

1. SUBJECT CLASSIFICATION	A. PRIMARY
	B. SECONDARY

2. TITLE AND SUBTITLE

(196) A critical assessment of the Tanzanian model of development

3. AUTHOR(S)

Blue, R.N.; Weaver, J.H.

4. DOCUMENT DATE	5. NUMBER OF PAGES	6. ARC NUMBER
1977	66p.	ARC TZ309.2.B658a

7. REFERENCE ORGANIZATION NAME AND ADDRESS

AID/SER/PM/PS&CD

8. SUPPLEMENTARY NOTES (Sponsoring Organization, Publisher, Availability)

(In Development studies program. Occasional paper no.1)

9. ABSTRACT

The Tanzanian development model is important to Africa, for it demonstrates it is possible to develop a successful African model of development. This study is an impressionistic assessment of the effort to build an agrarian socialist society which is equity based, village and community oriented, participative and democratic, and which places a high value on human freedom. Although the primary concern is with economic development, development also includes a concern for improving equity, quality of life, and individual human dignity. Development, in this view, may require public policies which try to find some equilibrium between the objectives of economic growth, social welfare and political stability. The report includes the historical background, goals and objectives of the model, and village organization. There is a rightist critique using a bureaucratic perspective, a nationalist perspective, and a free enterprise perspective. The leftist critique argues that Tanzania is a typical case of continuing dependency and underdevelopment. In the final assessment, Tanzania is characterized by an amazing degree of political stability on a continent characterized by political instability. The level of dedication to development appears extraordinarily high. The government is also relatively honest.

10. CONTROL NUMBER	11. PRICE OF DOCUMENT
PN-AAC-963	P = \$7.75 M = \$1.00
12. DESCRIPTORS	13. PROJECT NUMBER
	14. CONTRACT NUMBER
	AID/SER/PM/PS&CD
	15. TYPE OF DOCUMENT

REVISED EDITION

DSP OCCASIONAL PAPER No. 1

A CRITICAL ASSESSMENT OF
THE TANZANIAN MODEL OF DEVELOPMENT

by

Richard N. Blue *

&

James H. Weaver **

* Director of the Development Studies Program
U. S. Agency for International Development

** Professor of Economics, American University

The views expressed herein are those of the authors only and should not
be attributed to the Agency for International Development.

REVISED EDITION

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

June 1977

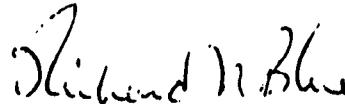
DSP OCCASIONAL PAPERS: an introduction

The Development Studies Program was established in 1975 to help improve the capability of this Agency to carry out the new emphasis on rural development in our legislation. Over 170 AID officers have gone through the program and many more will be reached in future sessions.

Our purpose is to stimulate and continue a dialogue on how better to do our job of improving the quality of life of the rural poor in the developing countries.

One way in which the DSP will help with this task is by circulating a series of Occasional Papers which grow out of the program. These Papers will include the work of the participants, faculty and outside speakers who contribute to the program. They will be circulated to former participants and others who are interested in the development process.

We welcome your comments, suggestions and contributions to the series.



Richard N. Blue
Director
Development Studies Program

I. INTRODUCTION

We wish to make two points, initially. First, this is designed to be an impressionistic, but relatively comprehensive, analysis of the Tanzanian model of development. The paper is based on impressions we gained in recent working visits to Tanzania. We had read the most widely available studies of Tanzania prior to going there, so our thinking was influenced by this earlier reading. But, this is not an exhaustively researched, and comprehensively footnoted analysis. It is, to repeat, impressionistic. It is a reflection of the way we see Tanzania today after traveling and talking with many Tanzanians, (in and out of government), university professors, foreign aid donors, U. S. Government officials, etc.

Second, we do not pretend to be value-free social scientists. We have been very favorably impressed by what is being attempted in Tanzania. We are convinced that Nyerere is one of the most creative thinkers on the subject of development in the world. We believe the effort to build an agrarian, socialist society that is equity based, village and community oriented, participative and democratic, and which places a high value on human freedom is one of the most important experiments in the world today.

Indeed, in some ways the Tanzanian model is more impressive than the Chinese model. For, although Tanzania has been much less successful than China in the economic sphere, the Tanzanian model contains, to a greater degree, the desirable elements of political competition and a regard for individual liberties.

The model has obvious importance in Africa. Nyerere is widely respected throughout the continent. In fact, he is probably the most widely respected man in Africa today. Even the Tanzanians' enemies seem secretly to hope that the Tanzanian model is successful--so as to demonstrate to the world that it is possible to develop a successful and "authentically African" model of development.

But we think the model may have wider implications than for Africa alone. It may ultimately be important in an evolutionary sense, if mankind is to evolve some way to live together in a humanly satisfying and ecologically sound system.

We have tried to be objective in assessing the results of this experiment. We have tried to be honest in presenting the facts and in letting the facts speak for themselves. Nevertheless, we think it is important that our biases be stated at the outset in order that the reader can weigh those biases in evaluating our conclusions.

II. BACKGROUND

Tanzania may best be described in a holistic fashion at the outset by focusing on seven sets of variables. These are: the ecological base, technology, economic, political, cultural, social and governmental institutions. Each of these variable sets interacts in a dynamic way to produce change. Historically, the relationships between resources, technology and economic institutions have been key factors in bringing about change. What is of interest in the Tanzanian case is the conscious effort to fundamentally alter this historic pattern by introducing institutional change as the key agent of social transformation.

Ecological System

The physical resource base for Tanzanian development has been perceived as quite bleak. Although there is a land area of 365,000 square miles, only 60 percent of this area is arable and much of that area is not habitable because of the widespread tsetse fly. There have been no proven deposits of any of the minerals necessary for industrialization, however, the Chinese have recently begun development of coal and iron ore. Shortage of rainfall for agriculture is a chronic problem and soil erosion is a problem in parts of the country. The new Tanzam Railroad has opened whole areas of the country for mineral and agricultural development. There is considerable potential for hydroelectric power, and the potential for fishing in the enormous lakes is largely untapped.

Technology

Little technological change occurred under colonial administration. Cash crops such as sisal, cotton, tea, coffee, cashews, etc. had been introduced into high-potential areas, and these were generally grown on large, expatriate-owned plantations, which may or may not have introduced new production technologies. These plantations were essentially enclaves and had few spread effects into traditional agriculture, which, at the time of independence, was (and still is) largely, family-operated plots employing labor-intensive, hand-cultivated, subsistence-type production, and using traditional seeds and traditional agronomic practices. There are still no regionally specific tested and proven new, profitable technological packages of inputs for increasing production of most food crops, with the exception of upland maize.

Economic Institutions

Labor

Tanzania had a population of 10 million people in 1961 when independence was obtained. The population growth rate is 3.0 percent per annum and the 1975 population was 15 million. Approximately 90 percent of the population lives in rural areas and is engaged in agriculture. Life expectancy is approximately 47 years. The infant mortality rate is approximately 150 out of every 1,000 live births. Approximately 85 percent of the population is illiterate. As late as 1964--when the first five-year-plan was launched--there were only 630 secondary school teachers in the country and only 20 of those were Tanzanians. There was, of course, no

university in the country in 1961. Three-fourths of the senior and middle-grade civil servants were expatriates in 1961.

Land

There is an abundance of land--the population density is only 42 people per square mile, but a great part of the country is simply not habitable. Virtually all land is owned socially and is considered belonging to a person as long as he uses it. Land tenure seems reasonably secure.

Capital

In 1961, there was very little by way of productive capital in Tanzania. The transportation network had been established (primarily, rail) on the traditional colonial pattern, which was to extract the surplus from the hinterland and transport it to the seaport and from the seaport to the Mother Country--first Germany (until 1919) and then England.

Entrepreneurship and Exports

Europeans have dominated all major business and industrial activities and Asians have dominated retail trade. Local entrepreneurship was pretty well stifled.

Tanzania exports primary products. In 1973, coffee exports were \$70 million, cotton \$47 million, and diamonds \$23 million. Total exports in 1975 were \$368 million, 27 percent of which went to European countries, 19 percent to other African countries, 8 percent to the United States,

7 percent to communist countries, and 39 percent to the rest of the world.

One potential for increasing foreign exchange earnings is tourism. Mount Kilimanjaro, the Serengeti Plain and the Ngorogoro Crater are acknowledged to be three of the greatest tourist attractions on the African continent.

