 31.\footnote{55} HAVNEVIK, K.J, ibid., 31.
given credit, a reputation through ranking visitors, newspaper reports, and encouraged
to hire labour. Although their numbers as a proportion of the rural population were not
great, these labour-hiring peasants soon existed in almost every part of the country
and they soon farmed much of the best land and produced the greater part of the
marketed surplus.

The possibility that a small group of farmers might become a land-owning class
with most of the rest employed as their agricultural labourers was opposed by Nyerere
and TANU yet in 1958:

“If we allow land to be sold like a robe, within a short period there would be
only a few Africans possessing in Tanganyika and all the others would be tenants...

When a lot of people accept the introduction of a method which will enable a
few people to claim ownership of a thing which is actually God’s gift to all His people,
they are in actual fact, voluntarily accepting slavery...”

The Administration was certainly conscious of the weak moral foundations of a
rural policy based on helping the most prosperous farmers. As a counter-weight, they
espoused the ideology of “Community Development”, under which new ‘modern’
method of food preparation, child care and health were to be brought to the
community as a whole. The assumption was that the traditional practices were
‘primitive’ or ‘backward’, to be replaced in the main by ‘superior’ Western technology. It
amounted to an attack on African culture. And since women were responsible for
cooking, and child-care, most of this cultural attack fell on them. The Community
Development Division recruited women staff, and had some influence where mission
(i.e. European) influence was already strong. But its scale of operation was too small for
it to successfully counteract the class formation of the focal point approach.”

The industrial sector didn’t either constitute an alternative source for growth and
employment. By the late 1950s there existed only about 30 companies in the country
with more than five employees. Total employment reached only about 20,000 and
the sector contributed only 3–4 per cent of the gross domestic product. So there was
an extremely low degree of industrialisation. The main reason for this extremely low
degree of industrialisation was that the British colonial investment in East Africa was
channeled into Kenyan industry. After 1927, Tanganyika had a customs union with Kenya
and Uganda. The expansion of import-substituting industry was encouraged in Kenya,
which used the domestic markets of the other two countries to expand the demand
for its commodities. Transportation tariffs discouraged the use of Tanganyikan railways
in favour of Kenyan routes, and this helped to locate additional processing industries
near the port of Mombassa. After World War II, the Labour Government in Britain
supported development planning and industrialisation. Although a few new industries,
such as meat packing, were introduced in East Africa, there was little progress in
Tanganyika, which experienced great difficulty competing with Kenyan goods. This
effectively limited the expansion of any significant industrial capitalist class.

The labour movement which had been created from below during the 1940s,
collapsed after a major riot in 1950. The next phase of the organisation of labour was
to come from above and in 1955 the Tampanyika Federation of Labour (TFL) was
launched. Union membership increased from 13,000 in 1956 to about 200,000 in 1961
while the number of registered unions rose from 25 to 40 during the same period. By
1961, 42 per cent of the country’s workers were unionised compared with 12 per cent in
Uganda and only 8 per cent in Kenya. The constitution of TFL asserted the
independence of the labour movement from political control, hence TFL did not affiliate

57 COULSON, A., Ibid., 1977, 79.
58 HAVNEVIK, K.L, Ibid., 32.
to TANU. The political aims of the TFL were "to encourage workers to register and vote, to exercise their full rights and responsibilities of citizenship, and to perform their rightful part in the political life of the nation." At the time of independence the Tanganyikan labour movement was the best organised and strongest force in civil society.

2.1.6. The cooperatives: an African initiative.

Because Africans were, during the colonial period, quite unable to protect their production and trade (because of all sorts of restrictions), cooperatives became an important vehicle through which they could. During the German colonisation, most of the local traders were Asian, while the export/import business was arranged by European trading companies and Asian Merchants. During this period Asian traders were established in most towns and in the rural areas, hence it was difficult for Africans to enter trade even at the lowest level.

Later, the British colonial state actively discouraged Africans from commercial operations. A series of economic, legislative and judicial barriers were adopted to block the development of a strong African independent yeomanry, rich peasants and capitalist farmers. For instance, the "Credit to Natives (Restriction) Ordinance" of 1931 "insisted that an African must have specific government permission before he could even request a bank to lend him money." But in the twenties, two young, ambitious, educated Tanzanians, frustrated by the racial discrimination and indirect rule policies of the colonial Government, found in the cooperative movement a way to African success in business and took the initiative to start cooperatives.

Joseph Mwinyo started in 1925 in Moshi the Kilimanjaro Native Planters Association and Paul Bombani founded in Mwanza in 1950 the Victoria Federation of Cooperative Unions, which became quickly one of the biggest African-controlled commercial organizations in the whole continent. Contrary to the Ordinance of 1931, the colonial government supported the African initiative of the cooperatives as long as they avoid politics. And by 1960 it was generally accepted at the local level that the cooperatives were for marketing and not for politics.

But one of the main reasons why the cooperatives received support, was that the Agricultural Department of the colonial government disliked the Asian and Arab traders because they could not control them. The colonial government also insisted on close Government control in the form of a Registrar with the power to set up societies and if need to be liquidated any which do not obey the rules. Legislation passed before and during the War enabled the Government to control farm prices, and to organise the disposal of crops to suit its interests. The cooperative leaders had to accept that they would work in a framework of government controlled marketing.

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61LIFFE, J., ibid, 538.
62HAVNEVIK, K.J., ibid, 33.
63Lord Ludgward explained in 1933 the reason for this support: the fundamental principle of the (cooperative) system is identical with that of indirect rule—which could be better named 'Cooperative Rule'- the essential aim of both being to teach personal responsibility and initiative.
64For instance, after the war, the grain crops were monopolised by the Grain Storage Department, but this lost money in the 1954/55 season when it was forced to export surplus maize at a loss, and was disbanded in 1956. From then on grain marketing was uncontrolled, i.e. left in the hands of Asian traders, and millers, until just after independence when a new marketing board, the National Agricultural Products' Board, was set up to buy grain crops, oilseeds and cashewnuts from cooperative societies. COULSON, A., ibid, 1977, 84.
But the costs of the cooperatives were high, and the question is if they were efficient in the sense that they could compete with Asian traders on a price basis. The Asian traders were as unpopular with the Government officials as they were with many of the peasants. But the Asian and Arab traders could offer an extremely low-cost service. For they combined produce buying with the running of a retail shop—fore then the sameorry that brought the consumer goods to the village could take the produce out, and no extra storage space was required: the crops purchased could accumulate in the storage space of the shop, as the stock of consumer goods was sold. The trader might not even need an overdraft, since as he sold his consumer goods he would gain cash with which to buy produce, and when he sold this produce to a larger merchant in the town, he would again get cash to buy his next stock of consumer goods. So, there was no need to move large sums of cash around the country. And with the coming of the cooperative marketing, all these advantages were lost.56

The prices offered by the cooperatives were thus relatively high, and in some areas there was less enthusiasm for cooperatives, for instance the area where they grow cereals. The cereals could be purchased from, as well as sold to, the cooperatives. The differential between the two prices quickly widened. For instance, during the period 1956/60 the consumers’ price rose by 50%, while the producers’ price stayed constant. And farmers didn’t feel obliged to sell their cereals to cooperatives, while, if they wished, they could simply store and eat the crop.

Though in most of the areas of Tanzania, there was a lot of enthusiasm for the cooperatives. For by the end of the 1950s, the cooperative movement had enabled farmers, especially in the cotton and coffee areas, to obtain higher prices. The cooperatives further operated as a means of attaining power and influence. In turn, this created the basis for ambitious and educated Africans to become involved in crop production. And following Coulson, the reason for this enthusiasm is that “The acreages of crops grown and quantities marketed through the cooperatives rose alongside the growth of nationalistic support as national independence became a legitimate goal”57

Quantitatively, the cooperatives were growing rapidly in the 1950s. In 1952 there were 188 cooperative societies with 153,000 members; by 1957 these figures had already risen to 474 and 305,000 respectively. By 1959 there were 617 societies, and the co-operatives were effectively marketing all the cotton produced in the country, the coffee produced by African farmers, much of the paddy and cashew nuts, and were beginning to make inroads into the marketing of maize and oil seeds. Their membership had risen to 325,000 out of a population of approximately two million farm families, which, although still only a minority, included most of the prosperous kulak farmers who were rapidly increasing their production of export crops in the 1950s.58

The cooperative movement aimed at greater control of trade and marketing for the African population, hence it was struggling against both the private Asian traders and the colonial government. Their success in the late 1950s provided the basis for TANU support in the rural areas. Both TANU and the British administrators could support cooperatives as a means of increasing peasant production and African control of marketing. Without the cooperative movement, TANU could not have mobilized rural support so quickly.

56 For instance, the Victory Federation of Cooperative Unions grew out of an independent weighing scheme, where farmers could for a small fee get an independent estimate of the weight of their cotton before selling it to the Asian or Arab traders. COULSON, A., Ibid, 1977, 84.
2.17. The Nationalistic Movement and its aim for independence.

Tanzanians nationalism has developed primarily in the mass movements of trade unions and cooperatives, and as well in clubs for African civil servants and teachers, from one of which the first political party, TANU, would eventually emerge.

The young and well educated nationalists, who entered the scene in the 1950s and were to lead to the movement, carried with them motivations blending idealism with the desire for personal improvement. The common overall objectives of the nationalist movement were modernisation and attainment of majority African rule, including Africanisation of government and state institutions.69

As TANU membership grew, its social basis became increasingly diverse, and no one social group dominated, but certain patterns of support recurred. No African social group was sufficiently dominant economically to aspire to the leadership of the nationalist movement.70 It was a small group of educated Tanzanians with the teacher Julius Nyerere at the forefront who took the initiative to form TANU and stayed on as its leaders. A small, but well organised labour force and a large mass of poor farmers, constituted the social base of the nationalist movement.

As TANU moved to the rural areas, it neither endorsed nor encouraged resistance to the Native Authorities’ role or colonial agricultural policy and its development schemes. In the quest for modernisation and wishing to present a responsible image to the colonial state, they tended to accept uncritically the judgement of professionally qualified officers on technical issues as the need for cattle-culling, tie-ridging and terracing.72

Not much is known about the relationship of TANU with the religions. Christian attitudes to nationalism varied. Christian churches and missions were extensively intertwined with the colonial state. The colonial state paid nine-tenths of mission teachers’ salaries.73 The Christian churches were also linked to the critics of the colonial society. But one can not place all Christian religious movements in the nationalist camp. The Muslim response to nationalism was probably more completely positive than those of Christians.74 Muslim activists helped to establish TANU and Muslim brotherhoods provided significant support to the nationalist movement due to their predominantly African membership and regional extension.

Concerning the relationship with the indigenous religion, many of the indigenous religious practitioners did not participate in politics, while others seemingly considered TANU a threat to the indigenous order. Therefore, the nationalist modernisers of TANU attempt to provide links to traditional values and culture, aims at preempting the growth and opposition of traditional cultural and religious movements not leaning towards modernisations. This was mainly achieved by the continued promotion of Swahili as a national language as opposed to English, and the launching of the policies of Ujamaa, first in Nyerere’s ‘Ujamaa, the basis of African Socialism’, and furtheron, in the Arusha Declaration, the Ujamaa—policy was seen as the basis of agricultural policy (see infra).

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69Because of their wish of Africanization, TANU supported cooperatives as a means of increasing peasant production and African control of marketing. TANU could in return count on the support of the cooperatives, which in its turn provided the basis for TANU support in the rural areas. COULSON, A., Ibid., 1977, 86.

70HAVNEVIK, K., Ibid., 34.

71LUFFE, J., Ibid., 523.


73For instance, many of the TANU leaders had been trained in mission in church schools, including Nyerere and Oscar Kambona, the secretary of TANU. HAVNEVIK, K., Ibid., 36.

74LUFFE, J., Ibid., 551.
2.2. Conclusion:

Thus, before independence, the basic class divide coincided with the major ethnic divisions:

1: the white minority was entrenched in the colonial state apparatus/plantation agriculture and the export/import business;

2: the Asians had control over the major part of trade and commerce, crop purchases and sales and other intermediary positions. Most private capital was in their hands. In 1961, there were an estimated 10,000 non-African retailers and 3,900 wholesalers. Of the former, approximately 7,500 were Asians, along with almost all the wholesalers. This is fairly significant considering that there were only 133,000 Asians and Arabs in Tanzania in 1961, as against 9,25 million Africans.\(^{75}\)

3: the Africans constituted the bulk of the agricultural producers, workers and a small group of educated people in civil service, the education system and the cooperative movement.\(^{76}\) State barriers inhibited the movement of Africans into commercial and capitalist production, and even into secure independent peasant production, until the late 1950s and early 1960s. A small embryonic group of commercial and capitalist farmers only then began to emerge.\(^{77}\)

\(^{75}\) Historical animosities between these two population insured that the influence of the latter was limited in the post-independence period. STEIN, H. Ibid, 114.

\(^{76}\) Issues related to tribe did not play a significant role in Tanganyika. Tanganyika’s pre-colonial units had been so numerous, ill-defined and situational that colonial aggregation was equally confused. This was helped to prevent most tribal improvement societies from achieving anything significant, which in turn made their members more receptive to nationalist politics. Moreover, nationalists were fortunate that Tanganyika had no dominant tribe. HAVNEVIK, K.I, Ibid, 34.

\(^{77}\) MBILINYI, M, Ibid, 553.
3. INDEPENDENCE (1961) AND POST-COLONIALISM.

3.1. Nyerere’s Tanzania.

The mainland of Tanzania became independent in December 1961 under the leadership of a politician and philosopher called **Julius Nyerere**. Richard Turnbull was Governor-General, appointed by the Queen of England, and he appointed in theory Nyerere as Prime Minister and his cabinet. Nyerere was appointed as Prime Minister. Contrary to most other colonial states, Tanzania’s handover was peaceful.

Though, one month after the triumphant handing-over power, Nyerere resigned as Prime Minister and Rashid Kawawa took his place in. The motives for resigning can be best be seen by looking how he spent his time. He returned to his home village, Butiama, to think and to write. The result was four pamphlets: the well-known *Ujamaa-the Basis of African Socialism*[^78], the lesser known *Tujisahishe* or ‘Let us Correct Ourselves’ about self-criticism, *TANU na Raia* about race and citizenship, and a paper on imperialism called ‘The Second Scramble’. Then he began to travel widely within the country, explaining to enthusiastic audiences that independence was only the first step to full liberation, which could be achieved by self-help and hard work. He was becoming more and more the **mwaliimu**, the far-seeing teacher, who knows what is right for his subjects.

Let’s focus now on his main paper of 1962, *—Ujamaa the Basis of African Socialism—*, on which he based his rural policy. Furtheron, we will analyse the rural policy of Tanzania from 1961 up till 1967.

