

The Extent and Character of Differentiation in Tanzanian Agricultural and Rural Society 1967-1969*

MANUEL GOTTLIEB**

INTRODUCTION

The availability in recent months of research results from two major fact-finding investigations dealing with small-holder agriculture and rural society in Tanzania makes it possible to provide valuable summary indications of crucial aspects of the scope, outcome and nature of the process of differentiation which over the years has been going on in Tanzanian rural society. By differentiation is meant the tendency for inequalities to emerge forming lines of class stratification as peasant subsistence agriculture becomes commercialised and modernised in its production methods, husbandry and marketing. The process of differentiation has been extensively discussed in recent literature on African economic development and may be presupposed for the purpose of our present discussion.¹

The first in time of the basic investigations was provided by the 1967 census which included a systematic survey of the economic status or class alignment and industrial field of all persons gainfully occupied in one out of five rural enumeration areas. Though the enquiry was relatively simple in form and did not attempt to measure the magnitude of earnings or income derived from gainful activity, it had the advantage of a nation-wide canvass by trained enumerators asking only a few simple questions. The results for rural areas have been published in the fourth volume of the census, *Economic Statistics*.²

The second investigation, the Household Budget Survey (HBS) followed from the first, almost as a sequel, and was planned and executed by the

*In earlier revisions this paper was presented with a fuller presentation of data to an Economic Research Bureau seminar at the University of Dar es Salaam on 10 October, 1972, and again to the 1972 Conference of the Social Science Council of the Universities of East Africa meeting in Nairobi, 18-23 December, 1972.

**Manuel Gottlieb is Professor of Economics at the University of Wisconsin, Milwaukee. At the time this paper was written he was Research Professor, Economic Research Bureau, University of Dar es Salaam.

- 1 See by the author "Pluralist or Unitary Economic Systems: A Contribution to the Dialogue between Western Social Science and Marxism", *The African Review*, 1, No. 4 (April, 1972), pp. 26-28; P. Raikes, "Differentiation and Progressive Farmer Policies", presented to East African Agricultural Economics Society Conference, Kampala, June, 1972, and presented at an Economic Research Bureau Seminar, University of Dar es Salaam, 3 October, 1972.
- 2 See United Republic of Tanzania, Bureau of Statistics, *1967 Population Census*, Vol. 4, *Economic Statistics* (Dar es Salaam, 1971).

organisation responsible for the census, the Bureau of Statistics, administratively located in the Ministry of Economic Affairs and Development Planning (Devplan). Shortly after the first census results became available, the Bureau, in the summer and fall months of 1968, carried out a pilot survey of all private households in a sample of 258 rural and certain urban enumeration areas and obtained from each household a summary statement of all cash incomes earned or received in the preceding 12 months and expenditures therefrom. The some 30,000 households surveyed were then grouped into three broad cash-income groups for rural households of shillings per year—under Shs. 500/-, Shs. 500/- to Shs. 1,499/-, and Shs. 1,500/- and over.

Though the follow-up investigation disclosed that the summary statements of income understated income by up to 50% for the aggregate of rural households, these summary statements would appear to furnish an acceptable criterion for classifying households into broad income groups for purposes of sampling and more refined data-collection.³ Using that procedure the Bureau of Statistics drew a random sample of nine households in each of 247 rural enumeration areas (plus additional urban households with which we are not now concerned). Processed households were distributed as follows among the three income groups: 966 households in the lowest cash income class fixed at under Shs. 500/- per year, 811 households in the middle income class between Shs. 500/- and Shs. 1499/- per year and 419 households in the upper income class.⁴ Each class of sampled households was drawn from six broadly grouped zones of the country, each encompassing a considerable variety of types of soil, elevation and rainfall, modes of land settlement and husbandry and ethnic background. The sampling adequacy of the rural survey for each income group and zone has never been determined, especially for the upper income group where for four of the zones the number of sampled households is less than a hundred. There is much question of the reliability of zonal estimates spewed out in computer printouts by mechanically blowing up sampled households for each class into the corresponding proportions for the class as determined by the pilot survey. There is less ground to question the validity of the estimates thrown out by the computer for the sum of the six rural zones and hence for rural mainland Tanzania, but until the confidence intervals are worked out by use of acceptable statistical methods, the HBS results can only be treated as interesting orders of magnitude with an unknown margin of error. In our present use of the HBS we are utilising only rural mainland totals and, in the main, characteristics with high sampling incidence,