However, up until now, Tanzania has been ambivalent toward tourism. After heavy, initial investments in hotels and the Kilimanjaro airport in the 1960's, official policy turned away from tourism. Nyerere has stated that he does not want rich tourists parading their wealth and luxury before the population, while turning the Tanzanians into a nation of waiters and porters for the wealthy Europeans and Americans. So, the one potential source of foreign exchange has been reduced by a conscious deliberate governmental policy.*

As a result of combining all these resources, a per capita income of approximately \$130 per year had been achieved by 1975. This meant that Tanzania was one of the poorest countries in the world. Tanzania was also, according to UN calculations, one of those countries most seriously affected by the petroleum price increases of 1973. Per capita income had been increasing at approximately 4.5 percent per annum from 1960 to 1965, 6.7 percent from 1965 to 1970, and 4 percent from 1970 to 1974. (The rate of increase fell markedly in the drought years of 1973-75.

* There are signs, however, that the tourist issue is being re-examined. In 1975, the Tanzanian government hired an American expert to advise the government on improving tourism in Tanzania.

Political Institutions

Tanzania is a one-party state. TANU--Tanyanikan African National Union--led the struggle for independence and has shaped the political life of the country since independence.* Considerable competition exists for leadership positions within the party and before the electorate. During the 1965 elections, almost a third of the members of Parliament were ousted, including several members of the Cabinet. This pattern continued in the 1970 and 1975 elections. Within clearly defined constraints, Tanzanians are apparently quite active politically and the level of political awareness is increasing. TANU is the only non-governmental institution which helps to link the rural population to the nation. It is an important institution for national integration.

Religion

It is difficult to estimate the percentage of the population adhering to the different religions in Tanzania. Some reports suggest that a majority of the population is Muslim, but the degree of understanding of and commitment to Islamic law and institutions varies widely. The rest of the population belongs to Christian and other groups. Access to Christian missionary schools was an important factor in advancing the literacy and employment opportunities of those in the highland areas.

The contribution of religious values to Tanzanian development is mixed. Some would argue that religion is largely a conservative force,

* The name was changed in 1977 to the Revolutionary Party when TANU merged with the Zanzibar party.

slowing the drive to socialism, but not very effectively, while others would point out that many of the progressive leaders of Tanzania have missionary school backgrounds.

Tribal System

Tanzania is fortunate in that there is no dominant tribe which has taken over the instruments of power as has happened with the Kikuyu in Kenya. Although mention is made of the Chaggas in northern Tanzania as the most aggressive tribal group, tribalism has not been a major source of political cleavage in the country, in marked contrast to Kenya.

Social Classes

Traditionally, Europeans dominated the powerful social, political and economic positions. Since independence, most land and most major business and banking institutions have been nationalized. Many Europeans remain and obviously exert influence in the society. Asians, primarily Indians, have also had positions of economic power as a result of their domination of trade. Tanzanians have achieved power through two routes-- the civil service bureaucracy and through successfully engaging in commercial agriculture, particularly export crops. The dominant social group in the society today would appear to be the governmental and parastatal (semi-autonomous, governmental enterprises analagous to the Tennessee Valley Authority) administrators, who have gained access to higher education and very scarce technical and administrative skills. The army plays an ambiguous but decidedly subordinate role in the society. (Although it should be noted that in the unstable environment of southeastern Africa, Tanzanian defense expenditures may be expected to increase

at a fairly high rate.)

The fact that the elite were mostly Europeans may have made massive re-distribution and reform easier than it has been in other societies. It was easier to take over the land and businesses of the Europeans after independence than it would have been had the owners been Tanzanians. Thus, the transition to socialism in Tanzania has, to date, been remarkably non-violent.

Administrative Structure

Since independence was won peacefully, there was no revolutionary government formed on an alternative model, as has happened in China, Mozambique, North Vietnam, etc. The Tanzanians inherited a colonial administrative structure, a colonial educational system, a colonial health system, a colonial tax system, etc., which were designed to carry out colonial objectives and to perpetuate colonialism. Since no alternative structures had been built up, Tanzanians moved into these existing colonial institutions and tried to expand them in order to provide more of the same kind of education, to build more hospitals, etc. At first, they did not question whether the education or the health services were appropriate for Tanzania. As Nyerere argued in a recent talk in Mozambique, Tanzanians thought,

"The task was to let the people with black faces do the work previously done by people with white faces. The independence struggle had not demanded a fundamental change in thinking. It had not been a revolutionary experience."

The fundamental change in thinking to which Nyerere referred has been gradually taking place over the years since independence was gained. The new thinking is embodied, primarily, in two sets of documents: the Arusha Declaration of 1967 and the Mwongozo of 1971.

III. GOALS AND OBJECTIVES OF THE TANZANIAN MODEL

Tanzanian leadership, under Nyerere, is attempting to build a society which will overcome or bypass some of the major problems of modern and modernizing societies, whether they be socialist or capitalist. Tanzania represents a remarkable experiment in the reordering of human values and relationships, exceeded in scale, if not in purpose, only by the Peoples Republic of China. In choosing a socialist approach, Tanzania hopes to achieve both growth and equity. It is unwilling to accept as historically necessary a development pattern which sacrifices equitable distribution of wealth to economic growth.

Nyerere and TANU have departed from the notion that socialism is simply a more efficient means of producing a high material standard of living associated with an industrialized society. Rather, they advance a model of an economic order based on an agrarian society, with limitations on the accumulation of material wealth, but capable of providing an adequate level of material existence for all citizens. They hope to avoid, and prevent, the emergence of social classes and invidious patterns of distinction between elites and masses. Their vision of the new society has little room for either the capitalist elite or the elite based on state bureaucratic power. Instead, TANU ideology foresees a social and political order of moral and group, material incentives, leading to a condition of equality, freedom, and essential, material well-being for all people.

Two specific documents address this vision in greater detail, the Arusha declaration and Mwongozo guidelines.* The Arusha declaration of 1967 contained two major strategies for achieving the goals laid out above. First, private ownership of industry would be abolished and replaced with state ownership. Second, private ownership and control of agricultural production was to be constrained and replaced by collective ownership and production of agricultural products within the framework of the Ujamaa village.

The Mwongozo leadership code goes beyond the Arusha declaration in that it addresses more explicitly the problem of control and leadership in all aspects of society. Specifically, the Mwongozo guidelines decree that the mode of leadership in the society must change from the individualistic to the collective in politics, government administration, industrial and agricultural management. This will mean workers' councils, sharing of managerial responsibilities between the bureaucratic and the elected political leadership, and the active participation of small farmers, in the planning and execution of agricultural and rural development. Second, it means the establishment of a peoples' militia, the primary purpose of which is to assist the army in defense, but which provides TANU with a unique opportunity to enhance the political consciousness of Tanzanian youth. Third, the guidelines offer a concept

* (It should be emphasized that these documents are in many respects moral and ethical principals for public behavior and are not descriptions of reality. To call the documents utopian is to miss the point.)

of development that goes considerably beyond the notion of expanding productivity and the creation of new institutions. The critical aspect of development is the expansion of political consciousness toward freedom, personal independence, and responsibility. It is a revolution of attitudes which, it is hoped, will produce a thoroughly democratic society.

Tanzania's long-term goals are thus well laid out and will probably remain the same for the foreseeable future. These goals can be broadly summarized as socialism and self-reliance. Tanzanian socialism means achieving equity and participation.

The goal of equity has ramifications for the ownership of property, for the distribution of income from labor, and for the distribution of public services. The goal is to achieve equity in all these areas without regard for place of residence, urban or rural, rich or poor region; whether in large or small enterprise, public or private enterprise. In addition, the Tanzanians want to achieve equity between generations so that no generation must be sacrificed, in order that another generation may have a better life.

The second goal of participation also has many ramifications. It implies more than the traditional meaning of political democracy--the choice of who governs and the capacity to influence political decisions. In the Tanzanian context, participation means both traditional political democracy and participation in the decision-making process at the workplace. It means worker self-management in the factories, firms and farms, it means new and egalitarian relationships between managers and workers

and it means new interpersonal relationships based on courtesy, not deference.

A third goal is self-reliance. This means an elastic supply of wage goods and critical raw materials. It means a reasonable symmetry between the country's ability to produce and consume basic goods. It means a minimum of external disequilibrium, i.e., the ability to finance imports from exports so as to minimize dependence on capital flows to finance imports. In short, the government wants the capacity and capability to supply its people with food and water, clothing, housing, and education.

The Tanzanians have chosen to pursue these long-term goals through active intervention of government. Nationalization of productive property, establishment of Ujamaa villages, and other aspects of the model have been the means to achieve equity, participation and self-reliance.

There are many contradictions in formulating these objectives. There may be a contradiction between equity and the rapid economic growth which is required in pursuit of self-reliance. There may be contradictions between growth and participation. Tanzania's efforts to achieve these sometimes contradictory objectives must be seen in a comparative and historical context.

