

Footnotes

1. One many not accept the polemical context in which the term has been variously used. Nevertheless, its forces exhibit so many facets and impinges on so many aspects of life that "they cannot be overcome in one single country of underdeveloped Africa." See O. Abovade, *Issues in the Development of Tropical Africa*. (Ibadan: Ibadan University Press, 1976), 6.
2. O. Ekundare, *Economic History of Nigeria, 1860-1960*. (London: Methuen, 1973), 385.
3. P.O. Prochl, *Foreign Enterprise in Nigeria: Laws and Policies* (Chapel Hill: N.C. University of North Carolina Press, 1965), 112.
4. For details see A. Akinsanya, "State strategies towards Nigerian and Foreign Business" in *The Political Economy of Nigeria* edited by William Zartman, (New York: Praeger, 1983), 167-168.
5. William Tordoff, *Government and Politics in Africa*, (London: MacMillan Press, 1984), 139.
6. See Federal Republic of Nigeria, *Second National Development Plan 1970-1974*. (Lagos: Federal Ministry of Information, 1970), 75.
7. This is in spite of the government rejection of IMF loan after carefully guided debate on the issue. Government decision to publicly reject IMF loan while still negotiating and even implementing the Funds prescriptions is dishonest. Of course negotiation with the Fund and other creditors is still going on to reschedule Nigeria's debt. The IMF conditionalities which must be met before this can be done remain as constant as the Northern Stars.
8. See *Daily Times* (Lagos), December 17, 1985.
9. A. Akinsanya, *Economic Independence and Indigenisation of Private Foreign Investments: The Experiences of Nigeria and Ghana*, (Columbia, S.C.: Institute of International Studies, University of South Carolina, 1982), 16.
10. Federal Republic of Nigeria, *Second National Development Plan 1970-74*, 289.
11. A. Akinsanya, "The Indigenisation of the Economy and Power Relations in a Developing Economy: The Nigerian Experience", Paper presented at the 13th World Congress of the International Political Association, Fondation Nationale des Sciences Politiques, Paris, July 15-20, 1985, 1.
12. See *New Nigerian* (Kaduna) April 2, 1974.
13. See the 1986 Budget Speech *New Nigerian* (Kaduna) January 2, 1986.
14. *New Nigerian* (Kaduna) April 3, 1986. Emphasis added.
15. *West Africa*, August 25, 1986.
16. *The Guardian* (Lagos), February 21, 1986.
17. This was the situation during the scramble to buy shares in alien companies in the 1970s. Quoted in I. Eteng, "Indigenisation for Lumpen-Bourgeois Development in Nigeria" in *Path to Nigerian Development* edited by O. Nnoli, (Dakar: Codestria, 1981), 222.
18. See Lecture delivered by Prof. E.J. Wilson III "What Prospects For Privatisation" *Punch* (Lagos) March, 13 and 14, 1986.
19. A.H. Hanson, *Public Enterprises and Economic Development* (London: Routledge and Kegan Paul, 1959), 23.

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The Co-operative Movement and the Crisis in Tanzania's Rural Economy

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Introduction

Tanzania is a country relatively well-endowed with natural resources. Particularly noted is its large agricultural potential which in Africa is matched by may be only Nigeria, Sudan and Zambia! However, Tanzania's agriculture and the rest of the rural economy have performed very badly, especially during the past ten years. This decline in the rural economy sometimes reached critical stages and huge amounts of food had to be imported to evade hunger and malnutrition.

The crisis in the rural economy has also manifested itself in the stagnation or decline of production of other agricultural crops besides food, resulting in the decline in foreign exchange earnings. This has further contributed to a decline in industrial production because the country's industries heavily depend on imported raw materials and spare parts payable in foreign exchange. The foreign debt also been rising steadily since the mid-1970s. Since the rural economy has failed to generate the expected foreign exchange through the production of the country's traditional cash crops, the government has resorted more and more to borrowing in an attempt to support and improve industry, infrastructure, and agriculture itself. Due to the lack of experience and incompetent administration, many unproductive loans have also been contracted adding to the burden of the rural economy in debt repayment.

The most noted feature of the crisis in the rural economy in Tanzania is the migration of the rural people. This reached frightening proportions in the 1980s. Due to poverty and harsh farming conditions rural people migrate to urban areas and to other rural areas to look for jobs or seek help from relatives and friends. My own estimation based on observations in three districts (Mwanga, Same, and Moshi) is that at any moment in Tanzania about 500,000 people are on the move or are temporarily living in towns or villages in transit to other towns and villages.