³ The mean cash income measured by shillings per household per year for rural mainland was Shs. 620/- in the 1967/68 pilot survey but Shs. 982/- for the calendar year 1969 (see footnote 4). Since price levels for farm produce over the time periods involved rose by only 2.2% and wage levels by 5.7% and since physical agricultural output declined by 8.2% (comparing in these calculations 1967/68 with 1969), we may suppose that the rise of rural income over the 18-month span is attributable chiefly to understatement of income sources in the pilot survey. Ministry of Economic Affairs and Development Planning, *Economic Survey and Annual Plan, 1970-71* (Tables 1, 4, 25).

⁴ See P. Y. A. Wiberg (Statistician), "HBS, 1969 Budget Survey, An Explanation", paper prepared for Economic Research Bureau Seminar, 4 July, 1972, Table 1.

i.e., where most households contribute positively to the group average and where variability of the characteristic is limited.

The margin of error noted above is, of course, greater for characteristics of behaviour which are rare or marked by wide variability or for characteristics which are significantly *clustered* in a small number of localities. Since only 1.47% of the rural enumeration areas (EAs)—247 out of an estimated 16,800 rural EAs—were covered in the HBS survey, a characteristic present only in a single EA would have a probability of inclusion in the tabulated results at full value of only 0.0147, and different samplings of HBS using the same sampling scheme would yield for the characteristic in question widely varying non-zero results. Hence any judgement as to the sampling adequacy of the HBS scheme for any given characteristic would require a precise estimation of the cluster features of the characteristic in the statistical universe, i.e., the degree of concentration or dilution of the characteristic in question in the EAs where it is located. For activities which are highly concentrated in particular localities and which dominate those localities—like sisal, tea and sugar cultivation closely associated with processing plants—it may be expected that the HBS will yield unreliable estimates of the aggregate nation-wide volume of those activities or any by-product of those activities such as agricultural employment. Activities such as cotton cultivation, cattle herding or subsistence food production which are widely scattered or have a limited variability among households will tend to accurate HBS projection. In an appendix to the paper, I have listed a representative array of HBS aggregates together with an alternative estimate of the same aggregate derived from other sources. It will be seen that the HBS projections are close to the mark where activities are not clustered or where variability between households is limited as with household size, subsistence production, household expenditures, the wages bill, salt consumption and cattle stocks. The projection is unreliable where the incidence of the activity is very slight and its variability in value wide, as in household medical expenditures at mission medical facilities or sisal, tea and sugar production.

We have no objective measures of the cluster features of differentiation and hence we are unable to estimate with precision the reliability of the HBS measures of differentiation. If there were in Tanzania 10,000 well-to-do peasant capitalist farmers with an income from crop or animal husbandry of more than Shs. 5,000/- yearly and if these farmers were located in only 100 EAs, then different samplings along HBS lines would yield widely varying results and little confidence could be placed in the reliability of any one HBS tabulation such as is now before us. If, however, those peasant farmers were spread over 1,000 EAs (with less than 17,000 rural EAs in the universe) the reliability of any HBS sampling run would be much greater. It is an implicit assumption of this paper that agricultural differentiation in Tanzanian peasant society is by its nature not highly clustered; that side-by-side with better-off peasant or capitalist farmers will be average or poorer farmers, many of them doubtless relatives; that the commercial and economic development that usually accompanies differentiation will involve some employment

of full-time wage labourers who will reside near their place of work and larger numbers of persons from poorer families in the vicinity seeking employment together with migratory workers who take up temporary residence in the community and artisans and shopkeepers, public officials, teachers and others. This assumption of a *differentiated community* is only presupposed in this paper and until it is tested or established by independent evidence, the HBS survey can be used to establish only broad orders of magnitude on a tentative basis.

However insecure that basis may be, it is a far better basis, in my judgement, than the private observations individually made in field work or in casual travels or intensive surveys in particular localities. Though the household sample was a limited one, it was intensively explored with 12 monthly visits to each sampled household by a staff of 88 full-time and 36 part-time interviewers and 36 supervisors and checkers plus a central staff of supervisors, checkers and qualified statisticians. The entire effort was marked by a high level of professional competence and skill and was fully backed by the resources of Government. Since the HBS volumes are already published, reference can be made for general introductory purposes to these volumes and to a statement on the HBS distributed at a special seminar held on the subject.⁵ We will have some occasion to use the published volumes but we will draw more extensively upon the tables and schedules from the voluminous printouts.