Tanzania is still largely a subsistence economy. The division and specialization of labor are still very rudimentary. To increase division of labor and specialization requires incentive systems. Some part of these incentives must be monetary in character. This brings about growth. It also brings about inequality. Thus, the dilemma.

IV. HOW SUCCESSFUL HAS TANZANIA BEEN IN ACHIEVING THE OBJECTIVES OF EQUITY, PARTICIPATION AND SELF-RELIANCE?

Nyerere has been the President of Tanzania for almost 20 years. He has been able to develop a mass party and an impressive leadership capability. The TANU party is the most influential institution in the country, and is actively working with the Tanzanian people at all levels. There are several promising lieutenants who have emerged around Nyerere, but there are also factions within the party. One observer has characterized the factions as the ideologists, the opportunists, and the pragmatists. It is neither a disciplined party nor a vanguard party on the order of the Communist Party of China. Nevertheless, it is a fairly effective vehicle for mobilizing people and for communicating people's wishes to the leadership.

Nyerere is an egalitarian. In fact, he is almost utopian in this regard. He is egalitarian in the political, economic and social areas. His view of liberation is a humane society in which nobody exploits anybody. The government is serious about equalizing incomes and standards of living, and this has led to a real emphasis on rural development. For example, a World Bank study found that in 1969, average urban incomes were 130 percent of average rural incomes but that by 1973, urban incomes were 190 percent of rural incomes. When this information was made available to the government, several policy changes resulted.

Prices of farm commodities (which had been held constant for some years and were considerably below world market prices) were raised significantly, and were passed on to urban consumers. Now farmers are no

longer subsidizing urban residents with cheap food. Within 18 months, the urban-rural index fell from 190 back to 130.

Tanzania has pursued policies aimed at achieving equity within the urban and rural sectors and between these sectors.* Measures to reduce the wage/salary gap in urban centers include the 1966 freeze on wages of the top-earning groups, the imposition of a minimum wage, fringe benefit controls, a highly progressive tax structure and taxes on luxury goods. These efforts have reduced the pre-tax income differential from 70 to 1 in 1961 to 15 to 1 in 1974. The post-tax ratio is even more impressive and now stands at about 9 to 1.

Urban minimum wages increased by about 250 percent in money terms and about 100 percent in real purchasing power between 1961 and 1974. During the 1970s, the purchasing power of the poorer one-half of urban workers increased relative to the richer one-half. Reginald Green has cited the increased demand for meat, sugar, wheat, flour and low cost shoes as evidence of the improved purchasing power of low income groups.

In the rural sector, there has been comparable income improvement. The policy of rural minimum wages improved the purchasing power of plantation and construction workers by approximately 100 percent between 1961 and 1974. For the peasant farmer, the government has provided subsidized inputs and access to health, education, water, etc.

* Our analysis of income distribution is based in part on Reginald H. Green, "Tanzanian Goals, Strategies, Results: Notes Toward an Interim Assessment", Institute for Development Studies, Sussex, England (Xerox).

Our overall impression is that the equalization effort has been successful. Absolute poverty and gross inequality between workers in both urban and rural sectors has been reduced. Moreover, the income and welfare equalizing measures are long range in their effect. These measures are being built into the very fabric of the Tanzanian economy and polity.

In addition to the data on income distribution, we would add our own impressions. In comparison to other underdeveloped countries in Africa, Asia and Latin America, where we became accustomed to seeing masses of poverty-stricken people in the cities and rural areas, the striking thing in Tanzania is the absence of such people. We were able to travel freely, and the people we saw looked relatively well-fed and well dressed. We saw few beggars on the streets of the cities, nor did we see little children with bloated bellies and ribs sticking out in either the cities or the villages. We saw no extensive slums, and we also noted that almost all school-age children wore school uniforms.

The converse of this was the almost total absence of luxury goods. There are very few cars. There is a great shortage of luxury foodstuffs. The Kilimanjaro Hotel is one of the very few islands of luxury in the capital. The road to the airport has been filled with potholes for years.

Tanzania knows the meaning of income equality. It means that everyone has access to basic necessities, but the rich are denied most of their luxuries. This is in stark contrast to the pattern seen in Kenya, India, the Dominican Republic, Jamaica, etc.

In our opinion, Tanzania has been relatively successful in achieving its goal of equity; less successful in achieving the goal of growth. The government of Tanzania is a very tough government. It is also very serious about development, and it wants rapid economic growth. But this growth must be accompanied by equity. The government is also clearly socialist. The government wants to control the commanding heights of the economy, and it is also pledged to democratic participation in rural villages, factories, estate farms, retail firms, etc. Moreover, the government wants to be self-reliant--to be somewhat insulated from the world economy.

The idea of a New International Economic Order is taken very seriously by the Tanzanians. The oil crisis and the world stagflation of the 1970s severely battered the Tanzanian economy and they were helpless--unable to protect themselves against the serious deterioration of their terms of trade. They were also unable to prevent importing inflation as their import prices skyrocketed.

The economy has not picked up steam since 1967-68 despite sharply accelerated savings and investment. Annual levels of capital formation increased from TSh 807 million*, in 1964 to TSh 5,619 million in 1971 in constant prices. Thus, the percentage of GDP invested grew from 14 percent in 1964 to 27 percent in 1971. This rapid increase in the rate of investment triggered a growth in GDP which averaged 4.8 percent per annum between 1964 and 1974. However, this very respectable rate of overall GDP growth masked what was actually happening in the economy. The basic

* \$1 = 8 Tanzanian shillings.

productive sectors were not keeping pace. Agricultural productivity increased only 2.6 percent per annum between 1964 and 1974, which was slightly less than the growth rate of population. So, per capita output of agricultural products was actually falling.

The growth of GDP can be seen to be largely due to the growth in services. Public administration and other services grew from TSh 658 million in 1965 to TSh 1,294 in 1974 in constant dollars. This reflected an increase from 10.9 percent of national income in 1967 to 16 percent in 1975.

One of the most obvious explanations for the slow growth rate in agriculture and industry is the low level of investment in directly productive activities. Agriculture, industry, and mining received only 24 percent of fixed investment during the period 1966-1972. In addition to this low rate of investment in productive activities, there was also a slow rate of productivity increase. Output per worker in agriculture was stagnant between 1967-1973. Output per worker in manufacturing fell from TSh 18,071 to TSh 16,540 from 1967 to 1974.

This is the background against which the recent serious setbacks must be seen. In 1973-75, Tanzania was hit by a combination of drought, high oil prices, and world stagflation. During 1973-74 there was, approximately, a 30 percent shortfall in domestic foodgrain production. Even by 1976, food grain production had only recovered to 1973 levels. In 1972, Tanzania imported 1,086 tons of petroleum at a cost of TSh 269 million. In 1975, it imported less petroleum at a cost of TSh 703 million.

Import prices for other necessary raw materials, spare parts, food, etc. also shot up.

The consequences of these developments had ramifications throughout the economy. The balance of trade on goods and services went from a deficit of TSh 789 million in 1973 to TSh 2,742 million in 1975. A second consequence was a rapid increase in the cost of living as import prices rose. The cost of living index for urban wage-earners had only increased from 82.1 to 120.1 between 1963 and 1972 (1969 = 100). However, this index increased 61 percent between January 1974 and January 1975 and was still increasing at the rate of 32 percent between January 1975 and January 1976.

There were two further results of drought and world stagflation. Government revenues did not keep pace with the higher prices that the government was forced to pay for imported goods. In addition, the government was trying to reduce spending in order to hold down inflation. Another consequence was underutilized industrial capacity. Plants could not get necessary imported spare parts and raw materials.

The response to these problems was very tough. When the balance of payments deficit emerged, the government imposed a strict ban on the importation of non-essential goods. Second, higher producer prices were introduced to try to stimulate production of foodgrains. Third, almost 10,000 government employees were dismissed. There are preliminary indications that similar dismissals are being carried out in the parastatals. Government also passed on higher prices for petroleum, electricity and

food crops to urban consumers, which was an extremely unpopular action. Taxes were increased.

A restructuring of the investment program is now taking place. Major emphasis is now being placed on investment in directly productive activities. There is also an attempt to further restructure incentives in agriculture by steadily increasing producer prices and subsidizing prices of agricultural inputs.

In the industrial sector, there are also efforts to restructure incentives. There have been problems in industry with worker-management relations, and in introducing non-material incentives to substitute for large inequalities in incomes. There is a further complication in that the parastatals work on a fixed price basis. They only get to raise prices if their costs go up. Like many African countries, Tanzanian parastatals are seriously over-manned. There are some indications that this over-manning will be reduced. There is also a new determination to enforce cost ceilings on the parastatals and to increase productivity. There is a new emphasis on management consultants to improve efficiency.