As we will see, a factor of most importance is that Nyerere created a unique political system in Tanzania. As the head of both the ruling political party and the government and enjoying immense power under the republican constitution of 1962, thus, Nyerere had the powers and benefits of a parliamentary, presidential and political party supremacy at his disposal.

3.1.1. Ujamaa.

*Ujamaa*, a Swahili word, was first used in a political context by president Nyerere in his 1962 pamphlet *‘Ujamaa—the Basis of African Socialism’*. Surching for a word to describe his interpretation of Socialism, he rejected the word *jamii* and *ujima*, since both had been used to translate the English ‘communism’, and instead chose the abstract noun that comes directly from the word for the extended family; *Ujamaa* as ‘familyhood’. Ujamaa is opposed to capitalism, which seeks to build a happy society on the basis of the exploitation of man by man, and it is equally opposed to doctrinaire socialism which seeks to build its happy society on a philosophy of inevitable conflict between man and man.

In the 1962 pamphlet ‘socialism’ is described as ‘an attitude of mind’. This attitude of mind was concerned with moral obligations, and the rich should work for the greater national good; in this way he reconciled his socialism with the nationalism that brought him to power.

[^78]: In January 1962, he resigned as Prime Minister, ‘to act as a bridge between the people and the new government by demonstrating in practical terms the importance of the Party’. Rashidi Kawawa became Prime Minister; Turnbull remained Governor-General. COULSON, A., *Ibid.*, 1988, 135.

[^79]: *Ujamaa—the Basis of African Socialism* was rewritten five years later to form the basis of agricultural policy after the Arusha Declaration. COULSON, A., 1988, 136.
First of all, Nyerere blames colonialism for moral decline, and he contrasts an ideal pre-colonial society with the contradiction of colonial capitalism. He calls everybody in the traditional African society a worker, as opposed to ‘employer’, but also opposed to ‘loiterer’ or ‘idler’: “The use of the word ‘worker’ in its specialized sense of ‘employer; reflects a capitalist attitude of mind which was introduced into Africa with the coming of colonialism and is totally foreign to our own way of thinking. In the old days the African had never aspired to the possession of personal wealth for the purpose of dominating any of his fellows. He had never had labourers or ‘factory hands’ to do his work for him. But then came the foreign capitalists. They were wealthy. They were powerful. And the African naturally started wanting to be wealthy too. There is nothing wrong with wanting to be wealthy, nor is it a bad thing for us to want to acquire the power which wealth brings with it. But it most certainly is wrong if we want the wealth and the power so that we can dominate somebody else. Unfortunately there are some of us who have already learnt to covet wealth for that purpose, and who would like to use the methods which the capitalist uses in acquiring it. That is to say, some of us would like to use, or exploit, our brothers for the purpose of building up our own personal power and prestige. This is completely foreign to us, and it is incompatible with the socialist society we want to build here. Therefore, we must re-educate ourselves.” (Nyerere 1962)

A different strand in Nyerere’s thinking about the rural areas had been prominent well before 1962. This was ‘villagization’, or the idea that a good life was possible for those who lived in villages, but not for those who lived on small family farms dispersed over wide areas. Nyerere’s speech on becoming President in December 1962 is a mature version of the argument:

“If we want to develop, we have no choice but to bring both our way of living and our way of farming up to date. The hand-hoe will not bring us the things we need today. ...We have got to begin using the plough and the tractor instead. But our people do not have enough money, and nor has the Government, to provide each family with a tractor. So what we must do is to try and make it possible for groups of farmers to get together and share the cost and the use of a tractor between them. But we cannot even do this if our people are going to continue living scattered over a wide area, far apart from each other... The first and absolutely essential thing to do, therefore, if we want to be able to start using tractors for cultivation, is to begin living in proper villages... Unless we do so, we shall not be able to provide ourselves with the things we need to develop our land and to raise our standard of living.” (Nyerere, 1962)

Already here, we can see clearly a contradictory in Nyerere’s writing. On the one hand, he idealises the traditional society (in these days, there was no exploitation of man by man, no aspiration to the possession of personal wealth...) and on the other hand he claims that agricultural progress is only possible with tractors... in others words, there’s an absolute commitment to the modernization theory.

In response to speeches in this style, 'spontaneous settlement schemes' sprang up all over the country. A thousand would have been started between 1960-1963. About half the total were the initiative of the TANU Youth League, with the aim of settling people on the land. Most of the schemes did not last that long because conditions were difficult. Those villages that did survive were held together by the socialist commitment and example of exceptional leaders, and became highly politicized. Most of the rest gave up, and the government concluded that what was needed was more planning, more advice from its 'experts', and more capital investment. This was the main justification for the capital-intensive village settlements schemes of the 1964–69 First Five Year Plan. Since then, decision-making by the
peasants has been reduced to the formulation of aid requests for services the
government might be inclined to provide. The state remained above the reach of the
submerged classes.


With the independence, Tanzania knew a thriving capitalist agriculture, which was
based on plantations, settlers and an expanding class of African capitalist farmers.
Settler farms and plantations were owned by foreigners. The settlers showed their
distrust of the new government by leaving in large numbers from 1960 onwards, taking
much of their capital with them. Because most white settlers left Tanzania, and others
began to diversify or disinvest in agriculture, the resulting decline in capitalist agriculture
and the 1960s crisis of world commodity prices made it economically imperative for
the state to intensify peasant production. The following six years, up to the Arusha
Declaration of 1967, Nyerere’s emphasis on ‘hard work’, and the increased government
control of the agricultural sector would have ensured that sisal production was static
but the main export crops produced by small-scale African farmers continued to
expand, especially cotton, cashewnuts and coffee.

Nyerere was not happy with the agricultural system the state inherited, yet in
1958 he (and the nationalist movement in global) reacted against the foci point
approach the individual land tenure, but also capitalism as a system, which is
contrasted unfavourably with an idealized version of ‘African socialism’ in some
unspecified pre-colonial time and place.

The government regulation of agricultural marketing increased steadily. And a
department of agriculture was started, telling the peasants what and how to produce
for the world market. The objectives for this increased governmental control were both
to increase marketed agricultural output, and to emanate demands by indigenous
growers that they receive the same resources formally enjoyed by European growers,
and beside this, to reduce the dominant role played by the Asian ethnic minority as
intermediaries in trade and crop purchasing. By the end of 1966 twelve national
agricultural boards had been established with either regulatory or advisory or monopoly
functions.

Government control and regulation of the agricultural sector was to increase
further. These policies intended to modify the ethnic and regional imbalances of
commercial agriculture by promoting progressive farmers and mechanisation, however,
they simultaneously increased social differentiation in the rural areas.

Tanzania became independent of Britain 1961, but the British did what they could
to ensure the continuation of their policies. Actually, the post-colonial government
adopted the recommendations made by the World Bank in 1960 which called for the
following strategy if the country was to develop quickly: The ‘improvement approach’
and the ‘transformation approach’. The First Five Year Plan emphasised that the
improvement politics would not require large injections of capital, but merely three main
policies: government promotion of co-operative unions and societies, increased
emphasis on agricultural extension, and community development. It was an attempt to
make available to a wider range of farmers the institutions and services under which
capitalism had prospered during the colonial period. For example, credit was made

80FREYHOLD, von, M, ibid, 82.
81Sisal production was less affected by the departure of settlers than by the dramatic decline in the world price
82COULSON, A, ibid, 1988, 146.
83But it was not till 1971 in “Socialism and Rural Development”, that Nyerere explicitly attacked the peasant who
expanded his farm to 10 or 20 acres as the enemy of equality and a fair system of agricultural production.
COULSON, A, ibid, 1988, 146.
84MBLINVI, M, ibid, 1994, 167.
available to smaller farmers, though large farmers still got the greater share, the Department of Community Development was expanded, in order to influence section of the peasantry (particularly women) who were so resistant to capitalist influence that they refused to give up traditional agricultural practices or diets.

The 'transformation approach' was proposed in the World Bank report of 1960, was accepted uncritically in the First Five Year Plan 1964–1969, and seemed to offer a version of capitalist farming under government control. One form of the transformation approach was the creation of settlement schemes on unoccupied land, where farmers would be given land on condition that they followed rules and regulations that defined 'modern' agricultural techniques. Another form was the development of Tanganyika's river basins for planned irrigation farming (though, there was not a single successful irrigation project in the country). The Five Year Plan accepted the World Bank target of 25,000 acres to be newly irrigated each year from 1970 onwards. The transformation approach required 19 million ponds out of the 28 million of ponds which were to be invested in agriculture during the Five Year Plan.66

The transformation approach seemed to have been a failure. It seemed to offer a version of capitalist farming under government control. Farmers will be given land on condition that they followed rules and regulations that defined modern agricultural techniques. The objective was an increase in production. Though, very little surplus had been marketed, and the settlers had simply exploited the credit made available by the government. Since the schemes were to be 'modern', everything was of the best: houses were built for the settlers, tractors were provided, and so were large quantities of food. There was no need to for them to produce, or even to work. As a result, there have been many cases where heavy capital investment has resulted in no increase output, where the investment has been wasted. And in most of the officially sponsored or supported schemes, the majority of the people who went to settle lost their enthusiasm.

In this early post-colonial period, the development strategy is justified by an appeal to modernization theory. This policy of modernisation was strongly associated with continued dependence on the colonial power, Great Britain, both for civil service manpower and investments. This was partly due to the lack of development of a domestic bourgeois class, the low level of education and weak and externally dependent economic structures. The first Three Year Development Plan, covering 1961–1964, prepared by British civil servant, was largely a compilation of individual capital projects from various Ministries. The emphasis was on modernisation through development of import substituting industries, a policy which was further underlined in the Second Development Plan (1964–1969).

Modernisation of agriculture was to be pursued through continued support for progressive farmers and mechanisation. Investment for this modernisation was expected to come from the British state and from private sources, both local and foreign. Small farmers were left to fend for themselves. The view that peasants are primitive, backward, stupid and generally inferior human beings dominates the rural chapters of both the 1961 World Bank report and the Tanganyikan First Five-Year Plan. Quotations from the First Five-Year Plan illustrate these attitudes and class positions:

"The greater part of Tanganyikan peasant agricultural continues to be characterized by primitive methods of production and inadequate equipment. Yet, significant inroads have been made into the conservatism of the rural population who, as they become organized into cooperatives, respond encouragingly both to the technical advice provided by Government staff and to cash incentives in the form of semi-durable and durable consumer goods. The objective of this kind of policy was the production of cash crops, and was to be achieved by manipulation."

67 HAVNEVIK, K.J., Ibid, 37.
However, things did not go according to plan:

1. Although the government adopted and extended the colonial policy of "settlement schemes", by 1966 the policy as a whole proved a failure and it was abandoned. These post-colonial government-supervised settlement schemes ran into many difficulties including low productivity despite heavy mechanization, poor planning, and failure to repay loans due to the fall in prices of export cash crops. Since the schemes were to be "modern", everything was of the best houses were built for the settlers, tractors were provided, and so were large quantities of food. There was no need for them to produce, or even to work.

2. The country seemed to have less money than anticipated to finance its development projects, and there also occurred a deterioration of rural income. The peasants had hoped that independence would mean higher prices for their cash crops and perhaps less state interference in their own affairs. But none of these came true. The world prices of the cash crops fell and the policy of settlement meant close supervision. For instance, the price of sisal, the country's biggest source of foreign exchange at the time, fell from approximately 100 pond per ton in 1964 to 60 pond per ton in 1967.

3. The Plan assumed a successful "mobilization" of foreign capital, but in 1965 conflicts with Western governments during this early period of independence led to a much smaller and inadequate flow of external resources than was earlier anticipated (cfr. infra).

3.1.2.1. The cooperatives.

We have already talked about the expansion of the cooperative movement after the second World War. After independence, the Government was taking some important decisions affecting the movement. It was decided to embark on a crash programme for the organisation of cooperatives in vast sections of the country which until then were largely untouched by the movement: the central and coastal parts, Mtwara and Ruvuma in the south, and the western areas. The number of cooperatives increased from 857 in 1961 to 1533 at the end of April 1966. The cooperatives became a movement of marketing cooperatives, little attempt was made to organize cooperative production.

The result was inefficient, corrupt, and undemocratic cooperatives. Many of the primary societies were too small to be efficient, (see figure 1), but even then the committee men - often themselves the most successful 'progressive farmers' of the focal point approach - benefited. When the cooperatives became the main vehicle for government credit schemes for small farmers, the committee-men were usually the first to receive the credit, and often avoided repayment. But most of the committee-men made their largest earnings from illegal transactions connected with the cooperative tractor schemes.

In 1964 and 1966 the cooperatives were persuaded by the government to take responsibility for two large fleets of tractors. The accounts showed that on average each tractor ploughed only 125 acres per year and the fleets operated at a substantial loss until the schemes were abandoned in 1969. Unofficially they often stopped on the

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Some notes:

86 The first settlement schemes had been started in the early 1950s. The deliberate aims was to create 'yeoman farmers', who could learn 'modern agriculture' on roably small holdings, but then graduate to 30- or 50-acre farms, which they would own on leasehold, and farm with hired labour and machinery. Uptil 1963, there were as much failures as successes of the settlement schemes. One of the successes was at Urambo where the returns far exceeded those in the ordinary agriculture of the area and the scheme prospered. But the 1963/64 schemes, with the exception of some tobacco projects established by the British-American Tobacco Compagny, were complete failures. And the policy was officially abandoned in April 1966 with financial loss of about 20 million shillings. COULSON, A., ibid., 159.

87 It was decided that the cooperative form was well suited to the African setting and to the achievement of independence in the economic sense, control of the economy by the indigenous people rather than by expatriates and others non-African in origin. COULSON, A., ibid., 1988, 149.
way home and did some private ploughing, for which the driver and the committee member split the earnings.

Figure 1: Cost per ton of cooperative societies by size of society 1967 (shillings)

<table>
<thead>
<tr>
<th>Volume handled per year (tons)</th>
<th>cashew societies</th>
<th>cotton societies</th>
<th>coffee societies</th>
<th>maize societies</th>
</tr>
</thead>
<tbody>
<tr>
<td>more than 2000</td>
<td>22</td>
<td>48</td>
<td>47</td>
<td>14.5</td>
</tr>
<tr>
<td>1000–1200</td>
<td>27</td>
<td>53</td>
<td>52</td>
<td>22.5</td>
</tr>
<tr>
<td>200–400</td>
<td>105</td>
<td>140</td>
<td>90</td>
<td>73</td>
</tr>
<tr>
<td>100–200</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>


Source: COULSON, A., Ibid., 1988, 150.

Thus by the mid–1960s the position of the cooperatives was highly ambiguous. On the one hand, the marketing of all peasant produced export crops and of an increasing proportion of internally-disposed food-crops in Tanzania was handled by cooperatives generally under compulsory marketing orders. Every region had at least one cooperative union and some of the better-off districts had two or three. They have thus the potential to play a wider development role. Theoretically they provided a network of grass-roots contacts, and a structure well-suited to the channelling of new forms of rural credit, which could sustain programmes for providing agricultural advice and for making available fertilizers, insecticides and other inputs.