Associated with the problem of migration is the problem of rural unemployment. Few areas in the country have land pressure and peasants from these areas could migrate to areas with unoccupied land. The point is, peasants in Tanzania have land which they cannot cultivate. Others have animals which they cannot manage. Some would be better off in the countryside but migrate to towns due to ignorance. This is part of the crisis as these people are made to believe that their lives will be better off somewhere else, especially in urban centres.

The rural economy in Tanzania will be continue to be expected to absorb the growing labour force for a long period to come. The rural labour force is growing at a rate of 200,000 per year while the urban labour force is growing at a rate of 24,000 per year. Wage employment in 1975 was only 470,000 compared with the total labour force of 6,300,000.² The population census of 1988 put the country's population at 23,200,000. The demographic aspect of the crisis is not the population size as such. The country covers an area of 940,000 square kilometers and has a big irrigation potential. First, the problem relates to the high growth rate of the population (3% per

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annum) in relation to the rate of economic growth. Secondly, there is a high dependency ratio in the population and thus the actual number of the farm labour force is quite small in proportion to the land available and the population size. Only 50% of the population is between the age of 15 and 65. If you subtract from this group of school children and lazy people you end up with quite a small number of active labour force.³

In the 1970s the Tanzanian government made many institutional changes — ministries were changed, some abolished, and new ones created. It is the contention of this paper that these changes greatly contributed to the present crisis. Both primary co-operatives and peasant unions were abolished in 1976.⁴ Two years earlier the government had started replacing the traditional marketing boards with crop authorities. This paper focuses on the rural co-operative unions and how their abolishment has contributed to present crisis in the country.

The paper starts with an historical look of the co-operative movement before it was abolished. Then it will provide an analysis of the parastatal crop authorities which replaced the co-operatives, before attempting to present an account of the specific economic and social tendencies of the crisis. Lastly it will summarize the findings by looking at is now taking place.

The Co-operative Movement: 1932–1976

In Tanzania peasants started fighting to establish their marketing co-operatives in the 1920s. They wanted to share the trading profit which was all going to European trading companies and Asian traders. The Asians traders bought directly from the peasants to sell to the European companies, or in the case of food to Africans in other parts of the country. The Asian traders only offered too low prices but they indulged in outright cheating which included tampering with measuring scales. It was at this juncture that African peasant tried to form marketing co-operatives to escape from this cheating.

Peasants started to form their marketing co-operatives in 1925. The colonial government was not so keen with these co-operatives. It feared that they could turn to mass political movements if they fell in the hands of nationalistic Africans. White settler farmers were also against the formation of these co-operatives. Many of them were small capitalists or petty bourgeoisie and they feared both African and Asian competition in business. However, the authorities in London never feared co-operatives in this manner and so the formation of co-operatives was legalised in 1932 by the Co-operative Societies Ordinance.⁵

There was a strict control of co-operatives by the colonial government since, as we saw earlier, it feared its autonomy. The colonial government itself had interest in controlling marketing co-operatives to ensure that the raw materials produced were delivered to British monopolies at low prices, and to ensure its own revenue in the form of taxes and levies. Thus co-operatives were required by law to sell their products to government controlled marketing boards or other government controlled agencies like the Tanganyika Co-operative Trading Agency (TACTA).

At first some peasants treated the co-operatives as government marketing institutions. But as they developed they came to be more accepted by the peasants. On its part the colonial government itself encouraged co-operatives, especially after the Second World War, having discovered that co-operatives were useful in collecting crops from millions of scattered peasants, costing the government nothing.

By 1959 there were 573 registered primary marketing co-operatives societies serving African peasants. Co-operatives were most strong in areas where cash crop production was more developed.⁶ Such areas were Kilimanjaro (coffee), the Lake Zone (cotton and coffee), Mbeya (coffee and tea) and Songea (coffee). Co-operatives became strong and reliable marketing organizations. By ensuring the marketing of peasant crops co-operatives helped many peasants to remain in cash crop production. Without this assistance many peasants would have withdrawn from producing for the market due to the ups and downs of the world market just as many did in the 1970s and 1980s after co-operatives were abolished.

Before independence co-operatives also distributed farm inputs. Although they were supposed to be politically neutral co-operatives however played an important role in the struggle for independence in the 1950s.⁷

After independence the co-operative movement grew very fast. Government's policy was to help co-operatives to develop. Even though old co-operatives continued to do well, there were problems with the new one.