THE CENSUS ENUMERATION OF EMPLOYERS AND EMPLOYEES IN RURAL TANZANIA, 1967

The census survey of economic status of persons gainfully occupied was conducted in August, 1967, in a one-in-five sample of the rural population, thus providing effective nation-wide coverage. The survey rested on an attempt to dichotomize the adult population into gainfully occupied or economically active and the non-active population which for census purposes was grouped under four main headings (unemployed, students, homemaker-housewives, income-recipients) and a residual category, "others", including the sick, aged, etc. The dichotomization was easily made for male adults normally occupied to a greater or lesser degree with family support activities and older sons and daughters or relatives not in school and normally regarded as part of the family labour force. It was also quite clear that students enrolled in school, the sick or invalids, and aged parents more or less retired from active work were not gainfully occupied and were not to be included in the labour force. The distinction between persons within or without the labour force was more difficult to draw among wives whose household duties generally extend in rural Tanzania to active work in the field or shamba. But in any case this treatment does not affect the role or process of differentiation since the female members of the rural labour force are rarely hired out as "employees" nor do they often take on the character of "employer".

⁵ See 4 above and the published HBS Volumes: Vol. 1, *Income and Consumption*, Vol. 2, *Housing Conditions*, and Vol. 3, *Retail Prices* (Dar es Salaam, 1972).

The next stage in the census analysis was the determination of the *economic status* of each person gainfully occupied. For this purpose all persons classified as gainfully occupied were assigned to the following status categories:

employer who "operates his own economic enterprise or engages independently in a profession and hires one or more employees" (excluding domestic servants);
employee who "work(s) for a public or private employer and receive(s) remuneration";
"own account" operating an enterprise with no employees;
"family worker" who "works without any pay in an economic enterprise operated by another member of his household".⁶

Economic status was probably identified by census enumerators and their respondents in terms of primacy of interest subjectively viewed. A farm operator who did his own work with family members and hired seasonal help or special helpers for short periods of time or special tasks probably was not classified as an employer. Likewise a poor peasant with a small shamba who worked part-time for short periods on neighbouring farms was not regarded as an employee. The process of social differentiation in a traditional farm community undergoing modernisation will be initiated at the outset by such part-time activities. But it is likewise true that any process of differentiation which affects any considerable number of persons and has been carried on very long will tend to secrete a growing number of full-time employees and full-time employers who specialise in these capacities. It is the outcome of this process of secretion that is disclosed by the census enumeration.

The question has been raised whether *disclosure* of this process of secretion was not impeded by the philosophy and attitude that went along with the turn to the left embodied in the Arusha Declaration and its dedication of Tanzania to a socialist course.⁷ This is very much to be doubted so far as the rural population is concerned. The Arusha Declaration itself is a sophisticated document that stated a broad philosophy which by August, 1967, when the census was conducted, had only percolated into the thinking of a small fraction of the rural adult population. The dramatic acts of nationalisation which shortly followed the Declaration were aimed entirely at large plants, banks and estates owned chiefly by Europeans or colonialists. A second concrete action was taken to screen the top stratum of leaders specifically enumerated as including national leaders of TANU, Members of Parliament, senior officials in parastatals, members of District Councils and civil servants in the high and middle cadres. *For these persons* the holding of corporate securities, directorships in any business, the holding of two salaried posts or receipt of rents from the renting of houses were proscribed. To the humble run of persons carrying on the ordinary business of life and not seeking or oriented to these levels of high office, the Arusha Declaration simply had no

⁶ United Republic of Tanzania, Bureau of Statistics, *Economic Statistics*, p. XVI.

⁷ See Raikes, "Differentiation and Progressive Farmer Policies", *op. cit.*, pp. 33-34.

immediate applicability. The renting of houses in the rural areas was, as we shall see, very uncommon and few rural people owned securities or held directorships in any privately owned enterprise or received two or more salaries. The broad philosophy enunciated in the Declaration and in its sequel declarations would in time come to have more effect on daily life in rural Tanzania. But in August, 1967—and we might add during 1969 when the Household Budget Survey was conducted—this effect so far as everyday consciousness was concerned would hardly impede disclosure of the economic status of Tanzanians active in the labour force.