On the other hand, the combination of inefficiency, corruption and opportunism remained a great problem. And the manner in which salaried officials of the cooperative unions were appointed made the unions undemocratic. Union officials had a large say in the appointment of the salaried staff (cooperative secretaries) of the primary societies, while those who were elected by the primary societies to union committees were liable to be corrupted by the opportunities for earning allowances, or getting credit. With no effective democracy at the primary level, there could be no control over the unions, and probably there could have been no effective local democracy without more emphasis on cooperative production, instead of just cooperative marketing.

So the cooperative movement after independence in no way reduced differentiation; on the contrary, because of its corrupt behavior, it allowed the strong "nizers" to get stronger while taxing the poor through its deductions and cesses on the value of their crops.

3.12.2. The extension service.

Since colonial rule, there are ‘extension workers’, they were a kind of rural police men who arrested and prosecuted farmers who did not follow the Native Authority rules and regulations. Most had only a few weeks agricultural training and many were related to, or appointed by, chiefs. But modern agricultural technology asked a more highly trained extension service. And at independence, extension workers possessed certificates of two-years courses and higher education in agriculture.

90 COULSON, A., Ibid., 1988, 152.
Though, several studies about the extension service concluded depressingly that:  

1. the studies showed the extent to which extension workers and other government staff associated with each other and with the richer farmers,
2. the most extension workers visited an extremely small number of farmers. For instance, of a 32-hour week, about 9 hours were spent on farmers’ farm. The time spent on other types of agricultural work totalled as much,
3. thirdly, there was a limited extent to which the farmers were actually following extension recommendations, and
4. much of the advice given by extension workers was not appropriate to small farmers. For instance, workers were trying to persuade farmers to plant their crops in pure stands, but meanwhile the advantages of intercropping have been realized by agricultural economists, and research stations have proven that a given field intercropped will frequently yield more than the same field divided into two halves, with each half planted with the pure stand. Intercropped fields offer a mix of grains and vegetables whose abundance protects the soil from erosion and physical breakdown while providing symbiotic nutrients between plants. The various crops mature at different times, thus offering a sequential supply of food. This intercropping is not only productive for crops but provide also ground cover which reduces erosion. Moreover, far from being primitive and a drag on growth, African agricultural knowledge offers the strongest hope for igniting and promoting sustained development throughout the continent. The example of intercropping shows that the Northern agricultural ‘experts’ were wrong.
5. similar problems were found in the choice of crops recommended by the extension workers. Often these are not the best-paying crops in the area.

3.1.2.3. Community development.

The idea of community development was to soften up traditional communities who were resisting the cash economy. In words of the First Five-Year Plan:

"Especially in rural areas, even greater reliance will be placed on the Community Development staff to prepare the ground for the reception of the advice and instruction of the technical services by overcoming apathy and attachment to out-dated practices."

Von Freyhold describes it as “the ‘community development officer’ was sent to foster among peasants a desire for higher standards of living and to teach them how they might achieve this out of their own resources, despite backwards agricultural technology. The struggle against poverty and ignorance was presented as one against old traditions and for a more ‘modern’ way of life whose incarnation was the European.”

A community development department was started that told people to adopt more ‘modern’ habits. Much of the community effort was complementary to extension and co-operatives policies: according to the Five Years Plan, the Community Development Department would give the most efficient agricultural producers the honorific title of Pioneer Farmers, and advise farmers on the value and use of co-operative societies as means of marketing their crops and obtaining government credit.

Despite the fact that the government agricultural policies failed, agricultural production continued to rise up to 1967, as seen in figure 2.

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56 COULSON, A., 1988, ibid, 154.
57 RAU, B. ibid, 147.
59 FREYHOLD, von, M., ibid, 82.
Part of the reason for these increases is the continuation of the capitalist expansion which started in the years before independence. This left room for plantations and settlers as well as African capitalists, which were certainly emergent.

The African kulaks were supported in many ways by the government policy. We have already stated above that there was a great extent to which extension workers on other government staff associated with each other and with the richer farmers. The First Five Year plan supported capital-intensive investment, cooperatives, ... On the other hand, however, the kulaks did not provide all the increased agricultural production; there is also evidence that in the 1950s and 1960s there were large increases in the acreages which smaller farmers devoted to cash crops production.

3.13. Conclusion.

The transformation approach, with its emphasis on 'modern' agriculture was apparently not at all successful. Moreover, the advice that was given by so-called experts was not at all efficient and in many cases capital investment seemed to have been capital waste.

The three main policies of the improvement approach have increased government control and regulation of the agricultural sector, not always in an efficient way.

But, despite the fact that the rural policy of the government failed, agricultural production rose. Coulson argues that the evidence suggests that those increases were made with only slight improvements in technique. For small farmers were not averse to technical change, but were simply unwilling to risk capital on unproven innovations. Thus, since technical changes had only a small impact, it can only have been because farmers chose to work harder. This can be associated with the rise and triumph of the nationalist movement. In the last half of the 1950s, Africans began to gain new faith in what they could achieve. The co-operatives were not very democratic, but they were run by Africans. Nyerere and his colleagues toured the country talking of the time...
when the Africans would rule, and within a few years it became clear that this was not far away. When it arrived, everybody expected immediate prosperity, a future for every child. Nyerere realized that he had to counter these hopes for instant prosperity. And so his slogan for the early years was *Uhuru na Kazi*, "Freedom and Work", he taught that prosperity was not immediate, that it had to be worked for. It was hard work, rather than any fact of economics or agricultural science, that enabled agricultural production to continue rising so splendidly for the first five years.

The paradox was not just that most of the government policies failed, and were eventually to return as a burden (through taxation) on the producers. It was that the increases were largely achieved with exactly the type of capitalist production relations that Nyerere so much disliked, but which were, by 1967, too firmly entrenched to be easily overturned by any change in government policy."

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96 COULSON, A., ibid, 1988, 167.
3.2. The Reconstruction of the State in Tanzania.

It is obvious that, with independence, the new state has to consolidate and establish its supremacy and legitimize it. In Tanzania, it was the task of Nyerere to create a state, and institutionalize it so that it would give him the tool to develop a political community with a common political culture within a new state formation; he had to mould a multitude of ethnic identities into a political culture which accepted the state, its power and its legitimacy. National symbols, the role of the party, the language of Kiswahili, which was taught in schools and became the official language, education which involved many young people to live in different regions and to be inter-ethnic, were all attempts to break down ethnic barriers and to create a nation.

3.2.1. The early years and its post-colonial model.

With independence, the independent state inherited a weak capital base as a result of colonial policy. Besides, international capital continued to invest in Kenya. So, the expansion of any significant industrial capitalist class was limited. Moreover, the lack of any serious capitalist representation among the early African leaders limited the appeal to become a new capitalist class (and this is why they prefer state forms of economic control).

On the other hand, the colonial school system created a small educated elite that inherited the state and became the core of the emerging bureaucratic class (cfr. infra). This emerging bureaucratic class (= the future leaders) had some organizational experience in state or quasi-public institutions. Many of them were tied to the colonial state either directly (as civil servant) or indirectly (the large marketing co-operatives and trade unions) through organizations which depended on the state for price of wage approval. Their expertise would become particularly valuable in an economy where the state was dominant. And they had a common belief that the welfare of the nation was linked to the patronage of the state. Of these two categories the former became dominant through a series of struggles in which its more ‘national’ (because statist) character was asserted against the incipient class forces of both labour and indigenes capital (represented in the regional kulak–trader blocs of the few large and locally powerful co-operatives).

From independence on, a governing class began to evolve within the apparatus of the state. Its reproduction and proliferation were tied to the state, and its ability to influence production and capture surplus. Its major asset was its level of education and knowledge of the operation of the state.

Thus, immediately after independence the Tanzanian state was handed over to the new governing class, which von Freyhold calls the nizers (from: Africanizers) and

98For instance, in the 1963 Cabinet, only one of the 15 Tanganyikan ministers was considered to be a businessman; five were local government administrators, clerks, or policemen, four were teachers, three were co-operative leaders, and the other two were labour unions leaders. In contrast, more than one-third of the Kenyan Cabinet consisted of businessmen.
100The colonial state was, in this view, a feasible base, with its monopoly over the marketing of cotton and coffee.
102Confusion is compounded by making any classifications. For there are ruling and governing classes, and also metropolitan, national, domestic, bureaucratic, religious, industrial, administrative, rural, urban, regional organizational, public sector, managerial and political-commercial bourgeoisie. HARRISON, D., ibid., 140. In our paper, govern class will be equalised with the bureaucracy in order to avoid confusion.

Following Poulantzas, von Freyholds analyse of the post-colonial state, more particular the post-colonial state of Tanzania, states that a distinction should be made between the ruling class and the governing class. The former having always been the metropolitan bourgeoisie, while the latter has developed from the colonial
was constructed to perform a variety of functions\textsuperscript{104} for which they had become necessary to the metropolitan capital during the colonial era.

The nizers have taken over positions from the colonial master and existed out of ministers, principal secretaries and directors of the administrative apparatus, the general managers of the larger parastatals, the heads of the appointed party bureaucracy at the different levels, the heads of the repressive apparatus, and relied on their main supporters in the upper and middle ranks of those holding positions within the different branches of the state apparatus while the immediate producers are partly suppressed and partly pacified by the cooption of their leaders into the supporting class and by the provision of services.

The 'governing class' that coalesced through the nationalist movement and the subsequent history of the post colonial state bears the imprint of its original formation within the state, and its initial 'inheritance' of many of the state forms and practices deposited by colonialism, not least those pertaining to state interventions in peasant economy.\textsuperscript{105}

The ruling class which determines the core functions of the state and the actual dynamics of the economy, is the metropolitan bourgeoisie represented in Tanzania mainly by the World Bank, aid agencies of Nordic and other European countries and a variety of transnational corporations.\textsuperscript{106}

It was not clear in what direction the state would evolve, for some of the nizers were reactionary and wanted to become capitalists, others were progressive and wanted to share power with peasants and workers. Following Amilcar Cabral, it is possible that an 'elite' would commit 'suicide' as a class and re-emerge as a vanguard of the workers and the peasants.

Though, according to von Freyhold, it is clear that Tanzania's nizers were not destined to become a revolutionary vanguard. The movement which had brought them to power was not structured in a way which permitted control over the leaders by certain classes nor was it committed to give political power to particular classes. On the eve of independence the nizers were given the right to chart out policies according to their own priorities and their first priority was to remain in power and consolidate this power. In order to do this, they did not dismantle the inherited state apparatus but strengthen it and ensured its dominance in the emerging class struggle against peasants and workers. Of the original nationalist coalition, therefore, that section which was directly rooted in commodity production and private property has been subordinated, leaving a governing class which as a class can only exert any control of the economy through the political means at its disposal. Its programme for the development of a national economy necessarily proceeds though the creation and extension of state property, through acting as capital as well as satisfying the political and ideological conditions of its authority and legitimacy.\textsuperscript{107}

\textsuperscript{104}Administration to the post-colonial State with a sophisticated array of instruments to control society, including the development of a form of state monopoly capitalism. The latter exercises political control in the interests of the former, and she adds the further category of 'supportive classes', who lack control of the state apparatus but nevertheless benefit from its policies. FREYHOLD, von, M., "The Post-Colonial State and Its Tanzanian Version", Review of African Political Economy, Jan-Apr. 1977, re. 8, 75, and HARRISON, D., "The Sociology of Modernization and Development", University of Sussex, Unwin Hyman, London, 1980, 140.

\textsuperscript{105}Their nickname implied that they were first of all inheritors of a position that put them above and against peasants workers.

\textsuperscript{106}Among its notable apparatuses were a treasury with the task of raising internal revenue and of negotiating with foreign donars, a planning department charged with listing projects foreign donars and investors could be expected to support, a department of agriculture, a community development, a labour department, a department of industries, a police department.

\textsuperscript{107}BERNSTEIN, H., ibid, 54.

\textsuperscript{104}BERNSTEIN, H., ibid, 54.

\textsuperscript{105}BERNSTEIN, H., ibid, 54.
In the first years of independence, the governing class still faced great difficulties in consolidating the state and establishing its supremacy:

- internal resources available to the state were meagre and not expected to expand very rapidly,
- metropolitan capital showed little interest in the country whose internal market was very small and could be supplied from Kenya, and
- the state had neither the manpower, nor the internal finance nor the institutions which would enable it to absorb large foreign credit programmes and ensure their success.

Moreover, there was no national bourgeoisie which might have been called upon to support the governing class. Big enterprises such as banks, plantations and larger industrial firms were mainly European owned. The smaller commercial and manufacturing enterprises were in the hands of a bourgeoisie of Indian origin which was excluded from the sphere of nationalist politics. With independence, most of this what von Freyhold calls “alien ‘local’ class” distrusts the new government and left the land. The space left by this class was replaced by economic apparatuses of the state controlled by the governing class and managed by a social stratum of people who owed their incomes and social position to the governing class and were prepared to support it.

Even before the major nationalizations of the Arusha Declaration (see infra), a number of foreign investors and foreign financial institutions had already indicated their preference for joint ventures with the state. The provisions of international finance for economic infrastructure and for the expansion of export agriculture grew at an unprecedented rate.

3.2.2. The growing need of a modification of the post-colonial model.

As we have stated before, with independence, the African leaders developed themselves into a bureaucratic class. This governing class saw the state as the instrument towards the welfare of the nation. And therefore took all functions in its hands, within the apparatus of the state, and did not delegate any of their functions to the people over whom they ruled.

This is why the social support of the new state consisted of an amorphous independence movement that was in the process of decomposition:

- into peasants determined not to allow any officials again to interfere into their way of life and production and disinclined to produce a larger surplus which the governing class so desperately needed to establish itself, and determined to receive the provision of social services, better education,
- into a working class with a well-organised trade union movement determined to push for ever-rising wages and employment opportunities,
- into a petit bourgeois service class whose members wished for rapid promotion and further Africanization were not willing to wait until they were properly groomed to fit into a state that would present itself to metropolitan capital as a serious partner.

However, the governing class transformed the old independence movement into a special ideological apparatus of the state capable of submerging any independent organization of peasants and workers and capable of providing an additional clientele for the governing class.

Moreover, as Havnevik argues, the TANU leadership’s policy of continuing to depend on the former colonial power, Britain, set clear limitations on the speed of Africanization of national institutions.