By the time of independence, the more advanced parts of the country already had co-operatives. Because these were areas under the old cash crops they had better infrastructure. Thus after independence when the government decided that co-operatives should play a central role in agricultural development, these old cash crop areas benefited from the move since for the co-operative had already become a tradition. It was the new co-operative which faced serious problems. The government was keen to develop co-operatives in order to eliminate the exploitation of the peasants by middlemen in these new co-operative areas, and thus initiated the registration of too many primary co-operatives. There were no trained manpower to run the co-operatives, and besides these areas developing new co-operatives also had the problem of developing cash crops.

Both the old and new co-operatives served the country well, and in the 1960s there was a rapid increase in the production of agricultural crops. The stagnation and downward trend in agricultural production started in the mid-1970s. Table 1 shows the downward trend in agricultural production. The crisis is more serious if we consider that the average annual population increase was 3.28 per cent⁹

Table 1
Tanzania: Agricultural Production ('000 Tonnes) Major Export Crops^a

	1971/72	1976/77	1981/82
Cotton	65.5	67.1	44.5
Coffee	45.8	48.7	51.3
Sisal	181.1	105.0	72.1
Tea	10.5	16.7	16.0
Cashew Nuts	121.5	96.8	43.2
Pyrethrum	3.7	3.3	1.0
Tobacco	14.2	19.1	16.2

As noted earlier, the new co-operatives proved to be inefficient because of the extreme shortages of trained and experienced manpower.¹⁰ Many peasants in these areas tended to regard the co-operative unions, and even the primary co-operatives, as an arm of the government rather than as an institution belonging to them. Unlike in the old co-operative areas therefore, the co-operative were not so readily

accepted by the peasant farmers. Many farmers were not thus not involved in the operation and control of their co-operatives.

This can be seen from Table 2 showing the rate at which new societies were started after independence.

Table 2.

Tanzania: Registered Primary Co-operatives (Marketing) and Unions.¹¹

	Primary Co-operatives	Unions*
1948	62	n. a.
1952	172	n. a.
1953	188	n. a.
1957	474	n. a.
1958	546	n. a.
1959	517	n. a.
1961	857	38
1966	1,500	33
1974	2,500	21

Source: From 1961 to 1974 the number of unions decreased because it was the government's policy to have one union for each administrative region.

The government realized the importance of co-operatives, and by 1966 the functions of the co-operatives had been expanded to include

- (1) Distributing farm implements and agricultural inputs;
- (2) Acting as trustees to peasant farmers who took loans from banks and the government;
- (3) Running special funds for member education;
- (4) Constructing primary and secondary schools, and providing scholarships for higher education (one union even opened its own business college);
- (5) Processing the agricultural products of the co-operative unions and primary co-operatives. This included cotton ginning, coffee curing, oil pressing, rice and maize milling.

Due to the problems faced by some co-operatives in 1966 the government appointed a Presidential Commission to investigate on the problems facing the co-operative movement and recommend measures. In its report the committee recommended more government assistance to strengthen co-operatives, and that the co-operative movement remain independent and self-reliant.

What followed these recommendations, however, was an attempt by the government to impose a tighter control over the co-operatives. This can be seen as an attempt by the government to help the weaker, and especially new co-operatives to take-off. More training of manpower for the co-operatives was undertaken, the inspection system was strengthened, and some co-operatives even went under government receivership. The powers of the Commissioner for the Co-operative Development (who was also the registrar of co-operatives) were increased through the new Co-operative Societies Act of 1968.¹²

By the late 1960s the co-operatives had further expanded their services to retail trade and transport, especially trucking. Many primary co-operatives opened shops or consumer co-operative wings where they sold capital goods like building materials and farm inputs. These included cement, seeds, insecticides, corrugated iron sheets,

fertilizers and bicycles. Some co-operatives advanced these goods to members and recovered the money by deductions from the yearly crop sales of members. This is why it has correctly been argued that the unions and primary co-operatives stimulated production. The unions were necessary since they channelled goods and loans to primary co-operatives.

The Arusha Declaration in 1967 put the country's development on the path of socialism and self-reliance. The most important component of Tanzania's socialism was the villagisation programme. The rural dwellers were supposed to move and live in nucleated "Ujamaa" ("socialist") villages. Few areas of the country which were heavily settled were not villagised in a physical sense but had boundaries drawn up to group 250 or so households into villages. These villages were supposed to develop to a point where most or all the production (save for may be gardens surrounding one's housue) would be carried on communal basis, with everyone sharing according to their contribution in work.