Part of the increased emphasis on parastatals' productivity stems from the realization that the parastatals' surplus will be the main source of development funds for Tanzania. Government recurrent revenue increased from 16 percent of GDP in 1967-68 to 25 percent in 1975-76. On the other hand, recurrent expenditures rose equally rapidly so that no government savings are left for investment in development projects.

Sixty percent of the development budget today comes from foreign aid. Tanzania is receiving about \$300 million per year in aid which amounts to \$20 per capita. This must be one of the highest per capita flows in the developing world.

V. GOVERNMENT DECENTRALIZATION

Political and Administrative Order

Progress has been made in moving Tanzania toward a social and political order in which government is responsive to the needs of the people. The political system has generally been effective in allowing political choice to exist within limits (as is always the case) and Tanzania has achieved a remarkably high degree of political stability without heavy applications of coercive force.

With nationalization of economic activity and the rapid growth of a central state bureaucracy, however, a real danger of creating a new and privileged bureaucratic class emerged, with the usual correlates of status differentials, rigidity, inefficiency and unresponsiveness to the needs of the people. One Tanzanian response to this problem was a radical decentralization of government administration, and an increase in the power and authority of local, district, and regional political leadership.

Background and Purposes

The principal issues which arise in most discussions about decentralization in Tanzania are:

1. The meaning of decentralization with respect to decisions about development and the allocation of human, financial and material resources to implement development strategies.

2. Is the Government serious about decentralization or is it an institutional "fad" which will be rejected at the first sign of difficulty?

The meaning of decentralization

Tanzanian decentralization began with the Decentralization Act of 1972, although government had begun to reduce local government taxing authority several years preceding that date. Decentralization had the following broad objectives:

1. Democratize and decentralize the planning and development activity of the country;
2. Confer spending authority and project development capacity on regional staffs so that red tape could be reduced;
3. Expand and integrate local self-help activities into the development process;
4. Promote inter-regional equity.

An additional objective may have been to achieve a better alignment and integration of the TANU party with regional and local government. TANU's organization has been broad-based but structurally hierarchical. Prior to 1972, it did not effectively match the system of local government and administration. If TANU was to play its role of setting overall policy at all levels, a closer alignment between TANU and government had to be achieved. Whatever the case, TANU is now very much a part of the ward, division, district and regional structure.

Decision-Making Authority

To implement these objectives, the previous system of local district and town authorities was abolished. Staff from these authorities have now been integrated into the central government as employees subject to standard grade, pay, and service criteria. At present, all government may be considered in one sense as the central government. On the other hand, nine central ministries seconded most of their planning and implementation personnel to the regions. Thus both a centralization and decentralization process took place at the same time. Semi-autonomous local governments have been abolished, while at the same time, new regional authorities with district, division and ward structures were created.

Regional government authorities have been given the responsibility for local planning and implementation in all areas of rural and town development within their region. The central ministries, such as Kilimo (Agriculture) retained control of research and training in agriculture, maintenance of strategic food reserves, and could establish overall programs of production which affected more than one region, such as the National Maize Program. However, even programs such as the National Maize Program must be implemented through the regional authorities. To the extent that such national programs are perceived as inappropriate to regional priorities and resources, they have faced severe implementation problems.

Although planning authority was given to regions, it has been TANU and government policy that planning be a "bottom up" process. General guidelines for planning would be set by the Prime Minister's Office, but actual plans were to begin with ideas and preferences suggested at the village level. With the close integration of TANU into this process, one may hypothesize that a potentially dynamic, and healthy, political process has been created which will serve to make the administrative services more responsive to local needs and priorities.

Personnel

It was previously noted that all governmental personnel are national government civil servants. Each of the nine decentralized ministries is responsible for meeting the staffing requirements of the regional and subregional governments. However, once a person is seconded to a region, that person is responsible to the Regional Development Director (RDD).

The Regional Agricultural Officer, for example, although an employee of Kilimo, takes his directives from the RDD, who is an employee of the Prime Minister's Office (PMO). As a result of this, regional government employees appear to develop a sense of identity and commitment to their programs.

Financial Resources

Regional and subregional governments have no taxing powers of their own. Centralization of taxing power had as its objective a more balanced pattern of regional growth, as well as reducing the cost, inequalities and inefficiencies of multiple levels of taxing authority. Regional governments have only a residual power to make other kinds of charges, such as market dues, various licenses and fees. The total expected revenues from all such sources was 71 million shillings in 1974-75.

All major social services administered by local governments are free. Therefore, regional and subregional governments now have no power to determine user charges, special assessments, etc., normal to most local governments in the United States. They must depend on the center for nearly all recurrent and development revenues. Although the reasons for this are understandable, it is likely that the government will have to re-examine this issue as development proceeds.

At the present time, the central government allocates both recurrent and development budgets to the regional authorities. On the development side, the regions get only 10 percent of the total development budget. However, if the nine development ministries (agriculture, education, communications, etc.) which have been decentralized are considered, the regional share of the development budget rises to about 20 percent of the decentralized ministries' budget for 1976-77.

Another factor which increases the total value of regional expenditures is that a good share of the development activity is based on self-help. Thus a village school, clinic, or feeder road which would be costed for budget purposes at, say, TSh 10,000, would include another TSh 10,000 in labor or other contributions. Since nearly 50 percent of the region's development funds are spent on schools, health and water, it is reasonable to assume that if labor costs were included, the total value of regional development activity would increase considerably.

We conclude then, that although on the surface, the regional governments do not receive a major share of the national development budget, the budgeted figures should be viewed with a certain amount of skepticism with regard to what the total value of resources available to the regions actually is.

Is government serious about decentralization?

We believe that the answer to this is yes. There is little doubt that decentralization has had its costs and its problems. But, we believe that the dynamics of the Tanzanian political process are moving toward greater regional authority rather than less. That this will create conflict and differences in priorities between regions and the center is obvious. In fact, the conflict potential is more complex than a simple region versus central ministry issue. There are also potential differences between the functional ministries and the Prime Minister's Office, and between the PMO and the regions. The directions of TANU policy as

to whether it will remain a broad-based party or shift to a more tightly structured vanguard party is an additional consideration.

Assessment of Decentralization

The decentralization effort in Tanzania represents an important and unique experiment in institutional modification among African nations. The major arguments for decentralization are:

1. Centralized planning mechanisms have been argued to be theoretically and practically inefficient by Hurwicz, Waterston and others. Information and coordination requirements are greater in centralized planning approaches. Decentralization may increase bureaucratic responsiveness and generate more accurate and better tailoring of programs to local conditions.

2. It has become more and more apparent that development is a multi-facted process that requires joint efforts in agriculture, health, education, population, nutrition, water, etc. Emphasis on agricultural development alone has often resulted in benefits going almost exclusively to larger and more innovative farmers. It is clear from the work done by Development Alternatives, Inc. that successful rural development requires regionally specific agricultural projects--including regionally specific inputs. Such inputs must be provided in a package that also includes credit, incentives, marketing, etc. It is known that increased literacy levels were an important ingredient in increasing agricultural productivity elsewhere. Improved health and nutrition can also make obvious contributions in permitting farmers to be more productive.

It has been effectively argued that successful rural development requires a decentralized organizational structure in which all of these aspects--agriculture, health, education, etc. can be administered by one local agency that can control the personnel and the resources.

3. It is argued that a key variable in successful rural development is citizen participation in project planning and implementation, i.e., participation in development is more efficient.

The Tanzanian government in pursuing its objectives of a society based on agrarian self-help institutions has demonstrated a capacity to experiment and innovate with organizational forms and policies. One of the most sweeping changes has been the effort to move virtually the entire population into vilalges. We will now turn our attention to this effort.

VI. VILLAGE ORGANIZATION IN TANZANIA

Background

The process of "villagization" is both a function of historical evolution (often overlooked) and deliberate government policy. Historically, villages in what is now Tanzania did exist, especially during periods of tribal conflict, where villages meant an increased measure of security. During the colonial administration, security increased and people tended to disperse, not so much into individual farmsteads, as into rather small collections of related families, the size of which was largely determined by the resource base and the nature of the subsistence economy. At the time of independence in 1961, peasants were widely scattered throughout the land. On the other hand, in areas of high productivity, and hence higher concentrations of populations, villages did exist. Sometimes these villages were organized around a mission activity, or a European-run estate where there was a demand for wage labor.

After independence, the government had no official policy of villagization, although there were voluntary movements in certain areas, such as occurred in Ruvumu region. Beginning in the mid-sixties, the government did experiment with a number of settlement schemes, often using American Peace Corps and various combinations of external assistance e.g., the IBRD and Israel. This policy was ultimately scrapped as being far too slow and capital intensive.