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104 FREYHold, von M, ibid, 82.
105 FREYHold, von M, ibid, 83.
106 HAVNEVIK, K.J., ibid, 38.
Though, immediately after independence, Nyerere’s replacer as Prime Minister, Kawawa, took a series of tough measures. For instance, Sir Ernest Vasey, the Minister of Finance, and C.M. Meek, the Prime Minister’s principal secretary, were sacked, as were the British officers in charge of the police. The new cabinet gave more weight to the political leaders of the independence campaign: Kambona and Lushinde were promoted, while Mawanya and Kasambala were included in the cabinet for the first time. In the regions, the two fundamental institutions of Cameron’s indirect rule were abolished. Kawawa’s cabinet also ‘nationalized’ agricultural land, and passed a new constitution, replacing the Queen as Head of State by a President, and in December 1962, a year after independence, Nyerere was elected President of the Republic of Tanganyika under this constitution.

However, Africanization measures and social profile of the post-colonial modernisation were insufficient to stem popular demands. The demands of the autonomous and well-organised labour unions came to represent a threat to the post-colonial state.

Many of the moderate union leaders, such as Kawawa, Namfua, and Kamaliza, were cabinet ministers. Those elected in their places not only embarrassed the government over the future of the East African High Commission services, they also campaigned for immediate nationalization of the sisal industry, and for a much more rapid Africanization of the civil service. Despite the fact that the independence deal of Nyerere with Great Britain made all this impossible, the unions had the power to bring vital sections of the economy to a standstill. Therefore, post-colonial state took from 1962 initiatives to subjugate the civil society, and attacks were mainly focused on the labour movement.

In 1962, three Acts were passed, one limiting the right to strike, another preventing senior civil servants from joining unions, and a third giving the Tanganyika Federation of Labour increased powers over its constituent unions.

A few months later, the Preventive Detention Act was passed and this power was used against trade union leaders and traditional chiefs who challenged the nationalist policies. For instance, Christopher Tumbo, the leader of the railway union, was arrested by the Kenyan police in Mombasa, and handed over at the Tanganyikan border; he remained in preventive detention (i.e. without trial), for four years; at about the same time the leader of the Plantation Workers’ Union, Victor Mkello, was confined by government order to a remote part of the country.

In January 1964 the army mutinied, the men wanted more pay and the replacement of their British officers by Tanganyikans (Africanization). Four days after the mutiny began, the army began to negotiate with the more militant trade-union leaders. When this was reported to Kambona and Nyerere they called for British help. The
mutiny was over thirty minutes after sixty British marines landed by helicopter on the hockey pitch outside Dar es Salaam. After the mutiny, the army was rebuilt, an almost completely new rank and file was recruited, and the British officers were replaced by Nigerians, Canadian and Tanganyikans. More than 500 people were detained, including all the trade-union leaders in Dar es Salaam and up-country who were thought to be against the Party.

In February 1964, under a National Union of Tanganyika Workers Act, only one trade union, the National Union of Tanganyika (NUTA), was to be allowed, and creating a single national union affiliated to TANU. The labour union thus lost the autonomous position it had opted for in the anti-colonial struggle. Its general Secretary was appointed by the President, and the membership of this new union was made compulsory for workers.

In 1965 there were some conflicts with Western governments.

There was a dispute with West-Germany as a consequence of the union between Tanganyika and Zanzibar in 1964. East Germany had been one of the first countries to recognize Zanzibar, to provide technicians, and to offer financial assistance. West-Germany was the third largest donor to the mainland, following the UK and the USA. West-Germany, however, operated a rigid policy of refusing recognition to any country that recognized the existence of East Germany. Thus, the union of Tanganyika and Zanzibar created a diplomatic problem: the Zanzibaris had no wish to lose their East German aid and technical assistance, yet, if East Germany was recognized, the mainland would lose its West German aid. Nyerere allowed the East German consulate in Dar es Salaam, but no embassy or ambassador, and refused offers of East German aid for the mainland. After much fruitless diplomacy, West Germans withdrew their military personnel and their offers of financial aid. Nyerere promptly ordered other German technical staff to leave too, bitterly resenting the threat of economic blackmail in the West German actions. The effect of this episode was to refine Tanzania’s policy of non-alignment. Aid would be accepted from anyone who gave it on fair terms and without political strings. An aid donor was not expected to agree with every Tanzanian policy, and acceptance of aid by Tanzania did not imply approval of every policy of the donor.

The second dispute was between Tanzania and the United States, diplomatic relations were not formal broken, though, relations had been marked by such recurring mistrust as to make any major dependency on American aid most improbable. The cause was that Kambona and Nyerere gave credence to various letters which claimed that the US was recruiting mercenaries to overthrow Nyerere and his government. In 1964 Nyerere admitted that the documents were forged, but he did so in a way that was not designed to encourage the continuance of close relations between Tanzania and the US.

In December 1965 the Foreign Ministers of the Organization of African Unity passed a resolution to break diplomatic relations with Britain if steps to crush Ian Smith were not taken at once. No such steps were taken, and five countries, including Tanzania and Zambia, broke off diplomatic relations. In response, the British froze a 7.5 million pound loan which had been agreed in principle but not yet signed.

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18. In 1964, The Republic of Tanzania was formed by the union of Tanganyika and Zanzibar. The 1965 Interim Union Constitution provided for the existence of the two parties, TANU on the mainland and ASP (Afro-Shirazi Party) on the islands. The Union left Zanzibar responsible for its internal affairs. The Vice-President of Tanzania was Karume, he ruled Zanzibar effectively as Head of State, and was assassinated in April 1972. After his death, the two countries became closer and the successor of Karume became Jumbe. In 1977, the two political parties TANU and ASP joined to form the Chama cha Mapinduzi (CCM), the Party of the Revolution.

19. On these lines, Nyerere defended increasing involvement with China: the first interest-free united loan was signed in 1964, and in 1965 Nyerere visited Peking and the Chinese first offered to build a railway from Dar es Salaam to Lusaka in Zambia, COUSLON, A., ibid., 1988, 142.

It was in this situation that in July 1965 a new one-party state Constitution was introduced and the first elections took place. The fact that Tanganyika would become a one-party state was already announced in Jan. 1963, for there had been no opposition to TANU in the 1958, 1959 and 1960 elections. In these multi-party elections, TANU had regularly won almost all the parliamentary seats. In the 1960 election TANU won all the seats except one, which went to a TANU member running as an independent. Hence, the elections had made Tanganyika a de facto one-party state.

Though this electoral system could easily be adapted to a more authoritarian style of leadership. However, Nyerere argued that: "...in the One-Party System, there was one party and that party is identified with the nation as a whole, and that then the foundation of democracy is firmer than it can ever be under a multi-party system which creates factionalism, so that the unity of the nation is undermined." The election was a diplomatic success, being hailed by students of politics all over the world as 'One Party Democracy'. Not much notice was taken of the economic uncertainties, the non-appearance of foreign aid, the failure of the agricultural settlement schemes, the slowness of industrial projects...

The post-colonial state in Tanzania adopted, at least up to 1966, policies which integrated the country and the peasant further into the international capitalist system. Though, by 1966, Tanzania found itself in a socio-political and economic crisis. Indigenous smallholder production increased rapidly in the early 1960s in peasant and small capitalists farms, and helped to offset the decline in the large capitalist sector, but unemployment grew and state revenues dropped because of capita flight from agricultural. Besides, the 'settlement schemes', and the transformation approach proved a failure, but also wage employment was below the 1962 level. Conflicts with the West (Britain, West-Germany, and the USA) forced the government to turn to socialist countries, to Canada, the Scandinavian countries and the World Bank, so as to augment foreign resources to finance agricultural, industrial, and other projects.

This general economic malaise helped to trigger the adoption of the Arusha Declaration of 5 February 1967 which committed the country to the path of socialism and self-reliance without copying any models. Socialism without undue reliance on external resources nor even close ties with the Soviet-Union. This socialism was a experiment to develop a socialist theory that opposed capitalism and eschewed Marxism.

3.2.3. Conclusion.

The post-colonial state in the early independence can be seen as the pursuit of modernisation and development via a variety of channels. The result of the development strategy was, however, growing economic and social differentiation. The undermining of civil society through the politicization of government institutions further weakened the division between state/Party and civil society. Political power made it possible for economic control and the regulatory mechanisms employed by the government to be used for personal enrichment by those in authority. Already in the early years of independence, Nyerere was of the opinion that: "the unity and commitment to the common good which he had seen as a central feature of TANU in the years of political struggle were being destroyed by the scramble of party

\[\text{COULSON, A., ibid, 1988, 137.}\]
\[\text{NGASONGWA, J., "Tanzania Introduces a Multi-Party System", Review of African Political Economy, July 1992, nr. 54, \text{112}.}\]
\[\text{PRATT, C., ibid, 208.}\]
\[\text{HARTMANN, J., ibid, 222.}\]
\[\text{cfr. infra chapter 4.}\]
members for status, income and personal power.” And yet in his Arusha Declaration, Nyerere will state the “leadership conditions” with the objective that enrichment and bad leadership is impossible.

Expectations were falsified, and in the early years there were manifestations of a growing divide between the TANU leaders and the bureaucracy on the one hand and the social base of the nationalist movement, poor peasants and workers on the other. The social profile of the post-colonial policies had been given low priority in the early post-independence period, resulting in a gradual loss of legitimacy of the post-colonial state.

In the first few years of independence, the nizers were apparently preoccupied with the domestication of the trade union movement which was eventually put under state control. The demands of the workers for wages increases was linked with a fraction of the petit bourgeois service class which wanted too rapid promotions. These demands continued to express themselves within the state controlled trade union, within the party and among the students.

The post-colonial state’s legitimacy was further weakened because the developmentalist emphasis emerged at the expense of a democratic and pluralistic civil society and included exclusion or forced cooptation of social groups that threatened the consolidation of the post-colonial state.

The overall result was a marked limitation of the common found that provided the basis for consensus about the path of national development. Tanzania was on its way to a more capitalist organised society, contrary to the ideas for societal development launched by president Nyerere in the early post-independence years. A bridging of the divide between TANU and its social base, required a re-emphasis of the social and distributionist profile of the post-colonial model and the introduction of policies to check or halt capitalist development. Such important modifications came about with the launching of the ‘Arusha Declaration’ in 1967.

It is argued that the working class could not have pushed the nizers into the Arusha Declaration because the working class was too small and too disorganised to have much influence. Though, according to von Freyhold, an alliance between disgruntled petit bourgeois elements and the workers in pursuit of a seemingly more radical brand of nationalism was still a real possibility in 1966. Against this combination the governing class could not have been able to muster the support of any other class since the peasants had no reason to support any of the two contending sides and were in any case hardly part of the political process.

127 PRATT, C., ibid., 17.
128 FREYHOLD, von, M., ibid, 87.
129 HAVNEVIK, K.I., ibid., 42.
130 FREYHOLD, von, M., ibid., 88.
4. THE ARUSHA-DECLARATION AND VILLAGIZATION.

4.1. The content of the Arusha-Declaration.

The Arusha-Declaration was published on 5 February 1967, after a week of discussion and approval by the National Executive Committee of TANU, but was written by President Nyerere, and the ideas and the strategy were largely his. Nyerere's Arusha Declaration was in response to e.g. low foreign aid, drastically falling sisal export prices, agricultural settlement failures, few benefits to the rural population, increasing inequality, and growing unemployment, and the divide of TANU leadership with its social base. The problems of rapid urban growth and unemployment were becoming more and more apparent. Therefore, the time had come to realize that it was sensible to emphasize the need for investment in the rural areas. Moreover, the First Five-Year Plan had seen a lower inflow of private investment from overseas than anticipated and most of what was built by the private sector was capital intensive and brought little employment; thus, a policy which minimized the role of industrial investment also seemed more or less inevitable.

The beginning of the Declaration stated that TANU would build a socialist society:

"The policy of TANU is to build a socialist state", followed by the 'principles of socialism' from the TANU constitution. The last two defined the role of the state:

- ...in order to ensure economic justice the state must have effective control over the principal means of production;
- ...it is the responsibility of the state to intervene actively in the economic life of the nation so as to ensure the well-being of all citizens... and so as to prevent the accumulation of wealth to an extent which is inconsistent with the existence of a classless society.

Then, the Declaration defined socialism as:

1) 'absence of exploitation', interpreted to mean that society does not have 'an upper class of people who live on the work of others';
2) the major means of production and exchange are under the control of the 'peasants and workers';
3) 'the existence of democracy'; and
4) a 'belief' in socialism: 'socialism is a belief in a particular system of living, and it is difficult for leaders to promote its growth if they do not themselves accept it'.

The third and longest part of the Arusha Declaration (the Policy of Self-Reliance) analyses its economic position. It points to the inability of the government to provide all the social services that are requested of it, the need to move away from over-reliance on foreign assistance in development, and it stressed the need to strengthen agriculture and rural development, thereby improving the lives of the majority of the population which earned their livelihood in this sector. It also de-
emphasized the role of industry and urban development, on the grounds that the majority of the population live, and will continue to live, in the rural areas. The only basis for ‘development’ is, again, hard work by the people.

We stated already above that Nyerere was not happy about the fact that party members scrambled for status, income and personal power. Therefore, the core of the conclusion of the Declaration is the five ‘leadership conditions’.

1. Every TANU and Government leader must be either a peasant or a worker, and should in no way be associated with the practices of capitalism or feudalism.
2. No TANU or Government leader should hold shares in any company.
3. No TANU or Government leader should hold directorships in any privately owned enterprise.
4. No TANU or Government leader should receive two salaries.
5. No TANU or Government leader should own houses which he rents to others.

Also, other presidential papers were written during that time. ‘Education for Self-Reliance’ was published a month after the Arusha–Declaration. Faced with a crisis in education and the riots in the University of Dar es Salaam, Education for Self-Reliance was an attempt to reform the educational system so that it would provide useful training for the mass of the population and not just the few who would proceed to secondary education or university.

In September, after another six months, a new rural policy of ujamaa vijini (‘socialism in villages’) was propounded in yet another presidential paper, ‘Socialism and Rural Development’. The latter promoted the concept and policy of ujamaa which implied a commitment to a more collective way of rural production, life and society. And the ujamaa of the 1962 paper was turned into a national policy: from that time on it was the responsibility of ‘every rural worker who understands the objective’ to found or encourage ujamaa villages.

The Declaration was anticipated wildly popular all over the country. Everywhere Nyerere was the hero, the villains were the politicians and civil servants who had been growing fat at the expense of the masses. Spontaneously, people started marching to register their support. Scenes like this had not been seen since independence.

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135 HAVNEVIK, K., Ibid, 42.
137 A leader was defined as follows: “Members of the TANU National Executive Committee; Ministers; Members of Parliament; senior officials of Organizations affiliated to TANU; senior officials of parastatal organizations; all those appointed or elected under any clause of the TANU Constitution; councillors; and civil servants in the high and middle cadres.” COULSON, A., Ibid, 1988, 178.
4.2. The implementation of the Arusha-Declaration.