The new villages being established were supposed to be economic units. However, the economy of the countryside was in the hands of small scale farmers (peasants) who produced on individual or household plots. The marketing was under primary co-operatives and unions. The co-operatives also had a control over production through the supply of farm inputs, and same had already gone into production, especially in the processing of agricultural crops. Still many more were in retail and wholesale trade. In effect this meant that the ujamaa village could not have any say in the rural economy, and that villages, as economic units, and co-operatives could not develop side by side, as there was some form of contradiction between the two. In the eyes of the political leaders co-operatives were not socialist institutions, or the element of socialism in them was not enough to serve the ujamaa (African socialism) policy, and thus had to go.

Co-operatives had become strong economic institutions with popular mass base for most of the societies. Many leaders with co-operatives background were still in the government. So for their abliton had to be crafty and tactical. In the late 1960s the then president of the country was quoted as saying:

...although markekting co-operatives are socialist in the sense that they represent the joint activities of the producers, they could be socialist organisations serving capitalism if the basic organisation of agricultural production is capitalist.¹³

This cannot be taken as an attack on co-operatives. Actually what the president meant is that co-operatives should also go into production. They had already started doing so in some places. Since socialism and self-reliance was now the policy it meant co-operatives had to be involved more in production. The second five year plan of the country (1969-74) put president Nyerere's idea in practice by making it a policy that existing co-operatives would have to be production-oriented. Co-operative farming units were encouraged and the democratic participation of members in co-operative activities was promoted.¹⁴

As can be seen from the above quotation, the decision to abolish the co-operatives seem to have come from other political leaders and not the then president Dr.J.K. Nyerere was quite aware that the co-operatives could made to serve socialist purposes. Since co-operatives could be used to serve the new policy (and this is what the architect of the policy implied) it would have been necessary to solve the contradiction mentioned earlier between villages and co-operatives. There was no such attempt made, and in the confusion many leaders associated co-operatives with capitalism.

Attacks on co-operatives increased in the early 1970s. Strictly speaking, however, co-operatives were not capitalist but peasant institutions. Both primary societies and unions were answerable to committee's elected from the primary co-operatives. It is true individuals could have used them as a means of accumulating wealth but it is not logical to conclude that the co-operatives were capitalist institutions. In any case the government had means to deal with corrupt elements noted in some co-operatives. It is important to note that actually the members of co-operatives were small scale peasants, as can be seen in Table 3.

Table 3
Tanzania: Farm Sizes and income¹⁵

	Number of Smallholders ('000)	Average size of field (ha)	Net income (T.Shs)	
			per farm	per ha
Coffee	260	0.6	2,750	1,650
Cotton	440	1.25	630	788
Tobacco	29	0.8	3,100	2,480
Maize	1,075	1.0	470	470
Rice	200	0.7	830	581
Tea	30	0.3	1,700	510

Although there were few better-off peasants, especially in the older cash crop growing areas, it is hard to call these people capitalists. Peasant capitalism was not very much developed in Tanzania, although the better-off peasants have been termed as kulaks.¹⁶ However these were not kulaks as they had not attained any absolute accumulation of riches. In fact the African agrarian capitalists proper were in areas not covered by these abolished co-operatives like some parts of Mbulu (e.g. Babati) and some parts of Iringa (e.g. Ismani). Other agrarian capitalists were served by pure capitalist associations like the Tanganyika Farmers Association. These capitalist farmers were not as dependent on co-operatives as peasants even when they had their own co-operatives because they could organise other marketing and credit channels. Thus it is correct to talk of the co-operative movement as a peasant phenomenon and it is peasants who suffered most when they were abolished.

Eventually in May 1976 all primary co-operative societies were abolished, and their crop marketing functions were to be taken over by villages. Co-operative unions were also abolished and their functions taken over by parastatal crop authorities which now were to buy directly from villages. Other services of co-operatives like wholesale and retail trade were taken over by state organisation such as Region Trading Companies (RTCS) and District Development Corporations (DDCs).

Parastatal Crop Authorities

Parastatal crop authorities for all the major cash crops (coffee, cotton, tobacco, tea, sisal, pyrethrum, sisal and cashewnuts) were established in the 1970s. The National Milling Corporation (NMC) was also established to deal with major grains, especially maize and rice. The crop authorities were given the sole rights to purchase and export the major cash crops. The NMC was given the sole right to buy food grains domestically and to import them. The abolishment of primary co-operatives and

their replacement with parastatal crop authorities had various negative effects on the economy. To start with, it must be noted that co-operatives had helped increase efficiency in marketing and in pursuing agricultural growth. Co-operatives also were not a burden to the government and the tax payer in the sense that they were self-balancing. The parastatal monopolies, however, have become large consumers of subsidies from the government and this has contributed to the high level of inflation discouraging many peasants from producing for the market since the value of the money they get is not worth it. Most crop authorities have failed to provide the services they took over from the co-operatives like the provision of inputs. It must be noted that peasants' farms and homesteads are spatially very scattered and co-operatives were suitable to serve them because they served a small area, while a union served only a couple of districts. The provision of services through centralised bureaucratic monopolies in such a situation (coupled with poor roads) proved very difficult.