Toward the end of the 1960s, TANU called for the establishment of Ujamaa villages, based on the major principle of cooperative activity between people. For this to take place, the dispersed population of rural Tanzania had to be reorganized into villages. Thus there began, rather gradually at first, but much accelerated in recent years, an effort to move all rural Tanzanians into villages. At the present time, more than 70 percent of the population has been "villagized." In some districts the percentage is much higher.

Purposes of Villagization

Tanzania has, in some respects, embarked on a revolution through villagization leading ultimately to the establishment of a society based on Ujamaa, whose basic philosophy can be summarized in three categories:

1. Social Development
2. Technical and Economic Transformation
3. Administrative Restructuring

1. Social Development

The first priority of TANU and the government is to restructure the social relationships of people. Working together in cooperative relationships at the village level is a key ideal of the TANU philosophy. This objective is based on a marriage between traditional concepts of family and brotherhood, as well as a desire for Tanzania to become a modern nation. The latter requires that formerly isolated family units be brought together in a village setting, where they will learn to work together, receive political instruction in the meaning of nationhood and

citizenship, and come to understand the importance of cooperative organization. Ease of communication between people was and is a key variable in this strategy. Furthermore, the village is the laboratory and school, where learning self-reliance, and all the attendant technical skills which go into making self-reliance, can become a reality. Tanzanian leadership seems to recognize that this kind of social transformation is a long and difficult process. However, they argue, that to wait until Tanzania has developed its economy, if that were possible under the dispersed settlement pattern, would result in a "fixing" of existing patterns which were deemed undesirable. Therefore, they have been willing to pay the price of social and economic disruption, in order to lay the framework for a different type of society. Although much of this may be considered utopian by technical experts from abroad, failure to recognize the seriousness with which TANU takes these ideals will result in considerable error in understanding Tanzanian development.

The process of social transformation has not been without critics. Villagization has taken place through a mixture of social and economic incentives (promises of a better life) and social and economic coercion. In some cases, physical force has been used.* In any event, the Tanzanian government saw the existing settlement pattern as one which contributed to

* Nyerere recognized this but stated in 1977, "It remains true that 11 million people could not have been moved by force...We do not have the physical capacity for such forced movement, any more than we have the desire for it!" Julius Nyerere, The Arusha Declaration: Ten Years After, February 14, 1977, Dar es Salaam, p. 17.

traditionalism, social stagnation, and was a major constraint to the creation of a sense of national identity. Rightly or wrongly, they believe that the social good which will ultimately be achieved through villagization will largely outweigh the costs of massive resettlement.

2. Technical and Economic Transformation

One of the principal arguments for villagization concerns the economies of scale possible in a labor intensive and capital short agriculture. Through villagization, Tanzanian farmers will be able to work cooperatively and manage their labor much more efficiently than as individual farmers. Ultimately, the goal is for the village to become the primary producing unit, with most cultivation being accomplished on Ujamaa or communal farms. Through cooperative cultivation the villages should be able to expand production in acres as well as in increased yields to labor inputs. Furthermore, through village organization, there will be more rapid diffusion of modern agricultural practices. Finally, in some cases, villages may be able to generate enough capital for the purchase of machinery, which would be beyond the reach of any individual cultivator. There is an active intermediate technology program in Tanzania to try to improve the technological base consistent with their social goals.

The villagization process is, in some cases, a form of land reform. Where population densities were great and land was relatively scarce, there was a problem of very unequal land holdings. Moving people into villages, and giving everyone equal access to land, effectively reduces

these inequalities.

In addition to directly productive agriculture, villagization would allow for the development of small-scale industries. Under a dispersed population, this would be difficult to achieve, and industrial development would tend to take place in large cities using modern technology with the consequent creation of a "dual economy" so often observed in developing societies. Villagization, it is argued, lays the framework for a more integrated approach to development with small-scale rural industries using intermediate technologies, employing large numbers of people, and with a wider distribution of economic activities throughout the country. Economic diversification and division of labor will occur, as some villages become market centers, and other specialize in other services or production activities--but without the center-periphery pattern of other developing countries.

If economic development is considered in its broadest sense, i.e., to include the relationships between health, education and other services that people require, and also directly productive activities, the importance of these services to economic growth can also be recognized. A disease-ridden, uneducated population which spends most of its time seeking wood for fuel and water to drink is not a population which can have much energy left over for increased production, much less the acceptance of more productive technology. Before training for a craft or skill, a minimal amount of education is required. Therefore, the present emphasis on "social" services, health, education and potable water may be argued as being an important part of the economic development strategy. In our

own experience, we found that villages which had education and health facilities were interested in production problems to a greater extent than those without. Those who lacked one or more of these services express a primary and urgent concern for these minimal services. Thus, it may be tentatively concluded that "social" services and directly productive investment cannot be treated in isolation, but must develop simultaneously.

3. Administrative Restructuring

A key problem in any rural development strategy is how to reach large numbers of small farmers. In Tanzania, not only were most farmers small, subsistence farmers, but also most of the poorest were widely scattered. The costs of delivering anything--new technology, food, agricultural inputs, social services, information, political education, etc.--would be prohibitive. Here again, villagization was a partial answer.

Currently, villages are the primary legal entities of the Tanzanian administrative and legal structure. As registered village cooperatives, they can borrow, set up banking accounts, collect limited fees on agricultural sales, and receive assistance grants on a small scale. Under the principle of self-help, the village can mobilize and contribute labor to, and, with appropriate skills, manage various construction projects. Within guidelines of TANU, it can establish its own rules, and eventually determine its own growth.

It is estimated that there are now 7,684 villages in Tanzania. Although there will be fluctuations in this as subdivision occurs, there

is little doubt that the creation of villages as legal and administrative units has made Tanzanian development planning much easier. Although the government continues to experiment with differing institutional forms, as in the recent elimination of cooperative societies, it is our judgment that they are committed to the village system.

Village Organization

There is no "typical" village in Tanzania. Nevertheless, for purposes of discussion, we can attempt some general statements about village organization which will be valid for most villages.

Villages may be loosely classified into the following types:

1. Old Villages: These have been established for some time and are in many ways very similar to villages found throughout Africa. Usually, they have a school, individual farms, and some service facilities such as shops, bus transport, etc. Settlement is usually fairly dense, and, although such villages have the basic TANU organization, each 10 families is organized into 10 house cells, etc., they appear to have been changed very little by more recent policies.

2. Old Villages with new settlers: These were old villages with a core population to which has been added a number of families from surrounding areas. In such cases, the village may find that it has to expand its agricultural base by adding new crops, converting privately held commercial activities into collective or cooperatively owned activities, and may begin to diversify on the basis of some local skill.

3. New Villages: These villages have been established in areas where little or no settlement previously existed. They range in size from around 100 families to 700 or 800 families. Typically, the village has been laid out with some minimal assistance from district planning officers. Where terrain permits, the pattern is a large rectangle, with individual houses being located on a "street" containing 10 to 20 houses, each surrounded by an acre family plot. The next "street" would be separated from the first by two acres and then another acre family plot and so on. Roughly in the center of the new village would be the school and administrative buildings. Agricultural land other than the village plot will extend around the village in a five-mile radius.

Economically, agriculture dominates. Most new villages organize their agriculture on a "block" farm basis, apart from individual plots. For example, in Kigoma region, where government encourages and subsidizes cotton production, each villager is encouraged to cultivate a minimum of three acres of cotton. His cotton plot will adjoin other village plots, and some cooperation exists between cultivators of adjoining plots with respect to clearing, tilling and weeding. Harvesting is done by families, which sell their harvest to the village, which in turn sells it to the relevant parastatal. Returns to production from block farms go to the individual family unit.

Additional income-earning activities of new villages depend on the level of development. More established villages have begun to develop cooperative stores, dairy and poultry operations, which, though small,

increase the variety of foods available to villagers and also increase village revenues where there is access to a nearby market.

New villages put a high priority on acquiring social infrastructure. In the IBRD* project in Kigoma, the first institution a village usually chooses to build is an elementary school. After that, priorities include housing for school teachers, access to health services in the village or nearby, and potable water. Government has repeatedly told them that the immediate material benefits from villagization should be precisely those services. Furthermore, these services are the only things that villagers feel that they can all benefit from, and therefore, they are willing to contribute voluntary labor for these services.

4. Ujamaa Villages: There are relatively few Ujamaa villages. While a number of villages have Ujamaa or communal plots, most villages have some combination of individual, block and communal plots. In an Ujamaa village, all but the individual plot is farmed communally. We visited one example of this in Morogoro region. Cultivation of sugar cane, maize, millet and sesame was all done communally. Production was sold to relevant parastatals and proceeds divided between individual villagers (on the basis of days worked), and the village communal fund. The village funds were then reinvested in common agricultural activities, such as a dairy herd, poultry, or storage facilities.