Although a considerable development of conventional theoretical tools contributing to the sympathetic analysis of collective economies was taking place during the late 1960s and 1970s, Tanzanians and expatriates who had absorbed some western economic ideas made negative pronouncements about collective agriculture. And also in the North, there was the assumption that efficient productive organisation requires private ownership of the means of production, and that co-operative production cannot operate with comparable efficiency. This belief has rested partly on the view that all the members of a co-operative must share the product of their united efforts, whereas the private entrepreneur appropriates the full returns of his labour or transactions. Since the members of the co-operative receive only a fraction of the private producers incentive to effort, he should therefore contribute far less effort, and output can be expected to decline.  

This problem could be circumvented if the individual member ‘loved his neighbour as himself’, that is, if, through altruism or social consciousness, he received as much satisfaction from generating income for others as from appropriating it to himself. Another possibility would be for individuals to view work as a good in itself or as an intermediate good that is productive of social prestige or moral satisfaction.

For succeeding in a collective socialism, you almost have to create a new, more co-operative, and less materialistic man.

4.2.1. Villagization.

The ujamaa villages had in common with their Chinese and Soviet counterparts the existence of two types of production:

1) in collective enterprises at the village, brigade, or team level.
2) on individual household plots, for the intensive farming of private plots has continued to provide collective farm and commune members with quite substantial portions of their crop and cash incomes, in this sense playing an essential role in the entire economic plan.

Similar consideration had also been at work in Tanzanian thinking and experimentation. As Julius Nyerere wrote:

"...[After starting a communal plot] the people would keep their individual plots; the community farm would be an extra effort instead of each family trying to expand its own acreage... the final state would come 'when the people have confidence in' a community farm, so that they are willing to invest all their effort in it, simply deepening gardens around their own houses for special vegetables etc.'"  

The difference of the ujamaa villages with those of the socialist counterparts, is the fact that Nyerere conceived the villages as exercising considerable autonomy in determining the relative sizes of the sectors. If the village assemblies of representative councils were to have power to determine this matter, then there might be far wider variation in the degree of collectivisation in Tanzanian villages than seen in Soviet collective farms or Chinese production temas. Indeed, states Puttermans, if administrative coercion was not brought to bear upon the villages, then collectivisation would take place only at the rate at which those concerned were convinced of the benefits to be had from collective labour.

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139 In the Soviet Union and China, the latter were relatively small in comparison with the collective fields, their sizes having been determined in part by technical consideration and in part by political expediency, but in general being more the outcome of the delivery of collective farm and commune members themselves.
140 Puttermans, L., ibid., 267.
Another difference between Tanzanian and the other two is that considerable variation in household wealth and private land-holding might persist in the former, while they were eliminated before or during the collectivisation processes in other socialist countries.

Nyere’s ‘Ujamaa, Basis for African Socialism’ did not mention expropriation or redistribution of land, but talked of peasants beginning joint undertakings while still maintaining their private farms; such variation was in fact likely to remain. Therefore, however, inequality was often worsened, moreover when the peasants were resettled in or around pre-existing villages were not free access to land on an equal basis with the older residents. Yet, these villages were supposed to be moving towards socialism. Though, differences in wealth were generally respected and often formed the basis for a third production sector existing beside those of the household plots and village projects: namely, a sector of labour-hiring petty capitalist agriculture.

With the villagization, individuals who had formerly worked as independent craftsmen or peasants are gathered into a collective enterprise where no individual owns productive property, and all will earn incomes related to the total enterprise revenue, net of expenses for materials, loan payments, and taxes.

In their original independent employments, incomes of members also were subject to price fluctuation, as they also are in the joint enterprise, however, in the ujamaa his income depends also on the labour of other members. Incomes gave become socially interdependent.

This would, according to lots of economists, demotivate labourers on those villages, because the proceeds had to be shared. However, argues Puttermann, this view is accurate if the payments system is adopted fully communal, that is, if the individuals remuneration is a share of the total which cannot be influenced by is relative labour contribution. Then, in the absence of altruistic motives, social consciousness or love of work, individuals will want to work as little as possible so long as they expect others to do their share. Since the communal distribution rule means that the member receives an equal share regardless of his work level, he will be greatly to shirk.

If the commune is large, for example, then the slacking-off of one individual will have an unnoticeable effect on total output. And in a small group of individuals who recognise social obligation to one another, the concern for the common welfare will act as a check on selfish behaviour. In a larger team, composed of heterogeneous individuals who have less concern about one another, the check would be largely absent. Also in Tanzania, work motivation has been a much more serious problem in larger than in smaller groups. Within the larger settlements formed during villagization, the organization of collective labour by smaller teams appears to be a key requirement for success. The establishment of larger villages, motivated mainly by bureaucratic, service, and infrastructural imperatives, as clearly placed a stumbling block in the path of future collective development.

If, on the other hand, income is distributed according to work done, a pure collective than pay is a fluctuating share, not a fix wage. Once net revenue is known, it is divided by the numbers of work-points and individuals who have earned more work-points thus receive more income.

Though, analyses show that whether or not it does so still depends partly upon the individuals expectation of how much other members will work. This is because the value of the work-points continues to depend on the average net product of labour, or the total net product divided by the total labour input.

160PUTTERMANN, L., ibid, 268.
160PUTTERMANN, ibid, 270.
160PUTTERMANN, L, ibid, 275.
4.2.2. The nationalization-policy.

After the Arusha Declaration, the government announced wide-spread nationalizations, and after 1967, the public sector replaced the private sector as the major modernising vehicle. The day after the Arusha Declaration, the commercial banks in the country were nationalized. The next week, firms involved in grain milling were also nationalized. Insurance business was confined to the state-owned National Insurance Corporation, and the government announced that it would buy controlling interests in seven subsidiaries of multinational corporations.

Barclays and the Standard Bank responded by removing their expatriate staff, but the newly created National Bank of Commerce survived its critical first three months. All the industrial companies except Bata Shoe agreed to sell 51 per cent of their shares to the government. The six largest foreign-owned import-export houses were also nationalized, and in 1970, the President announced that by the end of that year all importing and exporting would be handled by the state. In 1971, anyone who owned buildings worth 100,000 shillings or more (other than the house he or she lived in) found them taken by the government, with compensation paid on a sliding scale which reduced to zero if the property was more than ten years old.

All nationalized enterprises in manufacturing were under the control of the National Development Corporation (NDC), a holding company for state-owned industries.

Many other nationalizations and share purchases took place on a smaller or less publicized scale, including the take-over of butchers' shops, hotels, garages, smaller farms and manufacturing enterprises in Dar es Salaam and other main towns in 1974. In 1976 the governing class actually nationalized the co-operative unions, replacing them by government corporations. Besides this, the governing class began to replace private retail shops by shops nominally under the control of the peasants but de facto controlled by the district administration and state trading organisations.

In less than ten years from the Arusha Declaration, the state had taken a controlling interest in virtually all productive institutions that could easily be nationalized. The state came in a strategically important position to exercise a great deal of control over the functioning of the economy and the direction of economic development.

4.2.3. From a voluntary towards a forced move.

The interpretation of the Arusha Declaration are many and varied. Von Freyhold has argued that it provided the emerging class of bureaucrats, the bureaucratic bourgeoisie, with an economic basis through the nationalisation of industry, trade the banks and the insurance companies. Havnevik on the other hand argues that the Arusha Declaration was based on a broader nationalist paradigm and its primary aim was to change the direction of societal development so that the TANU leadership, the bureaucrats and the social base of the nationalist movement would grow closer together.

144 NAIZIGER, E., Ibid., 70.
145 Two brewery companies, British-American Tobacco, Bata Shoe Company, Tanganyika Metal Box, Tanganyika Extract, Tanganyika Portland Cement. In nationalizing the banks and milling companies, the state took 100 per cent of the assets, while in the case of the manufacturing companies it asked for majority control.
146 NAIZIGER, E., Ibid., 95.
147 FREYHOLD, Von, M., Ibid., 83.
149 In 1965 the private sector accounted for 60 per cent of all monetary fixed capital formation, by 1970 its share had fallen under 30 per cent and by 1973 the public sector was responsible for more than three quarters of monetized fixed capital formation. HARTMANN, J., Ibid., 224.
4.2.3.1. The basically aim of the Arusha-Declaration.

As we have seen before, the policies of the Arusha Declaration emphasised equity and self-reliance and reopened a space for a consensus which was in danger of disappearing.

The simultaneous introduction of the leadership code was, following Havnevik, aimed at controlling the misuse of political powers by party and government. Hartmann argues that the Tanzanian Leadership Code discouraged the development of entreprenership among the educated Africans. On the other hand, Von Freyhold states that the 'leadership code' was nothing more than an attempt to ward off criticisms and strengthen the unity of the nizers. And where Von Freyhold sees the nationalizations as a mean to legitimize the pressure of the nizers on the workers to remain disciplined in their work and modest in their demands, Havnevik argues that the nationalization policies were meant as an effective check on capitalist development in agriculture, industry, banking and trade.

The intention of extending state control over the economy can thus be seen as a means to reestablish consensus or unity within society. Moreover, the nationalizations also opened the way for major increases in the employment of middle and higher ranking Africans and hence laid the foundations for a major expansion of the African middle class. This allayed the misgivings of those who demanded more Africanization.

Party and Government development efforts during 1967-73 were primarily aimed towards the voluntary formulation of Ujamaa villages, force being contrary to Ujamaa philosophy. Nyerere wrote a pamphlet to make it quite clear that ujamaa villages were voluntary:

"No one can be forced into an ujamaa village... For if these things happen - that is if an outsider gives such instructions and enforces them- then it will no longer be an ujamaa village."

And also Havnevik states that, during the period 1967-1972, the policies of moving people into nucleated villages and promoting communal farming were clearly anti-capitalist, involving state appropriation of land and restrictions on the use of hired labour. Discussion and persuasion were thought to be the main methods of implementation. And those who wished to employ force to move peasants were stopped by directives from above, at least once by the President himself.

But shortly afterwards Nyerere seems to have decided that this sort of ujamaa would be both slow and divisive. And so during the next year -1969- there were policy changes which between them legitimised the use of force and led to a national policy of large villages. There was the new policy, the semi-compulsory movement of all the farmers in an area into 'planned villages' usually with 250 or more families.

Also in 1969, the Ruvuma Development Association, an autonomous organisation created in the early 1960s according to the ujamaa principles which Nyerere had formulated, was banned by the party. In 1967 it included 17 settlements and about 400 families. But in September 1969, the headline of The Nationalist informed readers: "TANU to run all Ujamaa Villages". This decision had been made by the TANU Central Committee on the grounds that it was necessary to create uniformity in the developments of ujamaa villages. The police were immediately sent to all the RDA villages to remove all of RDA's property.

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150 HAVNEVIK, K.J. ibid., 43.
151 HARTMANN, J., ibid., 224.
152 FREYHOLD, von, M., ibid., 87.
154 HAVNEVIK, K.J., ibid., 44.
From 1967 to 1973 the number of those living in officially designated 'ujamaa villages' increased from about half a million to about two million, or 15 per cent of the rural population (see figure 3).

Thus, important government policy initiatives through villagisation and supply of social services emerged from the early post-Arusha period. Gains were made in the supply of social services and education, and only limited force was employed in the villagisation campaign. To some extent, the divide between the leaders and the nationalist movement and its social base was reduced. Strikes were permitted for some time with a basis in the TANU Guidelines. But, argues Havnevik, the contradictory emphases in the implementation of the Arusha policies indicate that disagreement had emerged in TANU's leadership, and that those pushing for more authoritarian policies and implementation had been strengthened.  


There was little in the overall economic situation in the early post-Arusha period to give rise to concern. As figure 4 shows, the annual growth of GDP per capita was 2.5 per cent between 1967 and 1973.

**Source:** COULSON, A., ibid., 1988, 241.
Table 2.1. Tanzania: Economic indicators for 1967–1984

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<td>Growth rate of real GDP</td>
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<td>2.5</td>
<td>2.1</td>
<td>0.6</td>
</tr>
<tr>
<td>Growth rate of GDP per capita</td>
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<td>-0.9</td>
<td>-1.1</td>
<td>-2.9</td>
</tr>
<tr>
<td>Ratio of investment to GDP</td>
<td>20.8</td>
<td>20.6</td>
<td>22.2</td>
<td>16.4</td>
</tr>
<tr>
<td>Ratio of net exports to GDP</td>
<td>-2.6</td>
<td>-9.6</td>
<td>-11.4</td>
<td>-7.1</td>
</tr>
<tr>
<td>Ratio of current account deficit to GDP</td>
<td>2.9</td>
<td>-9.7</td>
<td>-11.7</td>
<td>-7.4</td>
</tr>
<tr>
<td>Ratio of debt service to exports</td>
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<td>187.4</td>
<td>261.1</td>
<td>513.1</td>
</tr>
<tr>
<td>Growth rate of real output in agric.</td>
<td>5.6</td>
<td>6.6</td>
<td>9.4</td>
<td>12.1</td>
</tr>
<tr>
<td>Growth rate of real output in ind.</td>
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<td>4.7</td>
<td>-1.0</td>
<td>1.8</td>
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<td>4.7</td>
<td>-10.2</td>
<td>-9.9</td>
</tr>
<tr>
<td>Growth rate of imports</td>
<td>3.6</td>
<td>-6.8</td>
<td>7.1</td>
<td>-16.7</td>
</tr>
<tr>
<td>Growth rate of imports</td>
<td>3.6</td>
<td>2.8</td>
<td>14.3</td>
<td>-8.4</td>
</tr>
</tbody>
</table>

Source: Lele, 1989, p. 25

However, some negative signals were already emerging:
- growth rates in agriculture and industry started to drop at the end of the 1967–1973 period and the trade balance began a continuous negative drop,
- from 1971, at times massive grain imports started,
- the State Trading Corporation (SRC), set up to manage the nationalised import and wholesale trade activities began to collapse by mid-1971. Virtually unlimited borrowing by STC started to strain the entire financial system and problems began to affect other parastatals. Shortages emerged in the supply of foodstuffs, industrial inputs and durable consumer goods.

However, the gradual increase in authoritarianism is not directly related to the decline of economic indicators. The increased authoritarianism should, according to Havnevik, rather be seen as a response by the party to the lack of progress in the implementation of major Arusha policies, in particular villagisation.\(^{156}\)

At the end of 1973 it was decreed by TANU and endorsed by President Nyerere that "To Live in Villages is an Order"\(^{157}\), and "there was a need for every Tanzanian to change his mode of life if rapid progress was to be achieved. People who refused to accept development changes were stupid, if not ignorant or stubborn" (Daily News, November 7, 1973).

From this point, government control and expansion accelerated in all economic sectors, including industry and agriculture, and over what remained of civil society.

And from 1974–76 top priority was given to villagization, this being considered for the time being more urgent than the collective production that is so central to Ujamaa. Anyone who was unwilling to be re-located was 'persuaded' to do so by the army or militia. Villages created during this period were called "Development or Planned Villages" rather than Ujamaa Villages.