The marketing boards which were also replaced by crop authorities had a very different structure and function. The boards left much of the physical work of providing services for crops like marketing or supply of inputs to co-operatives. Instead they concentrated advising the government and respective co-operatives on how production could be improved. They also advised on the world market trends of supply and prices. They thus helped in creating security on crops, and creating the necessary conditions for the growth of co-operative marketing societies.¹⁷ On their part crop authorities tried to provide every service necessary for the crops under them. In this way they even entered into things traditionally undertaken by ministries like extension services and research. In the end they became too big and inefficient.

The government control over the parastatals was very small, erratic, and doubtful. For example as at February 28, 1982 not a single crop authority had up-to-date audited accounts and for some the latest audited accounts were five years behind.¹⁸ The total loss of the crop authorities for sisal, cashewnuts, coffee, tobacco, cotton, pyrethrum and tea was T.Shs. 209.8 million in 1980/81. The NMC alone made a loss of T.Shs. 469.5 million¹⁹ These and other losses have directly contributed to the crisis in the rural economy, with inflation running very high (officially inflation is running at about 30% per year).²⁰

Crop authorities were the National Bank of Commerce's major borrower.²¹ To meet these overdrafts in 1981 an expansion of T.Shs 5 billion was required in the money supply over and above the government's official budget, or 12 per cent of the GDP. Since this was not matched by increases in government income, it added considerable inflation pressure in the economy.²² One of the results of this inflationary pressure has been the growth of the parallel market. Peasants have been forced to sell crops to the parallel market at prices well above official prices and this has caused volumes sold through the crop authorities to fall sharply, further throwing them off balance.

Crop authorities have also directly contributed to the crisis in the rural economy. Due to their shaky management and financial position many have failed to pay peasants on time, and sometimes they have failed to pay at all²³ This has discouraged many peasant farmers from growing cash crops. Many have cut cash crop production completely or to the necessary minimum (i.e. enough for the necessary cash requirement of the household). Other peasants have opted for producing crops which they can easily sell outside the official channels like vegetables and milk.

The main problems with the crop authorities is that these were bureaucratic organisation set up to meet the interests of Politicians. These were not business entities that grew out of necessity like the co-operatives which grew out of the need by

peasants to escape Asian exploitation, as well as by the enterprising response of peasants to the opportunities provided by business and commerce. Even those co-operatives established by government initiative soon acquired an enterprising spirit. This same spirit is missing in crop authorities, and a *laissez affaire* attitude in crop authorities (and other parastatals), something that has led to inefficiency and loss. By 1982 the accumulated losses of the crop authorities (including NMC, GAPEX, SUDECO and NAFCO) was to the tune of T.Shs. 2 billion or more.²⁴

The crop authorities have further caused direct losses to peasants due to their frequent failure to collect crops on time resulting in the destruction of crops both in quantity and quality, which has in turn meant less revenue to the producers.

One report summarizes the problems of co-operatives thus:

From an operational stand point, the crop parastatals have been very deficient in executing the functions assigned to them, whether in crop collection, input distribution, or sales to international buyers; and their lack of attention to maintenance has resulted in breakdown of their vehicle fleets and of the processing equipment on which many crop industries depend... crop collection is frequently delayed, and payments are even later as the parastatals' liquidity problems force them to purchase crops on what amount to a *de facto* credit agreement with growers. Untimely and uncertain distribution of chemicals and seeds is similarly common.²⁵

Under such a situation the crisis in the rural economy is thus not a wonder. It is this situation which has contributed to the decline in the quantity of officially marketed output and a decline in quality of most crops, notably in coffee, cotton, tobacco, and pyrethrum.

When compared to co-operatives crop authorities are too big. Their centralised administration and decision-making process thus require much more skill and experience in planning and co-operation. Given their *laissez affaire* attitudes many managers of these authorities have not been able to run these parastatals well even when properly trained and well-paid. With 400 parastatals under it, the government has not been able to control these crop authorities effectively because of the problem of limited administrative capacity. For example, the government knew the problem of declining productivity in crop authorities since the mid 1970s but serious cost cutting measures came very late in 1985.