Conceding then the validity of the disclosure of economic status sought by census enumerators in August, 1967, we present herewith the economic status of the mainland rural Tanzanian labour force active in agriculture and hence grouped by principal agricultural product types. Of the over five million persons gainfully occupied in mainland agriculture (5,434,176) only some 14,000 (14,433) or less than 0.3% are employers and only some 2.6% (140,359) are employees. Nearly four out of five are self-employed and slightly less than one out of five are family members.⁸

Capitalist differentiation is indicated as slight since employer and employee enumeration in the total labour force shows up as less than 3%. Limited as this is, it hardly reflects differentiation proceeding with Tanzanian peasant agriculture. First we must delete from these returns labour force covered by plantation or estate agriculture utilising agricultural or pastoral land alienated under German or English colonial rule.⁹ For these estates we have the results of a detailed survey carried out by the Central Statistical Bureau in 1964. In that year there were recorded by mail questionnaires followed up by detailed canvassing, 929 "large-scale commercial farms" encompassing an area of 2.49 million acres with a median holding of 756 acres. The holdings were relatively heavy in the Kilimanjaro, Tanga and Morogoro Regions; cultivated acreage was 70% in sisal. Estates were heavily mechanised with over 2,300 tractors, 553 locomotives, 211 combine harvesters, and 4,629 other tractor implements. These estates also ranched over 80,000 head of cattle and were active in dairy, livestock and crop production.¹⁰ While these results apply to 1964, a similar pattern of operations may be projected for 1967 since acreage controlled by estate agriculture was not diminished although in the interim a few private estates had been nationalised. We know from other sources that total employment in estate agriculture for the census year 1967 totalled 123,887 employees.¹¹ The total number of employers operating farm estates or plantations is about a thousand, leaving

8 United Republic of Tanzania, Bureau of Statistics, *Economic Statistics*, Table 314 showing for Tanzania economically active persons engaged in agricultural work, enumerated by major product classes.

9 Rude W. James, *Land Tenure and Policy in Tanzania* (Nairobi: East African Literature Bureau, 1971), pp. 18-27.

10 Central Statistical Bureau, "Census of Large Scale Commercial Farming", October, 1964 (mimeo.), December, 1965.

11 Ministry of Economic Affairs and Development Planning, *Economic Survey, 1970-71*, Table 32.

13,400 Tanzanian capitalist farmers. It seems likely that these employed some 16,000 persons involving altogether some 0.6% of the total farm labour force regularly engaged in mainland agriculture.

We can gain some notion of the Regional distribution of this capitalist component in the Tanzanian peasant community by co-ordination of census and estate employee estimates on a Regional basis. If we subtract Regional estate employment estimates from the corresponding census Regional estimates, we have a rough measure of Regional differentiation as measured by the number of full-time wage labourers employed in peasant agriculture. The measure is rough because: the estate data are derived from a postal questionnaire of establishments as of June while the census estimates are derived from a field enumeration of gainfully occupied persons as of August; the basis of territorial allocation in the "estates" data is place of work but in census data place of residence; employees carrying on non-farm activities may be counted in estate data under agriculture but will not be so counted in our statistical summaries; and finally because of divergent handling of employment of casual labour. Only a considerable divergence of census from estate estimates in a Region will be statistically significant and for this reason we list only those Regions for which a divergence of at least 1,000 workers is indicated. On this basis there are seven Regions ranked from high to low by number of full-time wage labourers employed in peasant agriculture where such employment seemed material. The Region of fullest peasant wage-labour differentiation had over 8,300 employees, that with least only some 1,200. More pertinent specification is not permitted by the divergent sources of our statistics.

Regions ranked by estimated order of capitalist employment in peasant agriculture in 1967 were:

West Lake
Tabora
Shinyanga
Arusha
Morogoro
Mwanza
Kilimanjaro

In these seven Regions there were enumerated altogether some 8,754 "peasant employers", excluding both sisal and other estate returns. Of these the largest number, 31.1%, were located in the Lake Victoria Regions engaged chiefly in cultivating cotton. Employers specialising in cereals (14.5%) and coffee or tea (12.7%) are next in order of importance. Some 700 employers raising tobacco are found exclusively in the Region of Tabora.