The results of the more authoritarian implementation of the villagization policies were spectacular. From 1972 to March 1973 the population in registered villages had

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\(^{156}\)HAVNEVIK, K.J., ibid., 46.

\(^{157}\)BERNSTEIN, H., ibid., 45.
barely increased, from 1980 to 2.028 million. By January 1974, the population in villages had increased to 2.560 million. From the on, as villagization campaigns gained momentum, the speed of movement accelerated dramatically. By June 1975 the number of people living in villages had reached 9.1 million.  

The move was effectively completed by the end of 1976, by which time over 13 million people were reported to be living in villages, a village being defined as a site acceptable to the Party, with adequate agricultural land and at least 250 families. The move was not voluntary and accompanied by the increased use of bye-laws, as numerous research reports make clear. Coulson cites in this context following report of Mwapachu:

"In some instances houses were burnt down when it was realized that some people, after having been moved, returned to their former homes after a few days. But this method was rarely used and in all cases officials concerned made sure that goods and food were removed from the houses prior to their being put on fire. Many more people moved on their own without waiting for "Government assistance". From neighbouring areas, people heard that houses were being put on fire indiscriminately, sometimes with food and goods inside them. So the people decided not to wait for Government help lest a similar catastrophe happened to them as well."

Reports from other regions confirm that a large amount of force, or the threat of force, was used, so that the majority of peasants found it prudent to move first and argue later. And resettled peasants saw themselves as government employees rather than independent farmers. Government took the harvest and paid settler peasants what remained after deducting costs. And beginning 1974–75, the rural economy declined, as peasants resisted by growing subsistence crops and selling cash crops on the black market, a commerce continuing throughout the 1980s (see also chapter 5). Most peasants refused to use fertilisers, because they had little effect on production and increased villagers’s debt. Food production per capita declined 13.6% from 1966 to 1981, while food imports increased rapidly. Moreover, after 1973, crime and unrest increased.

Though, this does not mean that all peasant farmers opposed the move. Many no doubt, saw the advantages of being nearer to roads, or to schools. Others may have had reservation about moving away from land they had farmed for years, but then house movements had been regular events every five or ten years in many areas. So, people got used to those practises.

The V+UV act was passed in 1975 in order that almost 8,000 villages might function as autonomous administrative entities. They must have between a minimum (250) and maximum (600) number of households. Each community settlement had first to be registered as a ‘Village’. Designation as an Ujamaa Village followed when the condition was met that ‘a substantial portion of the economic activities of the village were being undertaken and carried out on a communal basis.’

The law provided for two policy-making and administrative bodies: the Village Assembly and the Village Council, whose members were selected by the Villages Assembly. Village Chairmen and Secretaries are Party Office holders, elected by Party

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158 HAVNEVIK, K.J., ibid., 48.
159 13 million people is, as Verhagen states, the entire rural population of Tanzania with the exception of one to one and the half million people, for the most part semi-nomads. VERHAGEN, K., ibid, 286.
160 Bye-laws had been used extensively by the colonial state from around 1946 to the mid-1950s, but had been allowed to lapse during the 1960s. Their revival occurred in 1974 and 1975. On the 13th of August 1974, this revival was explained by the Daily News: "...They are now being revived in many parts of the country to combat laziness and drunkeness."
161 NAZFIZER, E., ibid, 71.
162 NAZFIZER, E., 94.
163 VERHAGEN, K., ibid, 286.
members in the villages, and since 1978 were full-time salaried officials. Village governments were supposed to draw up annual work plans and targets for agricultural production and infrastructural projects, and to ensure their implementation. It was projected that a number of technical cadres would be stationed in all villages, with a state-appointed Village Manager acting as a kind of ‘Chief Executive Officer’ to the village government.\textsuperscript{164}

The registration as ‘a Village’ enabled the Village Assembly to become a legal entity able independently to contract loans, make purchases, sell crops, ... Therefore, the V+UV Act led to the dissolution of all agricultural cooperatives, and on May 14th 1976, all 1300 primary marketing cooperatives were dissolved, leaving the task of the cooperatives to the Villages. Each registered village acted as a primary society while the Crop Authorities were given sole responsibility for crop purchases, processing and sales. Since the cooperatives after independence were criticized because of mismanagement and embezzlement of goods and cash, they lost the inland marketing monopoly for leading export crops (with the exception of tea) and a considerable trade portion of national food crop production.

The dissolution of all agricultural cooperatives applied not only to 1300 primary marketing cooperatives but also to their umbrella organization at the Regional (=Provincial) level, the ‘Regional Cooperative Unions’. The leading function of the Regional Cooperative Union was to provide services to primary cooperatives in the area of marketing, e.g., transportation of produce, assistance in acquiring and repaying credit, financial control, the storage and processing of crops. Some Unions also had a large wholesale division for the supply of construction materials, agricultural necessities, breeding cattle, and essential consumer items. The Prime Minister’s Order transferred these functions to two sorts of parastatal organizations\textsuperscript{165} which had become increasingly strong competitors of the Unions. As the Crop Authorities were rivalling their predecessors at these practices, functions directly related to crop cultivation were handed over to Crop Authorities.\textsuperscript{166}

All further wholesale operation were shifted to the ‘Regional Trading Corporation’ which were state-owned wholesale enterprises also established at the regional level. In none of them, peasants had a voice. Above all, the sudden termination of the Cooperatives caused widespread confusion in those provinces where, until early 1976, they had fulfilled major economic functions. Buildings, installations, and transport facilities belonging to the Unions were redistributed among Crop Authorities, Regional Trading Corporations, Party and Regional Administration. In some regions, this led to a real scramble, of which the Crop Authorities emerged as the big winners. Yet, in every Region the Authority which represented the leading crop was designated as the only authorized purchaser of agricultural products in cooperation with Villages. Neither the Crop Authorities nor the Villages were able to prepare themselves adequately for their new tasks.\textsuperscript{167} The Villages which were to assume the functions of the obsolete cooperatives, however, were either not yet registered, or insufficiently organized and equipped to perform their task.

One effect of the creation of crop authorities and villages as primary units of purchase was a drastic increase in the unit cost of handling the various crops.

\textsuperscript{164}There has been some resistance against the appointment of village managers. The appointment occurred during March 1978 from a pool of skilled persons already employed by the government, and on rather arbitrary lines. Their salary was equivalent to the salary of a university graduate, although many managers have no diplomas which are comparable in any way. Moreover, many villagers would prefer to see the village managers recruited from the local population instead of appointed by the government. VERHAGEN, K., ibid., 294.

\textsuperscript{165}BERNSTEN, H., ibid., 46.

\textsuperscript{166}Though, cooperatives were reintroduced in 1982 at the primary and regional levels due to the gross inefficiencies of the parastatals. STEIN, H., ibid., 119.

\textsuperscript{167}For instance, payments were frequently delayed or not paid at all. NAFZIGER, E., ibid., 94.

\textsuperscript{168}VERHAGEN, K., ibid., 292.
An additional cost increase occurred because, while most crop authorities were establishing branches throughout the territory, production of their specific crops had begun to fall. For instance, the Cashewnut Authority’s purchases fell from around 140,000 tonnes in 1973 to only 44,000 tonnes in 1978/79. The causes for this particularly dramatic decline were partly associated with:

- villagization, for peasants were removed far from their trees, and
- partly with the introduction of the 1973 price policies which hurt export crops, particularly cashew nuts.

The state tried to force the peasants back to cashewnut production through the introduction of bye-laws, but only succeeded to a limited extent. Instead peasants diverted their labour to more remunerative non-agricultural activities, like charcoal production. Here Havnevik argues that, in stead of retreating into subsistence (in face of stagnation and increased state intervention), the peasants seem to have opted for market oriented diversification, including non-agricultural lines.

Shoa argues that the Crop Authorities are the main exploiters of the peasants. The take-over of the peasant-owned and -run marketing cooperatives in 1968, their abolition in 1976, and their replacement by state-owned and run Crop Authorities resulted in a “truly phenomenal increase” in the share of the export value retained by the Crop Authorities. Between 1969 and 1978, the producer’s share of the export price declined from 70 to 35 per cent in the case of cashew from 70 to 45 per cent in the case of cotton, from 61 to 48 per cent in the case of coffee, and from 81 to 45 per cent in the case of maize. At the same time that export prices rose by 268 per cent. There is thus no doubt that the Crop Authorities have been veritable instruments of peasant exploitation.

This expropriation of value from the Tanzanian peasants has been carried out without any increase in accumulation for the development of industry or infrastructure. The Crop Authorities first take care of their own costs and then pass on what is left to farmers when they determine producer prices. In the absence of competition or free and open criticism from the farmers, these Crop Authorities have become, as we said, extremely inefficient, and their running costs have soared.

Thus, the State Crop Authorities haven’t expropriated surplus from the peasants for the purposes of socialist accumulation, they have served as veritable instruments of disinvestment and dissipation of capital.

The direction and character of state intervention in agriculture in the period after 1972/73, as reflected in villagisation, agricultural marketing, producer price policies and a recourse to legal and coercive methods like the bye-laws clearly denote both a gradual increase in state authoritarianism and a more coordinated approach to intervention. This coordination seems to have been viewed as a means of increasingly necessary due to the need to finance a rapidly increasing state bureaucracy in the face of an underlying economic stagnation.

Although good intentions of the Arusha Declaration are presumed, one can’t help to see that the villagization, nationalisations, Tanzanians’ “socialism”, ... resulted in an increased control of the state apparatuses over civil society.

The period from 1973 to 1978 saw the rise of “statism”. The state had taken control of the major areas of the economy and effectively closed all avenues for popular opposition and participation.

Havnevik, K.J., ibid., 49.
Shoa, J., ibid., 98.
Havnevik, K.J., ibid., 50.
4.2.4. Agricultural and Economic Achievements.

It was claimed that the object of the villagization was to increase agricultural production. But how villagization in itself would increase production was not explained. From 1966 to 1976, total economic growth increased 4% yearly, wage employment 3% and civil service employment 13%. Though, there was a more than 10% yearly inflation rates between the early 1970s and early 1980s. Food prices increased faster than other prices during that period. Between 1971 and 1975, the amount of maize meal that could be bought with a day’s earnings dropped from 15.1 to 5.7 kilograms. Inflation, together with only modest wage increases, reduced real minimum wages 41% from 1963 to 1981.

Although world agricultural prices generally increased after 1970, Tanzania’s severe output cutbacks were spurred by low official producer prices, heavy taxes, and increasingly parasitical marketing and administrative costs. Farmers diverted some crops like coffee into unofficial channels, neglected and abandoned some coffee, sisal, and cashew, and shifted resources from cash crops into subsistence production. Moreover, there was an overall decline and stagnation for marketed agricultural output accompanied, as we have seen, by a marked increase in crops which traditionally belong to the ‘subsistence fund’.

The move involved short term costs and there has also been an agricultural cost in the long run. On the short term, it was implemented in the middle of several very poor years for food production, when Tanzania had to import food worth 1,200 million shillings. Also the cotton production and other cash crop growing would have been directly affected by the villagization. Though the greatly foreign aid for agriculture lessened the short-term problems of production.

On the long term, the soil in areas of cultivation immediately around the new village sites were in danger of getting exhausted, and where there was many cattle there was a danger of soil erosion along cattle tracks and near watering places. In fact in any areas with cattle there were definite advantages in a dispersed pattern of settlement: it ensured that all the available grazing areas and water points are used, while enabling the animals to be stocked near the farmers’ dwelling houses at night to protect them against theft or attack by wild animals. Even with crop agriculture, it was often easier to guard the crops against attack from baboons or birds if the farms house is near the crops.

It may not be forgotten that the villagization program affected ecological zones. It affected as well the highlands, where rainfall is relatively plentiful, and the lowlands and plains which receive relatively less rain and rely on nature to restore fertility to the soil after a few years cropping.

Villagization now concentrated resettlement in new areas of the peasants in the plains and low lands and imposed a new village structure on the peasants in the permanently settled wones of the highlands as well as on the newly concentrated settlements. The resettlement program completely disregarded both the existing fertility conditions of the soil and the necessity for its restoration after a few years cropping. As a result, many people were removed from more fertile to less fertile lands and were forced to stay put regardless of the decline in the fertility of the land after continuous cropping.

Nothing could therefore be more ill-advised than the concentration of people on land which is either not fertile enough or too small to ensure sufficient production for the household.

177NAFZIGER, E., ibid, 94.
174This aid included gifts of food grains in 1974/75 from the US, Canada, various European countries and even small contributions from North-Korea and India. It also included World Bank IDA credits for every crop of importance, and for village plans in Kigoma, Tabora, Mwanza and Shinyanga Regions. COULSON, A., ibid, 1977, 95.
175SHOA, J., ibid, 96.
After the disruption of 1974/75, one should have expected a restoration of production in the next few years as most of the land on the new settlements was virgin and therefore naturally fertile. This is exactly what happened in 1976–79. But after these few years, the land was exhausted, and since the farmers were prevented from shifting to new areas, output went on the limp as indicated by the figures since 1980. The land looks arid, and the government thinks it is drought.

Thus, the ways in which people were moved, and not least some of the sites to which they were moved, in many cases seemed to represent the apotheosis of what Bernstein calls ‘bureaucratic irrationalism’ in its disregard of some of the elementary environmental and seasonal conditions of peasant farming in different parts of the country.\textsuperscript{175}

4.2.4.1. The agricultural crisis.

In the rural areas, the massive policies and institutional changes ranging from mobilization, enforced communalization, physical destruction and relocation of peasants homes, enforced settlements, the disorganization of marketing, the collapse of internal trade and industrial production, the degeneration of the transport system, and the scarcity of basic consumer goods. All this undermined development of an emergent and middle–level peasant community. And peasants sank back into the security of the economies of affection and subsistence, or, as Havnevik states, opted for market oriented diversification. Hartmann even argues that, in this environment of sweeping policies and social transformation punctuated by crisis and shortages of basic necessities and comforts, peace and stability prevailed only because of the absence of powerful classes.

All this resulted finally in the “crisis in agricultural production”\textsuperscript{176}, both of food crops for internal consumption and of export crops for the country’s foreign exchange earnings. As mentioned, the agricultural crisis manifests itself in the extraordinary failure in food production and decline or stagnation in export crop production over the past 10 years. A good idea of the conditions of food production in the country can be gleaned from the sized of food imports/exports, particularly of the principal food crop, maize (see figure 5).