The crop authorities have been noted to offer lower prices to producers than the co-operatives. This has been a result of their high operational costs and mismanagement rather than a result the world market prices. This becomes very clear when we compare producer prices of crop authorities as a percentage of the world market prices with those of co-operatives and marketing boards. In the case of coffee for example, the percentage was 80.7% in 1969/70 (co-operatives period). 1974/75 to 45.5% in 1978/79 crop authorities period.²⁶ In cashewnuts the drop was from an average of 54% in 1966/67-1968/69 (co-operatives period) to 37.4% in 1976/77-1978/79.²⁷ Some crop authorities even determined the final price to the producer after deducting their operating costs. This, for example, was the case with the Coffee Authority of Tanzania, the only export crop authority that made a profit in 1980/81.²⁸ What this means is that in the end crop authorities became unnecessary burdens to the peasant farmer and the tax payer.

The performance of crop authorities has thus been far from being in line with the need for increasing agricultural production and raising the standard of living of peasant farmers. The poor quality and inefficiency of services of crop authorities have become the major bottleneck in maintaining and increasing agricultural production.

Consequences of the Crisis in the Rural Economy

The major consequence of the crisis in the rural economy was the decline and stagnation in agricultural production. By law the villages were supposed to be multipurpose primary co-operative societies. But this was just nick-naming villages because essentially they are not co-operatives. A village is an administrative/political entity with a village government, everybody residing permanently in it being an automatic member. The administration of the villages falls within the governments administration through the districts. One could talk about a co-operative being formed in a village but it is hard to imagine how villages could become co-operatives by just decreeing so. In any case there was no guarantee that it would be economical to have a co-operative in each village because the village boundaries were drawn on administrative and political criteria and not on economic criteria. Villages and crop authorities thus failed to provide the services once provided by the co-operatives and this directly contributed to the decline in the rural economy.

The consequences of the crisis in the rural economy in turn have had many implications on the national economy, including the decline of the urban economy decline in industrial production and the transport sector; all of which heavily depend on foreign exchange earned through agricultural production. It is not my intention, however, to deal with all the consequences of the crisis in the rural economy. I will only deal with the consequences on the rural areas themselves.

The overall consequences has been the growth of rural poverty. Rural poverty has increased as peasants have failed to make a breakthrough in production, and as their terms of trade have deteriorated. It is this rural poverty which has greatly caused the high level of migration noted earlier in the introduction.

For the period 1964-77 the peasants terms of trade declined by over 24 per cent at the average rate of just over 2 per cent per annum.²⁹ Since real farm incomes have drastically gone down, and inputs and consumer goods more expensive, many peasants have been forced to abandon their plots and try their luck somewhere else. The result has been further shortage of labour in rural areas. One can easily notice abandoned or unattended farms in rural areas.³⁰ The food crisis in the country was directly related to the rural (and urban) poverty, and is a result of the low prices offered to food producers, and failure to supply them with inputs. Food producers resorted to producing only enough to feed their families, and others continued to produce but sold in the parallel market. The co-operatives were very effective in purchasing small surpluses of food all over the country. One crop authority (NMC) could not be expected to do this job efficiently and economically. As a result sometimes there are food shortages in some parts of the country when there are surpluses rotting in other parts.

Rural poverty has increased due to food becoming more expensive. When grain and inputs were cheap some parts of the country had specialized in producing grain while others specialized in animal products, vegetables, or export crops. This specialization was abandoned as peasants felt they had to grow their own food for fear of hunger and malnutrition. Many have also tried animal husbandry due to the same fear. Since the mid 1970s the country have — had to import large amounts of grain some of it was bought in the international market and some given as aid.³¹

The crisis in the rural economy has accelerated differentiation in rural area. Poor peasants have been the most adversely affected as they have failed to reproduce as peasants and to send children to secondary, and even primary schools. Many have fallen to the rank of labourers hired by others or have become migrants. On their part

many middle peasants have fallen to the rank of poor peasants as their real incomes have gone down. Similarly, many better-off peasants have dropped to middle peasants. However, the crisis have also strengthened those better-off peasants who have managed to produce more and utilise the shortages of food in the market to charge higher prices. Commercial farmers have also benefited by the hiking prices of farm products.

Rural poverty has also greatly contributed to the very high population growth rate as poor people are more likely to have more children on the hope that these will later provide labour and financial help. The abolishment of the Department of Community Development was abolished even before the co-operatives contributed to the crisis in the sense that there was no educational campaigns against for example unnecessary rural-urban migration.