Beyond this Regional patterning—with a concentration of capitalist agriculture in the Northern Highlands (Arusha-Moshi) and the Lake Victoria Region—and a very manifest concentrating on coffee and cotton as the products around which capitalist development clusters—the census returns tell us little.

THE HBS AND SOCIAL STRATIFICATION IN TANZANIAN RURAL SOCIETY AND SMALL-HOLDER AGRICULTURE

On all the headings on rural stratification where the census is silent, the HBS offers an abundance of information, frequently covered in criss-crossing schedules which usually, though not always, reinforce each other.

We commence with the phenomenon of part-time employment which the census failed to treat. Each respondent household was asked to account for produce received in kind as salary since payment in kind, including beer, meatstuffs and cereals is the predominant method of payment for services rendered on or around a farm. Each farmer in turn was then requested to account for the share of his harvested crop or animal produce paid out in kind for labour service rendered on farms.

The aggregate value of farm output of crops and animal produce may be estimated on the basis of official national income statistics as near 2.7 billion shillings in 1969.¹² The value of crops or animal produce sold and paid-in-kind as production costs was projected by HBS from sample households surveyed at 975 and 82 million shillings respectively or 36.1% and 3.0% of gross farm output.¹³ These payments in kind were made up of maize (25%), paddy (21%), beans (18%), sweet potatoes (10%) and meat (5%); but these products were often not distributed as raw produce but were made up into beer or foodstuffs consumed on the premises amidst festive proceedings (HBS TO 405, TO 501, MO 102, TO 102).¹⁴ Based on experience in Tanga, Arusha and Kilimanjaro, 10% of all farm households utilised labour-in-kind. Some of that employment would appear to relate to neighbourhood mobilisation to erect a building or to carry on a weeding or harvesting operation. And since not all crops or fields ripen at the same time, neighbours could support each other by turns, now helping in someone's else's harvest or weeding, now mobilising for one's own. The extent of this interpenetration of class relationships, where members of a given farm household would alternatively function as employees and as employers, is not measured in HBS schedules or tabulations but the practice is frequently noted in travel accounts, personal memoirs and area or product studies.¹⁵

But alongside such neighbourly labour exchange paid-in-kind there was also reported in HBS schedules detailed information on employment activity by 75,492 farm households who reported variously throughout the year

12 Ministry of Economic Affairs and Development Planning, *National Accounts of Tanzania, 1964 to 1970* (February, 1972), 11.

13 (HBS TO 401-5, TO 501-2.) A much smaller amount or only 16.4 million shillings was reported as salary received in kind in the expenditure schedules. HBS MO 102, TO 102. Perhaps the fragmentary and occasional nature of these payments often combined with festive proceedings led to their being overlooked or omitted from expenditure schedules.

14 These references are to the computer print-out sheets

15 For detailed accounts among the Ndendeuli and Nyamwezi, see P. H. Gulliver, *Neighbours and Networks* (Berkeley: University of California Press, 1971), Ch. 6, "Economic Cooperation"; R. G. Abrahams, "Neighborhood Organization: A Major Sub-System among the Northern Nyamwezi", *Africa*, 25, 168-86. For a statistical treatment, see *Southern Highlands Socio-Economic Study—Final Report* (January, 1971), pp. 164-171.

employment of 199,000 workers residing in the same District and 23,000 workers residing outside the District of employment. Most of the employers (80%) were small-scale, hiring less than three employees at one time; they employed, however, only 44% of hired labourers. Only 2,677 households reported employment of 11 or more labourers but they accounted for an estimated 31,000 labourers, a significant volume of capitalist employment. The purposes of employment were indicated chiefly as embracing operations of the harvest (87%) and work in connection with building or construction (13%). The duration of employment throughout the year or the balance between hired and family labour was not tabulated but the part-time or intermittent employment that seems indicated for the aggregate average number of paid man-days per month by nearly all employing households was between four and six man-days or less than a third of one man-month (HBS TI 301, TI 303, TI 304). In the Tanga-Arusha-Kilimanjaro Regions, employing farm households hired through the reporting year only 13.1 paid man-days per reporting employer.