* The IBRD project is fully described by the authors in "An Approach to Integrated Rural Development: A Case Study in Kigoma Region of Tanzania" manuscript--1977.

There is some incentive for villages to move from being a registered village to an Ujamaa village. These incentives are mainly in the form of preferential treatment by government in the provision of grants, inputs and other considerations, such as training.

Common features of all villages

Not having visited all villages, we draw our comparative statements on the basis of the villages we visited, and from research carried out in 28 villages in the National Maize Program. These observations are, therefore, very tentative.

The first observation with respect to common features is that investment in some form of a cash crop, which will provide a cash return to both villagers and the village, is fundamental to success. Cash crops need not be limited to the usual list of tobacco, tea, etc., but may include maize, cassava and other food crops as well.

The second observation has to do with the quality of leadership. In older villages, there was a core of people who had learned patterns of cooperation prior to villagization. Within that group, there may be one or several people who had gained some "modern" skills, such as a teacher, a former entrepreneur who had been to mission school, or in one village, people who had been involved in an earlier, "unsuccessful" settlement scheme. It would seem that one of the by-products of the villagization scheme and the establishment of new villages, has been to open up opportunities substantially for younger leaders with skills more relevant to dealing with the problems of modernization. This has,

no doubt, resulted in considerable inter-generational stress. However, continual government and party support function to "subsidize" this leadership group.

The third observation is that most village self-help projects, while relatively small, require some outside assistance. In Morogoro, the village ventures into poultry and dairy operations were financed by the regional development fund with technical assistance provided by the extension service. Most of these undertakings do not require elaborate feasibility studies, the cost of which would exceed the value of the project. Some of them may be of questionable economic benefit. All of them, however, reflect the felt needs and priorities of the village.

Fourth, of note is the prevailing influence of TANU in villages. Village chairmen are also TANU chairmen. Councilmen and committee members of various committees also perform party roles. In short, it is difficult to separate village government from village politics. This means that villagers can express demands and interests through both political and administrative channels.

Fifth, we believe that incentives and possibilities for a dynamic village system do exist. The government is now recognizing that constraints on recurrent budget are so severe that they are re-examining their policy of government supply and maintenance of social services. This means that villages will have to take over these services as they develop. Already there is a very large component of savings in kind in the villages. Serious thought is being given to other sources of village revenue, including user charges for water and other services.

Finally, a note on the use of labor. Villagization has resulted in less effective use of labor according to some critics. Now villagers must walk up to five miles, or on an average of two to three miles to reach the farm plots. This appeared to be a problem, especially where villagers had some capital in old plots, such as palm oil trees. This problem will be somewhat alleviated as villagers gradually give up their old locations. Equally serious is the fact that villagers must also walk a good distance for water. Solutions to the potable water problem will help to reduce this constraint. With respect to village plots located several miles from houses, it is apparent that many villages are too large. The government is aware of this problem and is preparing a strategy for subdivision of some larger villages. One study done by expatriate observers in Kigoma suggests that the best size for a village is around 300 families. Whatever the optimal size, government is proceeding cautiously in the creation of satellite villages.

One of the unanticipated consequences of villagization has been the ecological impact of this process. Shifting agriculture and fallow periods had allowed land to be restored after it had been farmed for a few years. With great numbers of people living together, it will no longer be easy to let land lie fallow. So, land will be depleted unless significant steps are taken to reverse this process, i.e., the use of fertilizer or crop rotation. It appears that these steps are not yet being taken and that ecological deterioration is occurring as a result of villagization.

Conclusions

There is no doubt that villagization is a costly process. Critics of the villagization program make the following points:

1. It is argued that villagization has been responsible for reduced food production and has made self-sufficiency in food impossible. Fears concerning the impact of villagization on food production would appear to have been exaggerated, however, and it appears that in 1975 and 1976, Tanzania produced a fairly large agricultural output while the most massive villagization process was taking place.

2. Rural Tanzanians are very individualistic and limit their social groupings to small kinship clusters. Many Tanzanians do not see an advantage to villages and resist being moved. To coerce them into moving is a denial of their rights. Furthermore, government planning for new villages has been woefully inadequate. In some cases, people have been moved to areas which could not sustain them.

3. Government cannot supply basic services to the villages as promised, and to rectify this, it is already trying to make villages more self-reliant.

4. Government has not seriously explored alternative ways of delivering services to dispersed populations.

5. One of the most repeated criticisms by foreign observers is that Tanzania has been devoting too few resources to productive investment and too many resources to social services, education, health, etc. We would agree with the first part of the argument, however, we would disagree with the second part of the argument. In fact, Tanzania has

devoted a very small percentage of its budget to social services! According to the data reported by the Ministry of Finance, Tanzania devoted 10 percent of its development budget to services--including real estate--between 1966-1972. According to World Bank estimates, the second Five Year Plan devoted (through 6/30/72) only 10 percent to education, and 2 percent to health. In 1972-74, education received only 6 percent of development expenditures and health still only 2 percent. For 1975-76, education was allocated only 8 percent of the development budget and health only 3 percent. No figures for the provision of potable water to villages could be obtained.

We believe it is not excessive to allocate between 8-12 percent of the development budget to health and education in a country with a life expectancy of only 47 years, in which 15 percent of the children die before age five, and in which only 25 percent of the relevant age group have attended primary school.* After considerable effort, only 3 million of the 13 million rural residents now have clean water. We see no evidence for excessive social services spending, rather, our quarrel is with the timing of such spending. Often Tanzania has provided water, schools, and clinics as incentives to get people to move to villages.

* A tremendous jump in the number of children attending school has occurred. In 1967, there were about 925,000 pupils in Tanzanian primary schools. In 1975, the comparable figure was 1,532,000 pupils and the numbers will continue to rise rapidly for some years to come. Thus, in 1976 there was a still further increase in the school population as 665,621 children entered school for the first time, compared with a total of 187,537 who entered standard I in 1967. Julius Nyerere, The Arusha Declaration: Ten Years After, February 14, 1977, Dar es Salaam, p. 3.

Studies of rural development projects have found that provision of social services at the time of initiating a rural development project had a negative impact on the success of the project. Rene Dumont, in Tanzanian Agriculture after the Arusha Declaration, has argued that villagers should provide 50 percent of the cost of social overhead projects and the government should provide the other 50 percent only as a short-term (five years or less) loan.

In other words, provision of social services should be used as incentives for increased production and saving on the part of villagers and incorporated with a high degree of self-help. If social services are provided in this way, they can make a significant contribution to increased output, as well as improving the quality of village life.

Apart from social services, if village life is to remain attractive, other amenities must be added--culture, libraries, etc. Ultimately, in order to make rural incomes competitive with urban incomes, small-scale manufacturing should be undertaken in the rural areas to produce agricultural inputs and to process farm products. Such steps will prove necessary if Tanzania is to keep its population in rural areas.

Finally, with respect to social services, two points need to be stressed. First, the construction of buildings--stores, local "hotels", etc.--are about the only things that a group of people without any previous experience of working together can do with their own labor. From such activities, they can receive some positive collective benefits, while at the same time, learn some organizational and technical skills

which will carry over to other projects. Second, none of these activities can be accomplished without some government assistance. On the one hand, a school built to some specifications, with mortared walls and framed windows and doors can appear a very simple achievement. In another sense, however, it should be viewed as a quantum jump into the modern world. Traditional cultivators cannot be expected to accomplish this by themselves, anymore than it makes sense for a government to do it for them. Therefore, government capacity to help, through the provision of technical assistance and support, is a necessary part of village development.

VII. RIGHTIST CRITIQUE

The Bureaucratic Perspective

Since most of the debate centers on the Tanzanian approach to socialism, there is little public criticism from the right. There are no public advocates of "free enterprise" (although "rightists" critics do exist in Tanzania) except foreign observers. But from the administrative viewpoint, criticism of Tanzanian development concentrates on the issue of decentralization. This position argues that the regionalization process will have generally negative effects on Tanzanian development.

It is argued that the trained manpower resources of Tanzania are not sufficient to staff existing administrative structures adequately in 20 regions. The further devolution of power and trained personnel to the regions will necessarily weaken the ability of the central government to manage the remaining, highly critical, central government functions. The attempt to set up 20 semi-autonomous regions will seriously erode the planning and implementation functions at the national level.