Re-introduction of Co-operatives

By 1980 it had become obvious that the present structure of marketing and supply inputs was a bottleneck to increased agricultural production and improvement of the rural (and national) economy. Peasants started to complain openly and asked the government to re-establish co-operatives as a way of improving their lives. In early 1980s the then Prime Minister selected a commission to inquire into the possibility of re-establishing co-operatives.³² In its report, the Committee informed that people had recommended the re-establishment of co-operatives immediately, and that once re-established co-operative unions should handle all matters handled by those dissolved in 1976.³³ A very important recommendation made by those interviewed was that co-operatives should break up the monopoly of the regional economic institutions formed to replace unions after their abolishment in 1976. The commission further reported the recommendation that the co-operative movement should be formed voluntary, and co-operatives should be economically viable.³⁴

The government acted quickly on the issue. By 1984 the co-operative movement was re-established. The NMC surrendered its operations in the districts to co-operative unions, and confined itself to regional headquarters. The RTCs also surrendered shops below district level back to unions although some of these were established by the RTCs themselves, and not inherited from unions. Crop authorities now have to buy from unions and not villages, and the government has started changing crop authorities to marketing boards. The co-operative unions have taken their old function of buying from primary co-operatives and supplying inputs. Primary co-operative societies have also been registering with several villages, and sometimes some villages have been registering as primary co-operatives. Here however, there is still a policy problem and the government will have to clearly clarify the role of primary co-operative societies vis-a-vis villages otherwise there may develop conflicts between the two.

Since the return of co-operatives in 1984 the peasants now have a forum in dealing with other institutions (including the government). Through the unions, primary co-operative societies can express the views and demands of their members. For example, in 1986 peasants in three districts in Kilimanjaro region (Hai, Moshi and Rombo) rejected an offer of Sh. 3/ price increase for a kilogramme of coffee and instead demanded Sh. 6/= . 6/=.³⁵ This demand was made to the Tanzania Coffee Marketing Board (TCMB) which replaced the Tanzania Coffee Authority. The demand was made by the co-operative union in the area - the Kilimanjaro Native Co-operative Union (KNCU). The KNCU noted that whereas peasants were being paid Sh. 28/20 per kilo, the coffee was sold for shs. 58/35 per kilo at the world market.

The KNCU also complained about the increasing operation costs incurred by the board which it found as too high and a burden to the coffee farmers.

This example is from an area where co-operatives were quite easy to re-establish because of its long history of co-operatives dating way back in 1925. Since co-operatives are taking off now with full knowledge of their earlier problems, together with the knowledge of the problems and mistakes of crop authorities, it my hope that the future of co-operatives and the rural economy they serve will be brighter.

Conclusions

It is not yet possible to evaluate the impact of the new co-operatives on crop production and marketing. However, there are signs that the peasant have responded well in re-establishing co-operatives. Crop brooms have recently been recorded in crops like cotton in Mwanza and shinyanga regions. We can not yet attribute the increase to co-operatives before detailed studies are made. But the two are also areas where co-operatives were strong before they were abolished and the re-introduction could have stimulated peasants. It will take at least about ten years or ten crop seasons before we can produce a concrete evaluation of the new co-operatives. The spirit and hope of the peasants and co-operative scholars are however high.

Foot notes

1. The World Bank; *Toward Sustained Development in Sub-Saharan Africa*, Washington, D.C., 10
2. International Labour Office (ILO) *Towards Self-Reliance. Development, Employment and Equity Issues in Tanzania* Addis Ababa, 15.
3. Government of Tanzania, *Population Census 1967, 1978* Government Printer, Dar es Salaam.
4. The World Bank: Report No 1616-TA *Tanzania Basic Economic Report Annex VI-Key Issues in Agriculture and Rural Development*. Washington, DC. (December), 24
5. Tanganyika Territory 1932 *Ordinance Enacted During the Year 1932*, Government Printer, Dar es Salaam 1932 p.33-50.
6. The World Bank; *The Economic Development of Tanganyika* (John Hopkins Press, Baltimore 1963) 216.
7. The World Bank: *Report No 1616-TA: op. cit.* p.21.
8. P.A. Iane, "The State of the Tanzania Economy 1984" (Economic Research Bureau, University of Dar es Salaam, Paper 1984.), 42.
9. The world Bank; *Report No 5019-TA: Tanzania Country Economic Memorandum* (Washington, D.C. August 1984) p.113.
10. The World Bank: *Report No 1616-TA: op.cit.* p. 22.
11. The World Bank, 1963: *op. cit.* p. 214, The World Bank: *Report No 1616-TA: op. cit.* p.21-23 & *Report of the Prime Ministers Commission of Inquiry into the possibility of Re-establishing Co-operative Unions* (Dodoma 1981) p. 15.
12. The World Bank; *Report 1616-TA: op. cit.* p. 23.
13. J.K. Nyerere, *Ujamaa, Essays on Socialism* (Oxford University Press, London: 1973) 116.
14. The World Bank: *Report No 1616-TA op.cit.* p.23.
15. ILO: *op.cit.* p.253.