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**Figure 5: External trade in Maize: 1973–1982.**

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<td>--</td>
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<td>-36</td>
<td>-16</td>
<td>268</td>
<td>159</td>
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</table>

**Source:** FAO Trade Yearbooks and UN Monthly Bulletin of Statistics, Various Issues.

**Note:** A dash indicates the amount is zero or is unavailable.

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The situation in food production was at a crisis level in 1974 and 1975 and began its current decline in 1980. The production of surplus maize took place only in 1978 and 1979, and the government quickly sold this surplus to Zimbabwe, Ethiopia, Zambia and Europe. For 1982, the Food and Agriculture Organization (FAO) estimated that the country would require 160,000 tons of maize to make up for deficits, but in

\textsuperscript{175}BERNSTEIN, H., ibid., 46.

\textsuperscript{176}HARTMANN, J., ibid., 224.

\textsuperscript{174}To not just stop in the middle, the agrarian crisis will be exposed till the beginning of the eighties. Although chapter IV is supposed to handle up till 1978.
September 1982, the Minister for Agriculture said that the country would need to import 325,000 tons of food grains to make up for the year’s shortfall. If a region had food shortages, the culprits was as to be drought, so that Nyerere urged the people to grow drought-resistant crops.

The agricultural crisis was not confined to food production but also encompassed the traditional export crops. Sisal declined from an annual production of over 200,000 tons during the decade of the 1960s to 61,000 tons in 1982, and cashew nuts, which grew rapidly from 74,000 tons in 1965/66 to a peak 145,000 tons in 1973/74, declined even more rapidly to approximately 30,000 tons in 1983. During the decade of 1969–1972–1979–1982, the output of cotton fell nearly 30 per cent, and coffee stagnated at approximately the same level. Only tea and tobacco, that started from low bases, showed significant percentage increases over the period. Teas and tobacco peaked in 1976–1979 and have shown a declining trend since.

Tanzanian agriculture is divided into small peasant holdings and large estate farms, the latter both privately and government owned. The government’s basic policy has been to take over some of the large private farms and either maintain them as large state farms or parcelize them into small peasant holdings. At the same time, it has encouraged an expansion in the number of small holdings while preventing an expansion in their size. As a result, large private farms which previously accounted for practically the whole of the sisal output now account for only 50 per cent.

This deliberate miniaturization of landed property is hard to understand in terms of economic logic, for both labor productivity and yields per acre are much higher on the larger farms. Smallholder yields of coffee in Tanzania average about 238 kilograms per hectare while on the estates it is 810 kilograms/hectare. The yields for tea are 450–500 kilograms/hectare on the smallholder farm and 1,300–1,500 kilograms/hectare on the estates.

According to the Structural Adjustment Program (SAP), part of the cause for the recent decline in output has been shortage of labor, shortage of pickers on the tea farms, shortage of cutters on the sisal estates, particularly on those owned by the government. With tobacco the SAP attributes at least part of the blame to the concentration of producers under the villagization program that resulted in an acute shortage of wood for curing tobacco. As well Shoa sees the government policies as responsible for the crisis in agricultural production.

And although major famines are known in the modern history of Tanzania, and also the occurrence of localized shortages and famines were usual, nothing comparable in extent or character to the shortages and famine conditions of 1974–75 and 1980 to date took place. The government of Tanzania sees the major culprit in the drought. The thesis that drought was behind the decline in agricultural production over the past ten years implies that rainfall during this period was substantially below normal, either in amount or in distribution. Though, according to Shoa, the facts do not bear out this thesis.

The amount of rain that fell during the crop seasons of 1973/74, 1974/75, 1975/76, 1977/78, and 1978/79 were respectively 95 per cent, 86 per cent, 94 per cent, 87 per cent, 122 per cent and 138 per cent of the normal. Yet the food crisis occurred in

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198 SHOA, J, ibid, 85.
200 SHOA, J, ibid, 87.
91 In tea and tobacco, the government also encouraged smallholder production while freezing the development of bigger farms. In 1970/71, large tea farms accounted for 75 per cent of the tea acreage, while by 1977/78 this proportion had fallen to 52 per cent but still accounted for 70 per cent of the tea produced, although total acreage had increased by 50 per cent. The large farm acreage remained practically stagnant so that the expansion in acreage is attributable almost entirely to smallholders.
182 SHOA, J, ibid, 89.
1973/74 and 1974/75, was nominal in 1975/76, and nonexistent in 1976/77, 1977/78 and 1978/79.\textsuperscript{183}

If indeed the weather is the culprit, then one would expect that export crop production should have been affected to a similar degree as was food production. In fact, looking at figure 6, the picture is very ambivalent.

Figure 6: Trends in Export Crop Production.

| TABLE 5.3 Trends in Export Crop Production (in thousand metric tons) |
|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Cotton        | 77            | 65            | 75            | 43            | 67            | 63            | 56            | 60            | 59            | 45            | 43            |
| Coffee        | 51            | 55            | 42            | 62            | 55            | 49            | 52            | 52            | 48            | 66            | 54            |
| Tea           | 73            | 11            | 13            | 14            | 14            | 17            | 17            | 18            | 17            | 16            | 16            |
| Tobacco       | 16            | 18            | 18            | 14            | 16            | 18            | 17            | 17            | 16            | 14            | 12            |
| Sisal         | 157           | 155           | 143           | 128           | 105           | 105           | 95            | 92            | 81            | 86            | 74            | 61            |
| Cashew\textsuperscript{a} | 126           | 126           | 145           | 119           | 86            | 98            | 68            | 57            | 61            | n.a.          | n.a.          |

\textsuperscript{a}Cashew: Season, i.e., 1972 figure is for 1971/1972 season, etc.

Source: SHOA, J., ibid., 92.

Cotton went up by 15 per cent in 1974 and then dropped a whopping 43 per cent in 1975, rose by 50 per cent in 1976/77 and then settled down to a declining trend from 1979, while coffee was practically stagnant between 1972/82. The production grew rapidly until 1974, then began to decline just as swiftly, while sisal continued a declining trend which began in 1968/69.

Further evidence against the bad weather theory is derived from the performance of the neighboring countries of Kenya and Malawi, which, if the theory were true, ought to have had a similar experience during the same period. However, when Tanzanians were smarting under food shortages, Kenya and Malawi were exporting staple grains or importing only relatively modest quantities.\textsuperscript{184}

We have already seen that agricultural production declined. The solution, according to the government, was increasing producer prices, implemented since 1975, which would increase production. Though, this ignores the fact that for producers, to respond positively to increases in prices, other conditions must be favorable. Price increases in themselves are meaningless unless the producer is able to increase his margin of profit, improve his standard of living, and expand production.\textsuperscript{185}

Thus, concludes Shoa, it is the government policy which is the root cause of the agrarian crisis. As long as the government refuses to recognize that its policies are largely responsible for the crisis in agricultural production, no amount of foreign aid or adjustment and survival programs or exhortations to hard work will reverse the current trend.

On the other hand, Hyden states that the root causes of the agrarian crisis in Africa and more particular in Tanzania are found in the resilience of the pre-modern and pre-capitalist structures of the continent's rural areas. Besides, the use of rudimentary technology and the lack of variety of production among the units has the following implications:\textsuperscript{186}

- the production of basic necessities is both a full-time occupation and a primary concern of every peasant household. Thence the domestic orientation of each unit of production;

\textsuperscript{183}SHOA, J., ibid., 91.
\textsuperscript{184}SHOA, J., ibid., 92.
\textsuperscript{185}SHOA, J., ibid., 95.
\textsuperscript{186}CHAMBUA, SE, ibid., 38.
the peasants invest so much time and effort in producing the basic necessities that they become reluctant to take any changes including that of adopting new innovations even if this holds out the promise of financial gains.

Herein lies the conservation and the so-called anti-modern behaviour of the peasants. Thus, the peasantry operates according to the law of subsistence rather than the law of value. This peasantry's mode of production gives rise to a specific economy, the 'economy of affection', in which familial and other communal ties provide the basis for organized activity. Still according to Hyden, the state collects taxes from the peasant and various mechanisms have been employed to try to capture the peasantry so as to increase the surplus to be extracted from them, but without success. Consequently, 'the principal structural constraints to development are the barriers against state action created by the peasant mode of production'. This implies that modern development can only take place if the social autonomy of the peasant is removed. But to achieve this, the use of coercion is inevitable. This is, according to Hyden, the main mistake the Tanzanian policies made. For, the government of Tanzania, with its Ujamaa and self-relience, tried to capture the peasantry without coercion. The method used was that of bribing them into producing a marketable surplus in exchange for free social services. But in actual fact, no deal was struck. Whereas the government provided free social services (education, health care, clean tap water, etc.) the PMP (=peasants mode of production) or the economy of affection continued to be predominant. Hence the failure to produce a marketable surplus. The result was the agrarian crisis and the series of economic crises of the 1980s.

Though, according to Chambua, it is erroneous that the Tanzanian peasantry is uncaptured or independent of capital. For it is the creation of colonialism and hence the world capitalist system that indicates that it is not pre-capitalist, and was subsumed by capital from the moment of its birth.

The other reason of the economic crisis following the modernization paradigm was the bad policies pursued by the Tanzanian state. ...the policies of the Nyerere government have effectively destroyed the possibility of Tanzanian capitalism, with socialism not even conceived on the agenda, the only possible result is what Tanzania has today- bureaucracy and stagnation... We have already stated that the modernization paradigm associates development with capitalism. Though, there is no evidence to support the view that the intention to pull out of the capitalist regime was ever realized in Tanzania.

The theorists that favour the WSP paradigm point out that it is not really the state involved in post-colonial African countries involved in siphoning surplus out of the peasantry and in affecting the divorcing/separation of the peasants from their means of production, but also the world system through "contract farming" schemes. In these schemes, the peasants are compelled to sign a contract with a certain multi-national corporation which commits them to cultivate and deliver a specified (export) cash crop on a specific time at a fixed price. In this way, the international firm concerned is able to maintain control over the product and its production without incurring the costs of organizing production as is the case with direct ownership of plantations; better still, there is nothing to be nationalized. So the peasants are part of the capitalist world system. And Tanzanian socio-economic problems are a consequence of her heavy dependence on aid from and integration into the world capitalist system.

Though, we think that the WSP lies to much emphasis on external factors and hence, overdetermination. The world is seen as so determined by those who control the states that it becomes difficult to see how any part can possibly break away.

Chambua argues that the main cause of socio-economic problems lies in the policies pursued by the state, for the roots of the (agrarian) crisis in Tanzania lie in the

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97 CHAMBUA, SE, ibid, 39.
relations of exploitation engendered by imperialist domination of the small peasant as mediated through local classes and the state.\(^{185}\)

4.2.4.2. From 'self-reliant' to 'top foreign aid recipient' in sub-Saharan Africa.

Alongside agricultural stagnation, another important factor came to force the Tanzanian state to rely on new sources for financing its own expansion and maintaining the social profile of the development model. This was the adverse development in the international economy, in particular the oil price increases in 1973 and 1979.

From the mid-1960s Tanzania had sought to scale down its dependence on Britain for external assistance. The introduction of the Arusha policies generated a new sympathy for Tanzanian development, for its emphasis on equality, rural development, and education was seen as an example for other African countries and fitted in with some of the social focus views of MacNamara, former Secretary General of the World Bank, and of many Social Democrats in Europe, and justified aid to Tanzania.

Foreign aid as a share of GDP increased from 7.2 per cent annually in the early 1970s to 12.4 per cent at the end of the decade. As a share of total imports foreign aid accounted for 9.6 per cent and 34.6 per cent at the beginning and end of the decade respectively.\(^{185}\) The rapid increase in foreign assistance to Tanzania during the 1970s, as shown in figure 7, had the effect of compensating for the underlying tendency of economic stagnation and strengthened authoritarian statism, which became the dominant trend from around 1973.

Figure 7: Foreign aid towards Tanzania.

<table>
<thead>
<tr>
<th>Year</th>
<th>Net loans*</th>
<th>Total grants</th>
<th>Total aid</th>
<th>Grants as % of total foreign aid</th>
<th>Technical cooperation grants</th>
<th>Total aid net of technical cooperation grants</th>
<th>Techn. coop. grants as % of total aid</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>23.7</td>
<td>27.5</td>
<td>51.2</td>
<td>53.7</td>
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<td>1971</td>
<td>31.8</td>
<td>30.6</td>
<td>62.4</td>
<td>49.0</td>
<td>23.8</td>
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<td>38.1</td>
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<tr>
<td>1972</td>
<td>16.6</td>
<td>44.5</td>
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<td>34.7</td>
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<tr>
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<td>1981</td>
<td>193.4</td>
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<td>701.9</td>
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<td>176.4</td>
<td>525.5</td>
<td>25.1</td>
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<tr>
<td>1982</td>
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<td>490.2</td>
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<td>181.2</td>
<td>502.8</td>
<td>26.5</td>
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<tr>
<td>1983</td>
<td>164.0</td>
<td>429.9</td>
<td>593.9</td>
<td>72.4</td>
<td>173.9</td>
<td>420.0</td>
<td>29.3</td>
</tr>
<tr>
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<td>429.5</td>
<td>557.8</td>
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<td>24.9</td>
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<tr>
<td>1985</td>
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<td>408.0</td>
<td>486.9</td>
<td>83.8</td>
<td>135.6</td>
<td>351.3</td>
<td>27.8</td>
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<tr>
<td>1986</td>
<td>n.a.</td>
<td>n.a.</td>
<td>680.0</td>
<td>n.a.</td>
<td>260.0</td>
<td>420.0</td>
<td>38.2</td>
</tr>
</tbody>
</table>

* Concessional loans less principal repayments.


Source: HAVNEVIK, K.J., ibid., 55.

\(^{185}\) CHAMBUA, S.E., ibid., 46.

\(^{186}\) HAVNEVIK, K.J., ibid., 52.
A major share of the assistance was invested in the expansion of social infrastructure and education and increasingly during the decade in the expansion of industry, since the announcing of the Basic Industry Strategy in the mid-1970s.

The Third Five Year Plan would have been started when the Second finished, however, at the last moment the Plan was postponed till July 1976. The plan stressed the need to increase food production and to consolidate the villagization. A great deal of thought had been given to the industrial strategy, following the ideas of the Caribbean economist Clive Y. Thomas.

A Basic Industry Strategy means industrializing around the production of a few key intermediate products, produced where possible from local raw materials. Given these intermediate products, most consumer goods can be produced from local resources without the need for substantial additional imported components. Thomas summarized his strategy in terms of two iron laws:

1) first, the structure of production must be made similar to that of demand, i.e. the economy should produce its own requirements, gain foreign exchange by exporting surplus production of those same goods rather than producing export products to satisfy someone else's needs and importing all intermediate and capital goods as well as many consumer items;

2) second, the structure of production should reflect the needs of the masses; it is not just a matter of producing a wide range of semi-luxury items for a minority who can pay for them, with the poor getting worse off. Instead the strategy requires a distribution of income, and a structure of production and employment, in which the poor not only produce the goods and services they need but also have the purchasing power to buy them.