The Nationalist Perspective

The devolution of power to the regions in a multitribal, multireligious society will shift the focus of political authority and ideology from the nation to the region. Regionalism will increase with its pernicious potential for fragmentation and political instability. The fragile process of developing a genuine national identity and common ideology for all Tanzanians will be seriously threatened. How can the

national government control the natural tendency for regional elites to encourage an "Arusha or Kilimanjaro first" attitude? Indeed, might not the quasi-free enterprise-oriented people in the northern regions ultimately seek closer ties with Kenya, a natural economic partner and ideologically compatible neighbor? The history of secessionist movements in Nigeria, the Congo, and Ethiopia should demonstrate the dangers of the political process Tanzania is now encouraging. Certainly, the experience with nation-building in LDCs is replete with examples of center-region conflicts, with separatist movements being their extreme manifestation. The Tanzanian leadership is aware of this potential, and feels that decentralization of administrative authority for planning and implementation, will strengthen the concept of nationhood by making government more responsive to local needs. In addition, the TANU party, while broad based, is the organization which links local politics to regional and national politics. It is a strong, countervailing force against the emergence of the destructive kind of regionalism which has plagued other developing nations. It would, therefore, seem that decentralization, in the context of a closer alignment of government and party, should strengthen rather than weaken the process of nation-building.

Free Enterprise Perspective

Rightists tend to focus on the Center-Region issue, with little public or private criticism of the socialist model. Nevertheless, there is no dearth of foreign critics of Tanzania who reject the socialist approach in any form. The basic outlines of this criticism are fairly

well known and center on the issues of ownership, incentives and the operation of free markets. These critics make the essential point that with respect to Ujamaa in the rural areas, and the industrial investment in urban areas, the socialist approach has effectively stifled personal incentive. They point out that, in a largely rural, agriculturally based society, food production has stagnated, and that this stagnation is an inherent flaw of the Ujamaa program. Tanzanian farmers, they argue, are intensely individualistic, and there is little basis in historical fact for the claim that cooperative or communal agriculture was an essential feature of the past, or a requirement for the future. They argue that the only way government has been able to get cultivators to move into Ujamaa villages is through coercion and bribes in the form of promised, but seldom delivered, social services. The diversion of resources to nonproductive social services is incompatible with rapid growth, and only promotes an attitude of dependence on government. A free market, combined with private agriculture and fair prices, would be a proper set of economic arrangements for Tanzania.

Uncertainty

The free enterprise position also makes the point that present Tanzanian government policy discourages investment because of the high degree of uncertainty. Proposals have been made to force even small retail traders to form cooperatives or be nationalized. The effect of these threats of nationalization is to reduce incentives to save and invest. What is true for the small business is also true for foreign

investors. Under the present government, Tanzania, unlike Kenya, is not an attractive place to invest in new industry.

The private farm argument with its inherent, strong incentive has been taken seriously by government (in rural areas if not in the cities), even while the government was accelerating the villagization process. It now appears that the goal of communal agriculture has been shelved. Even where communal farms have been established, farmers have private plots. Much higher prices have been established for agricultural products to give farmers an economic incentive to increase production. Having retreated this far, some economists predict that the system of state parastatal marketing monopolies will eventually be broken up or competing alternatives allowed to develop, and, consequently, some form of free markets allowed to emerge. From the perspective of the right, these developments are and would be a movement in a positive direction.

VIII. LEFTIST CRITIQUE

The leftist critics of the Tanzanian model of development make the basic point that Tanzania is an all too typical case of continuing dependency and underdevelopment. The underdevelopment of Tanzania began with the colonial exploitation of the country. Although some of the surplus was extracted from Tanzania and taken back to Germany (first) and then to England, part of the surplus was retained in Tanzania and went to expatriate and local elites. These elites used the surplus to import luxury goods. This shaped the structure of Tanzania's imports. Tanzania had to emphasize exports in order to pay for the imports of the rich, with the consequence that Tanzania became a typical colony--they consumed what they did not produce and they produced what they did not consume.

After independence, the Tanzanian government embarked on a policy of import substitution. They planned to produce at home those goods which were formerly imported. But the goods that had been imported were luxury goods for the rich! So, these goods had to be produced with the only technology which was available--a capital intensive technology and also an energy using technology--and this meant that capital and petroleum had to be imported to produce these goods. These capital intensive industries led to a concentration of income in the hands of the capital owners and later (after the state had nationalized industry) to the elite which had taken control of the Tanzanian government. These people are now using their income to demand luxury goods, perpetuating the cycle.

One result of the Tanzanian historical experience, and of other developing countries, has been that the children of the elite were the ones who had immediate access to education under colonial rule. These people then grabbed the top jobs in the bureaucracy and the civil service after independence. Their children are educated, thus perpetuating their class.

A second element concerns the real income of small farmers, which has not increased since 1961. The prices of their products were held down until 1974, to the benefit of urban consumers, primarily the governmental elite.

A third element of the leftist critique concerns the decentralization scheme, which was designed by an American corporation--McKenzie and Company. The ostensible purpose of decentralization was to redistribute power to the local level, so that people would be able to control their own destinies. In reality, the power has come to be vested in regional elites which are even more reactionary than the national elites.

A fourth aspect of the leftist critique concerns Tanzania's dependency on exports. It is argued that the push for exports throughout the 1960's was at the expense of developing domestic subsistence agriculture. The result of this emphasis on exports was that by 1973 Tanzania had become totally dependent on the World Bank and other capitalist aid donors. Tanzania had failed to become self-reliant in agriculture. When the drought came in 1973 and 1974, the government had to promise to slow down the drive to communal farming and the provision of social services in order to obtain loans so that they could feed their people. The result

of this policy has been that an enormous international debt has been built up. Now Tanzania must export even more than in the past in order to service the debt, and the country finds itself tied even more tightly into the international capitalist system.

A fifth aspect of the leftist critique centers on TANU as a mass-based party. It is argued that TANU is ineffective and impotent. Anyone can espouse socialism and join TANU. Thus, TANU and socialism can be undermined from within and turned toward capitalist objectives.

A sixth aspect of the leftist critique concerns allowing private industry to continue to exist in Tanzania alongside publicly-owned industry. The higher wages paid in private industry and by foreign firms attract able people away from public employment. The exposure to Western consumption standards, to the Western press, to foreigners, undermines the building of a socialist society.

A seventh element concerns the way factory work is organized in Tanzania. Factory work is organized in a hierarchical and bureaucratic fashion. The workers' councils which were established are empty shells. When workers tried to take over the factories, after the issuance of the Mwongozo guidelines, the government backed management against the workers.

The eighth aspect centers on the reliance on individual, material incentives. Individual, material incentives build capitalist, rather than socialist consciousness. The recent retreat from communal farming to block farming and private plots, which was accompanied by increased prices for farm products, signaled a significant retreat from the goal of building socialism. Emphasis has come to be placed on individual gain

and individually marketable consumer goods and services as incentives, rather than on group gain and group services, such as schools, clinics, day-care centers, recreation centers, etc.

The leftist solution to these problems would be to adopt a "real" policy of self-reliance. Tanzania must break out of the international capitalist system, if she is to achieve a socialist society. China has pointed the way. It will not be possible for Tanzania to be totally autarkic, but needed imports could be obtained from other socialist countries.

But what does "real" self-reliance mean? First, it means self-sufficiency in agriculture. Emphasis must be placed on producing food crops, and cash crops designed for export must be de-emphasized. It means increasing agricultural productivity through the application of modern science and technology to agriculture, as has been done in China. Development specialists trained in the Western world could contribute to the sum of knowledge. By living and working with farmers in Ujamaa villages, they could come to understand their real problems and this combination of scientific training and real experience might produce practical solutions to the farmers' problems for which pure research has little relevance. TANU party cadres should be trained in practical agricultural practices, intermediate technology approaches, etc. as well as political ideology. They are in a position to be change-agents and spread information on improved farming practices.

Bureaucrats and civil servants should also be required to experience life in Ujamaa villages, in order that they begin to understand the farmers' problems, and become motivated to work for the farmers' well-being. At the present time, bureaucrats look to the Ministry for promotions. Promotions should be based on service to local farmers and on the ability to help local people. Rewards for service should come in the form of assignments to villages, not in the form of assignments to the capital.

In addition to self-sufficiency in agriculture, self-reliance means ending dependence on foreign aid. Aid continues dependence, vulnerability to outside political pressure, and emphasis on export industries. It also propels Tanzania into capital-intensive projects. Leftists would repudiate the debts Tanzania has to capitalistic countries and the World Bank, and would forego further foreign aid. They would also ban further imports of luxury goods, such as cars, and substitute buses and bicycles. They would substitute public for private consumption.

Leftists argue for a technology which would use the factor of production which is most abundant in Tanzania, that is, labor. They argue for labor-intensive technologies, which would provide every Tanzanian with a job, and through that job, with an income. This means intermediate technology, adapted to local needs and local resources. This technology would be more efficient than traditional technology but much less capital intensive than modern technology.