16. This is how the term has been used by scholars like L. Cliffe, J. Saul and T. van Velson. These are supporters of Nyerere's African Socialism but with left overtones, or probably a more radical interpretation of it. For a critique of this group see S. Maghimbi: "Economic and Political Relations in Ugweno" M.A. Thesis University of Dar es Salaam, 1980.
17. Tanganyika Territory; *Annual Report on Co-operatives* 1949, etc.
18. The World Bank; *Report No 4052-TA: Tanzania Agricultural Sector Report* (Washington, D.C: August 1983) 71.
19. Ibid p.73.
20. Ibid p.75.
21. Ibid p. 73., SUDECO is the Sugar Development Corporation which has four sugar plantations under it. NAFCO is the National Food Corporation and it operates large cereal farms producing wheat, maize and rice. GAPEX is The General Agricultural Produce Export Company which trades in exporting crops which have no crop authorities and even export crops bought from crop authorities.
22. Ibid p.75.
23. Ibid p.76.
24. Ibid
25. Ibid p.76-77.
26. F. Ellis & E. Hanak; "An Economic Analysis of the Coffee Industry in Tanzania 1969/70-1978/79: Towards a Higher and More Stable Producer Price" (Paper presented to Economic Research Bureau Seminar, University of Dar es Salaam, September, 1980) 13.
27. F. Ellis, "A Preliminary Analysis of the Decline in Tanzania Cashewnut Production 1974-1979: Causes, Possible Remedies and Lessons for Rural Development Policy" (Paper presented to Economic Research Bureau Seminar, University of Dar es Salaam, December 1979) 14.
28. The World Bank, *Report No 4052-TA op. cit.* 72-73.
29. ILO: *op. cit.*, p.257.
30. These farms are commonly called "dirty farms" by peasants especially when they contain tree crops.
31. The World Bank; *Report No 4052-TA: op.cit.*, p.15.
32. *Report of the Prime Ministers Commission; op. cit.*, p.5-8.
33. Ibid p.81.
34. Ibid p.81-82.
35. This is the daily government owned newspaper.

The Effects of Insensitivity in Planning Land for Urban Development in Tanzania: The Case of Dar es Salaam

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Introduction

The proclamation of socialism and self-reliance in Tanzania in 1967 has not been able to liberate the country's urban planning framework from the shackles of foreign dependence and elitism. Master planning concepts, methodology, projects, control ordinances, regulations and projected overall structure of urban centres in the country have tended to further more elitist interests than egalitarian ones. This perverse town planning practice has persisted due to three mutually enhancing forces, namely, elitist town planning educational milieu; dependence on foreign town planning consulting firms; and attempts by an indigenous elite to preserve privilege.

The effects of the three have ranged from an application of perverse town planning terms of reference; perpetuation of anachronistic town and country planning ordinances, imported land development codes and regulations, emergence and intensification of inner city squatter settlements to invasion of open spaces and public land by unauthorised land uses; land use mixups and an unprecedented urban sprawl.

This paper attempts to unveil the origins and interdependence of the three forces and, in particular, elucidates on their effects in shaping the internal structure of urban centres in Tanzania using the Dar es Salaam city as a case study.

The Origins and Interdependence of Forces of Insensitivity in Modern Town-Planning.

There are three forces of insensitivity in modern town planning practice in Tanzania: (1) significant inadequacies imbibed in town planning educational milieu; (2) negative impacts of dependence of foreign capitalist town planning consulting firms; and (3) (and most important) the machinations of an indigenous politico-technocratic and bureaucratic elite to preserve privilege in the planned urban environment. While furthering elitist goals these forces remain completely insensitive to problems afflicting the majority of urbanites in urban centres as the case of Dar es Salaam will demonstrate.

Town Planner's Educational Milieu

Developments in natural and social sciences have had great influences on town planning models and their justification. This has been demonstrated by the way town planners educational milieu has influenced their planning methodology and interpretation of important space forming elements. Within a capitalist educational system, town planning is regarded as a technical exercise which translates already stated terms of reference into physical plans. There is, deliberately, nothing in the planner's training which demands a questioning of the suitability of policies, goals, and terms of reference of the master plan as an integral part of the physical master plan formulation exercise. This myopia is acquired through a superficial interpretation of existing urban growth and planning models. Four models—zonal, sectoral, multiple nuclei and additive have — provided the basic reference material for this endeavour.

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