The strategy is expensive, it is intensive in its use of engineers and requires access to modern technology. If the technology is to be imported and paid for without capital from abroad, there is then a need for foreign exchange surplus, effective technical education, and a transfer of resources through taxation or the price mechanism from the agricultural and service sectors to industry. In Tanzanians case agriculture would have to carry a treble burden, earning the foreign exchange, feeding the country, and providing employment and purchasing power for the masses. A real danger would be insufficient food production, since the strategy would grind to a halt if hard-earned reserves of foreign exchange had to be used to import food instead of machines.

Industrial and urban related sectors accounted for 42.4 per cent of the development budget, and agriculture and livestock 13.5 per cent. The Plan spells out the reason for this allocation.

Agricultural development in our present day conditions calls for good organisation in the rural areas involving setting up work timetables and production targets and adhering to them, and not only on making large investments... agriculture has been given top priority although industry will receive the lion’s share of financial resources but this is because a big part of agricultural production does not require government investment and hence will be implemented through the farmers own efforts.

In industry, the Plan suggested small-scale or labour-intensive techniques. In agriculture the main increases were expected to come from intensification of labour and the use of inputs such as seeds and fertilizer without a large share of investment. According to Coulson, while this plan avoided some of the dangers of the second-five year plan (which stated that a rise in living standards was possible from rural development alone without industrialization), it did however not show how the huge

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[HAVNEVIK, K.J., ibid., 52.]
[COUTHSON, A., ibid., 1988, 321.]
[BERNSTEIN, H., ibid., 49.]
problems of mobilizing a food and foreign exchange surplus and then of successfully implementing a basic industry strategy would be solved in short term.\footnote{COULSON, A., ibid, 1988, 313.}

In practice the development effort had become intimately tied up with the diplomatic effort to mobilized abroad. Estimates of the sectoral distribution of foreign aid according to donors' commitments show an increase in the percentage share to industry from 8 per cent annually in the period 1974-76 to 29 per cent in 1977-80, while that for social services went up from 9 to 11 per cent. Agriculture received a decreasing share of foreign aid, registering a drop from 18 to 11 per cent during the same period.

There was an increased attention to industrial development at the expense of agriculture by both the Tanzanian state and its donors. During the 1970s, the share of manufacturing in total investments increased from 10-15 per cent to 35-40 per cent.

President Nyerere, his Ministers of Foreign Affairs and Finance and their officials succeeded in playing one donor off against another.\footnote{COULSON, A., ibid, 1988, 314-315-316.} The Americans increased their aid at least partly to prevent the country becoming a communist satellite.

\(\text{-}\) Another successful move was the creation of banks—notable the Tanzanian Rural Development Bank, lending mainly to co-operatives and villages, and the Tanzanian Investment Bank, lending to industrial and other parastatals. It was not normal practice for foreign governments to give low-interest loans to local private companies, or to individual African farmers, but it was possible for them to open lines of credit to these banks, and the banks could then lend the money either to parastatals or to the private sector.

\(\text{-}\) Western government did not wish to be seen offering all their aid to avowedly right-wing regimes: socialist' Tanzania was a useful corrective. It gave a moral justification to politicians in Sweden, West-Germany and Britain who were criticized for trading and investing in South-Africa. The World Bank needed to legitimize itself by lending to some 'socialist' states.

\(\text{-}\) Another reason for giving aid to Tanzania was its increased strategic and diplomatic importance as the countries of Southern Africa liberated themselves from white rule. Nyerere became the natural leader, strategist, and, at times, moderating influence of the 'front line' states. Increased corruption and political instability in Kenya and Zaire, Idr Amin in Uganda, and left-wing governments in Mozambique, Ethiopia and Somalia made stability and Western influence in Tanzanian appear even more important.

Gerhard Tschannerl suggested however another way of looting at the rapid increase in US and World Bank aid. This is that by 1970 US leaders such as MacNamara realized that in many underdeveloped countries the operation of free enterprise alone could bring neither reliable markets nor a rise in living standards for the poor; it was therefore necessary for post-colonial states to play a role. Tanzania became a kind of laboratory or testing ground for various forms of state involvement. It had a political philosophy that could justify intervention to support the greater good of the masses and a state that was willing to intervene. It was prepared to create new institutions.

Thus, from 1978\footnote{SHOA, I, ibid, 88.} on, the state has relied more and more on foreign grants and donations so that "self-reliant!" Tanzania had become, by 1978-1980 the top foreign aid recipient in sub-Saharan Africa and second only to Egypt on the continent.

The priorities of external aid coincided with those of the Tanzanian state, i.e. the expansion of industry and state institutions as well as the maintenance of the social profile of the development model. The Nordic countries are the main foreign aid suppliers. However, the World Bank is the principal donor of aid to the state. The scale and strategic nature of the involvement of the World Bank makes the World Bank as a
state apparatus in its own right. They seem to have adopted a critically ill patient, but whether this will cure the patient or just ease the pain is an open question.

BERNSTEIN, H., ibid, 49.

It is not easy to explain precisely what Nyerere and the Party expected to achieve from villagization. It is however a fact that the Tanganyika colonial government concentrated development efforts in those areas most developed, and neglected those that did not attract colonial interests. Thus in 1966, regional disparities in GDP per capita were wide. The richest region, Dar es Salaam had a GDP per capita more than 15 times that of the poorest region, Iringa and more than 5 times the mean. Regions compromising the top six, Dar es Salaam, Arusha, Tanga, Kilimanjaro, Tabora and Shinyanga, generated 50.2% of GDP, while the poorest regions, Mtwara, Ruvuma, Singida, Kigoma, Dodoma, and Iringa accounted for only 18.5% (see figure 8). The five main industrial and agricultural estates region (Dar es Salaam, Arusha, Tanga, Kilimanjaro, and Morogoro) accounted for 60.4% of total wage employment.

Figure 8: Tanzania; administrative division 1986.

Source: HAVNEVIK, K.J., Ibid., 14.
With the Villagization from 1967 on, the main arguments were to bridge the gap between regions and to provide over the whole country social services, this would require road transport. Thus, the villages were located around existing social services, such as schools, dispensaries, water points, or trading settlement. The size and the layout of the new villages were based on the economics of providing social services, and not on production; but at this stage it was believed that increased production would follow villagization.

Another aim of the Arusha Declaration was to make income distribution more equal, by cutting or holding down wages and salaries, while emphasizing agricultural programmes in order to increase incomes in the rural areas.

The Second Five-Year Development Plan (1969-74) committed the government to decentralization, requiring improved transport, decentralised construction materials, expanded technical training, market development, primary education, hospitals, and other social services in less developed regions, and shifting industrial development away from Dar es Salaam, the capital, major seaport, and largest city. Yet adding ten regional industrial centres to the five already existing had only limited success, as the lack of power, water, transport, markets, and materials resulted in production delays, interruptions, low capacity utilisation, and losses in the new centres.\footnote{NAFZIGER, E., Ibid., 94.}

4.3.1 Social services.

By 1978, 90% of rural dwellers were living in these new ‘development’ villages, facilitating government providing schools, dispensaries, water facilities, and other social services to the population.

4.3.1.1 Housing.

The government wanted to improve the house conditions in which the Africans lived. Most of all the government focussed on house improvement in urban areas. For in colonial days, the big cities were racially zoned.\footnote{In Dar es Salaam, for instance, the area around the government offices and the seaside suburb of Oyster Bay were reserved for Europeans. The central ‘commercial’ and shopping area and the suburbs of Kisu and Seaview were for Asians. An open space divided the Asian and African areas, and as the city grew, African suburbs sprang up further and further out along the main roads. In these areas housing was ‘traditional’, usually adaptations of the six-roomed ‘Swahili’ house, COULSON, A., Ibid, 1988, 212.} There was a European area, an Indian area and an African area. Outside the old European area and parts of the Asian suburbs, conditions were not luxurious. The government did attempt to improve conditions in the African suburbs, but the resources were never sufficient to make more than a small impact.\footnote{COULSON, A., Ibid, 1988, 213.} For cities (and in particular Dar es Salaam) grew much faster than government built houses or flats, so there was no reduction in overcrowding.

4.3.1.2 Infrastructure.

During the colonial policy, roads were not build where there were already railway lines. So, with independence the government did some efforts to improve road and rail connections. By the end of 1973 there were tarmac roads from Dar es Salaam north to Moshi, Arusha, and the Kenyan border, almost as far as the Rufiji river ferries, and southwest to the Zambian border. Buses ran on almost all roads.

Though, as the city in Dar es Salaam expanded, so did the need for efficient transport, and the city service became so unreliable that companies and even offices purchases their own buses to get their workers to work. The company responsible for the city service purchases as a solution 80 Ikarus buses from Hungary. This was a step backwards from self-reliance.

The story of road haulage was similar. A government corporation was set up with a fleet of Scania trucks from Sweden. Inexperienced management and vehicles
largely untried in Tanzanian conditions again failed to keep much of the fleet on the road.

The importation of private cars was restricted by high import duties imposed in 1970/71, and from 1974 onwards virtually no foreign exchange was made available for the purchase of vehicles by private individuals. Private individuals could buy only old vehicles, at extremely high prices, and this, plus shortages of spare parts, high taxes on petrol, and a prohibition of any driving without a special permit from 2.00 p.m. on Sundays to 6.00 Monday mornings, made possession of a car expensive and often frustrating. Since the worsening of the oil crisis at the beginning of the 1970s, this policy was logical, but it could only have succeeded if accompanied by the creation of an efficient public transport system.

So in general infrastructure improved — roads, railways, bridges, ferries — (see figure 9), there were many problems over its maintenance and operation. For both rural and urban passengers travel road decreased in comfort and reliability in the 1970s, and increased in cost.

Figure 9: Tanzania; roads, railways and main cities.

Source: HAVNEVIK, K.J., ibid., 13.

200 COULSON, A., ibid, 1988, 220.
4.3.1.3. Health.

Three consultant hospitals had been built in Dar es Salaam, Mwanza and Moshi.\textsuperscript{201} From 1972 no more large hospitals were built, but many more dispensaries and health centres. These were distributed so that 90 per cent of the population was within 10 kilometres of some health facility. Population per doctor in Tanzania, a health indicator, ranged from Tanga's 14.725 to Coast regions 11450 with a mean of 22.985. However, regions with few hospitals and high population–doctor ratios, like Coast, generally provided more dispensaries.\textsuperscript{202}

Though in the seventies, there was a trend in which doctors resigned from one of the three large hospitals to set up private clinics where they could treat rich patients for a fee. The government threatened to end private practice altogether, but did not do so until July 1980.

One reason, for example was that aggressive salesmanship was used to import medicaments that were described as having ‘a wide margin of safety’ and could be freely purchased in chemists' shops of Tanzania, while the same medicaments in the United States could only be used as a last resort for patients with terminal illness.\textsuperscript{203}

Contraception was cautiously supported by the government, despite Muslim and Catholic suspicions. A USAID project provided training and drugs, but did not recognize an unmarried woman's right to contraceptives, which were (officially) only available to married women. Schoolgirls who became pregnant were expelled, but college students who became pregnant were allowed to return once they had given birth. A progressive piece of legislation allowed women three months' maternity leave, and enabled most educated married women to keep their jobs. But promotion prospects for women in the civil service or the professions were not good.\textsuperscript{204}

Thus the theory of health care for the masses was correct and convincing in the sense that the health services were much more available for the masses. On the other side, doctors, drug salesmen, importers and behind them multinationals were working against the theory.

Statistics indicate that the government's share of expenditure on health peaked in 1973/74 at 9 per cent of total expenditure, then dropped to 5.2 per cent as an annual average in the period 1978/79 –1981/82 and further to 4.9 per cent in 1985.\textsuperscript{205}

4.3.1.4. Education.

In education, the British generally neglected the African population in favour of the Asian and European minorities.\textsuperscript{206} The exception was the attempt by the British to train a small group of chiefs and their sons, aimed at separating them in class terms from the general population. This is nothing more than the adaptation of the modernization theory, which stands for the belief that only a modern elite can bring progress to the backward population. This school system created a small educated elite that inherited the state and became the core of the emerging, post-colonial bureaucratic class.

Nyerere's 1967 paper 'Education for Self-Reliance' was enthusiastically received by liberal educationalists all over the world; its aim of a 'practical' education as an end in itself, rather than an elitist education seemed to meet the needs of most excolonial countries in the 1960s.

This 'practical' education had various aspects. Children were to be decision-makers on school farms, or other 'self-reliance activities', and in various aspects of the

\textsuperscript{201}The Moshi and Mwanza hospitals had been provided by the West German government, but channeled through missionary organizations; Catholic for Mwanza and Protestant for Moshi; COULSON, A., ibid, 1988, 208.

\textsuperscript{202}NAFZIGER, E., ibid, 168.

\textsuperscript{203}COULSON, A., 209–210.

\textsuperscript{204}COULSON, A., 1988, 205.

\textsuperscript{205}HAVNEVIK, K.J., ibid, 54.

\textsuperscript{206}In 1933, for example, there was space in the system (which was strictly segregated) for 51 per cent of the Europeans of school age, 49 per cent of the Asians, and only 1.84 per cent of the Africans. STEIN, H., ibid, 115.
running of their schools. The school entry age was to be raised, in order that primary school leavers could be old enough for adult work. Examinations would be downgraded. School students would learn cooperative work, and where possible participate in village decision-making. The objective was to change society by changing education.

The means of upward mobility is by acquiring expertise through the educational system. This allows for entry into the ranks of the bureaucratic class. A university education, for example allows members of working and agricultural producing families to upgrade themselves to at least a middle-level position in the civil service. This often means access to reliable sources of commodities at official prices, and such perquisites as housing, transportation, and free meals. Though, this 'practical' education meant a restricted entry to higher education. For instance, the great expansion of the primary system, by 1983 only 2.2 per cent of those leaving high school were getting into secondary schools. With roughly 1,100 new entries into the University each year, only about 0.24 per cent were reaching this level.\(^{207}\) This is also deductible from figure WW where we see that the ratio between the numbers leaving primary school and those going on to a government secondary school have declined, from about 15.7 in 1965 over 18.9 in 1970, to 11.6 in 1975.

However, even though fees were abolished for primary and secondary education, the rich were able to ensure that most of their children had places in secondary school. The ratio became so low that peasants were saying the secondary-school places were for the children of teachers only. If a child failed the primary leaving examination, rich parents could often enable him or her to sit again. If that was not possible, there were private schools where fees were charged. For instance, the number of places in the bottom forms of private secondary schools rose from 500 in 1965 to 5,000, or 37 per cent of the total, ten years later. (see figure 1C)

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Figure 10: Number of students in Private and State Schools 1965–1975.

<table>
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<th>Table 21.5 Numbers in school 1965–1975</th>
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<tr>
<td>Private</td>
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<td>Total</td>
</tr>
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* 1971.
Source: Ministry of National Education.


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\(^{207}\) STEIN, H., ibid., 121.