Leftists would also call for some industrialization. In so far as possible, industrialization should be on a small scale, based in rural

areas and designed to produce agricultural inputs and to process agricultural products. Large-scale industrial projects will inevitably be required. Judicious choices must be made. Tanzania, like China, needs to emphasize agriculture, light industry and heavy industries, in the proper proportions.

The industrialization process will have to be based on the development of Tanzania's own natural resources. The heavy reliance on imported petroleum must be reduced. Technologies using locally available resources, such as charcoal, must be designed. Small farmers' incomes must be increased through technological improvements, particularly intermediate technologies, which would be accessible only to those who participate in collective agriculture.

Finally, the TANU party must become a vanguard party if self-reliant socialism is to be built in Tanzania, and this requires dedicated socialists and a disciplined party which will lead the people to socialism. TANU must include peasants, workers, intellectuals and enlightened leaders who know and share the workers' and peasants' interests.

IX. OVERALL ANALYSIS AND ASSESSMENT*

In any final assessment of the Tanzanian model of development, several points must be made. First, Tanzania is characterized by an amazing degree of political stability on a continent that has been characterized by political instability. Second, the level of dedication to development appears extraordinarily high, and the country enjoys a relatively honest government. The administrative capacity and managerial performance is no worse than other African countries at comparable levels of development. Considering the technical capacity of Tanzanians in 1961, when independence was granted, there has been a very impressive development. There has been a significant Africanization of the administrative structure, with Tanzanians filling most of the policy-making and technical positions in government.

The left's call for redefinition of the objectives of the educational system and the bureaucracy seem well taken. Some methods must be found to encourage developmental specialists and governmental officials to work with and for the people, as is apparently the case in China, if Tanzania hopes to continue on the road to self-reliance within a socialist framework.

* In a remarkable political document, President Julius Nyerere in January 1977, assessed the nation's progress ten years after the Arusha Declaration. The statement repeats many of the criticisms and observations made here. The statement is remarkable for its forthrightness and honesty. As an act of political leadership, it could well be emulated in the Western democracies.

The rightist critique of communal farming has also been well taken. Moreover, the government has backed away from its insistence on communal farms. The leadership clearly recognizes the inefficiencies of the government and parastatal sector.

Nyerere has been remarkably successful in balancing-off opposing forces within Tanzanian society. An army coup attempted in the mid 1960's was put down, and the army was completely reorganized and restaffed. There was talk and serious consideration of a coup again in 1974-75, when the second poor harvest came in a row, but no such coup was attempted.

The left, on the other hand, is strong and vocal. It dominates university life and has many supporters throughout the government. Nyerere won re-election in a 1975 referendum with a 93 percent-affirmative vote in an apparently honest and open election. This compares to 97 percent in 1970 and 96 percent in 1965. Four regions accounted for 50 percent of the negative vote in 1975 and in 14 regions the negative vote actually fell between 1970 and 1975. Moreover, this 93 percent affirmative vote occurred despite two years of drought, short rations and a massive drive to resettle millions of people in Ujamaa villages.

We would agree with the strategy of choosing equity first. The push for social services (although not as extensive as many critics charge) can be seen as one way of redistributing income. The provision of water, schools, clinics, etc. to rural villages is an important increase in real income. The emphasis on human resource development also seems sound. Re-orienting schools to train people in efficient agricultural practices and self-reliant, rural development was an imaginative

and bold move. Social change also requires ideological change and this requires that people be educated. The expenditures on education may seem excessive now, but must pay off in the long run.

The attempt to achieve self-reliant development also seems sound. Self-reliance means using foreign assistance as a supplement, rather than a replacement, for Tanzanian efforts. The goal is to reverse the role of the domestic and export sectors. At the present time, the export sector is dominant. The goal is to make the export sector subordinate, which means increasing dependence in the short run as the domestic sector is built up to supply their own needs. The real test of foreign assistance is, whether it is used to increase dependence or increase independence. Nyerere would argue that foreign aid has been and can be used for the latter.

As to the decentralization controversy, we would argue that the important issue is not centralization versus decentralization, but what is to be centralized and what is to be decentralized. The Russian experience demonstrated that centralization of agriculture was disastrous, yet China has learned from that lesson and has decentralized agricultural production decisions. The Tanzanians must follow the same pragmatic policy, learning from the experiences of others, experimenting on their own to discover what works in Tanzania. A real problem posed by decentralization is growing regional inequalities. Positive steps to re-allocate resources from rich to poor regions must be found, which do not eliminate incentives in both rich and poor regions.

The issue of coercion in the villagization drive is thorny. Apparently, a majority of Tanzanian people support Nyerere and his policies, and he is an outspoken exponent of the Ujamaa program. It could, therefore, be inferred that a majority of people support Ujamaa. Many people have moved to villages voluntarily. In fact, the idea of Ujamaa was spontaneous and arose from a voluntary village movement in Ruvuma Region. Many, on the other hand, would argue that the minority who now oppose moving to villages are the well-off, individualistic and capitalist farmers. But, no data on the income or wealth holdings of those Tanzanians resisting villagization have been supplied. If there is an underlying resentment to such policies, how should the Tanzanian government deal with the reluctant minority. What degree of coercion is acceptable? We offer no answers.

One of the most serious needs in Tanzania today is appropriate technology to increase production and improve income levels. Much adaptive research must be done and a far more efficient system must be devised to transmit economically sound technologies to peasants and workers throughout the country.

In view of the statistical findings and our own impressionistic data, we would conclude that the Tanzanian government has made considerable progress in achieving some of its objectives. Policies have been designed to move the country toward greater equity, participation, and self-reliance. These measures not only improve income distribution and living standards, but make all Tanzanians aware of the dramatic transformations taking place in their country.

Nyerere has pushed, prodded, cajoled, persuaded, and led the people of Tanzania through an astonishing reorganization and reorientation of their society with a surprisingly small use of force. He argues that socialism to him means freedom and that coercion is a very curious way of arriving at freedom. He would agree with Marx that "the old bourgeois society with its classes and class antagonism is being replaced by an association in which development of every individual is a precondition for the free development of all."

Many of the points made by critics, both left and right, are valid. Nyerere and his successors may, ultimately, have to move sharply in one direction or another. They may choose to give up the socialist vision and adopt some sort of controlled capitalism a la Kenya or the Ivory Coast. Or they may choose to go the "real" self-reliant route, break out of the international capitalist system, and force a rapid transformation of the economy and society.

No one can foretell the future course Tanzania will take. There have been obvious mistakes and shortcomings. But Tanzania still presents one of the most hopeful models of development to be found in the Third World today.

SELECTED BIBLIOGRAPHY

1. Connel, John. "The Evolution of Tanzanian Rural Development" Institute for Development Studies Monograph, 1974.
2. Dumont, Rene. Tanzanian Agriculture After the Arusha Declaration. Ministry of Economic Affairs and Development Planning, Dar es Salaam, 1969.
3. Ellman, Antony. "Group Farming Experiences in Tanzania". Paper presented to the Group Farming Conference, Land Tenure Center, University of Wisconsin--Madison, June 10-12, 1975.
4. Helleiner, G. K. "Socialism and Economic Development in Tanzania" Journal of Development Studies, Volume 8, 1972.
5. Hurwicz, Leonid. "Centralization and Decentralization in Economic Processes" in Eckstein, Alexander, Comparison of Economic Systems: Theoretical and Methodological Approaches. Berkeley, California: University of California Press, 1971.
6. Hyden, Goran. "Ujamaa, Villagization and Rural Development in Tanzania", Overseas Development Institute Review, No. 1, 1975.
7. International Bank for Reconstruction and Development, Tanzania: Agricultural and Rural Development Sector Study, 3 volumes, 1974.
8. Nyerere, J. K. Ujamaa: Essays on Socialism. Dar es Salaam, 1968. Man and Development, Oxford, 1975. The Arusha Declaration: Ten Years After. Dar es Salaam, 1977.
9. Owens, Edgar and Shaw, Robert. Development Reconsidered. Lexington, 1972.
10. Socialism and Participation: Tanzania's 1970 National Elections Dar es Salaam, 1974.
11. Strategies for Small Farmer Development: An Empirical Study of Rural Development Projects. Development Alternatives, Inc., May, 1975.
12. Vail, David Jeremiah. "Technology for Ujamaa Village Development in Tanzania". Forthcoming Eastern African Studies, Syracuse Univ.
13. Waterston, Albert. "A Viable Model for Rural Development" Finance and Development, Volume 11, 1974.
14. Waterston, Albert. Development Planning: Lessons of Experience. Johns Hopkins, 1967.
15. Wayne, Jack and Howard, Leslie. "Social Networks and the Geography of Opportunity" Paper presented to the Third International Congress of Africanists, Addis Ababa, December, 1973.