Another mode of rural employment was offered by farm households carrying on craft industries which play an important part in the rural economy both on farms and in rural settlements and villages. Income from these activities was separately tabulated in the income schedules, accounting for 11% of all farm incomes and 10% of all rural incomes (HBS MO 206) yielding the rural income earner Shs. 61/- per year. The detailed tabulation for one month of all craft activities carried on in the surveyed households sheds some light on tendencies toward differentiation or class formation. The tabulation showed that in rural mainland Tanzania some 418,000 households involving altogether 650,000 workers 89% from farm and 11% from non-farm households, were active in December, 1969, in craft activities, nearly half of them in *pombe* brewing the next largest field of activity being pottery (17%). HBS HO 8021. This work force put in a total 5.3 million man-days or a little over 8 days per month per worker, indicating that craft activities were still largely supplementary to farm work carried on when the demands of crop or animal husbandry subsided (HBS TO 8022). Only a few households or 4% of the total are recorded as primarily dependent upon craft activities for a livelihood either in crafts proper, the building trades, in transport or service enterprises (HBS TO 8041). Of this craft labour force, family members made up 83% of the total but contributed only 77% of the man-days; hired labour made up the balance (HBS TO 8021-22). There is a clear tendency for members in smaller size and mostly younger households—either of single young workers or a newly married pair—to participate in craft activities as hired employees while the converse is the case for larger families.¹⁶ The hired status may facilitate learning the craft or provide a supplementary income during the younger work years.

16 Of the total craft labour force coming from single person households 26% contributed to craft work in the capacity of a hired employee while the corresponding figure for two-person households was 21%. For households of seven to eight and nine members respectively the corresponding share of labour force as hired employees was 5%, 7%. HBS TO 8031.

For the month of December the total value of output produced by all the craft enterprises was 19.7 million shillings and net of expenses for purchased materials and other direct costs, the income available for distribution between hired labour and family members was 14.3 million shillings. Of this, family members received 88% while hired employees who contributed 24% of the man-days only received 12% of the net value product. Family members, of course, provided tools and facilities and took on the burden of marketing the product. Their total shilling return from craft activities per engaged household for the month was some Shs. 30/- (HBS TO 814). Judgement as to whether this is excessive in the light of the wage return to hired help must be made in the light of the overall income status of the respective parties. Fortunately a tabulation of household income of all workers in craft activities was prepared separately for hired labour and family members (HBS TO 5081). Over two-thirds of all family members reside in households in the lower income group whereas only 39% of the households of hired employees are in that group. Only 6% of family members reside in households classed in the upper income group but 15% of the hired workers fall into that category. The higher household income level of hired over family members is slight for *pombe* brewing but it is marked for pottery and is overwhelming in furniture making, basket making, wood carving and other activities.

In studies of social stratification, arising out of the process of modernising or commercialisation of traditional rural society, attention has often been called to the role played by loan-usury and landlord incomes obtained by renting lands or houses. The very category of "kulak" as archetype of the upper bourgeois stratum of pre-1917 Russian rural society derived as much out of loan activities as out of employment or landlord activities. The harsh behaviour of the well-off lender extracting usury from his needy peasant neighbour induced the characterisation of that lender as fist (the Russian meaning of "kulak"). We accordingly extract from HBS their detailed disclosures of lending and rental—or usury and landlord—activities.

A detailed schedule of new borrowing by survey respondents showed that non-farm and farm rural households borrowed during 1969, 83 and 271 million shillings respectively, utilising as a basis for estimation of the latter figure data from five out of six reporting rural zones. Loans were predominantly (88%) for one year and were, for four zones of the six, free of interest while for two zones (Mtwara and Lake Victoria Regions) there was an untabulated fraction of interest-bearing loans with the rates of interest predominantly (87%) between 7% and 10%. The source of loans was significantly different for farm and non-farm rural households. Farm loans were obtained 80% from relatives, 4.5% from public financial institutions (bank or co-operative), and the balance was provided by employers, traders or money lenders. A little over half of non-farm household loans were obtained from relatives and slightly under half from traders and money lenders. Only 25% of non-farm household loans were by stated purpose to provide for food and drink, but 42% of the corresponding loans by farm households

Table 1—CASH INCOME MAINLAND TANZANIA, SHILLINGS PER HOUSEHOLD AND PER PERSON 1969, BY INCOME SOURCE, INCOME GROUP AND FARM-NON-FARM STATUS

Source of Income	No. of Rural Income Earners in Sample	Shillings per Household		Shillings per Person by Rural Households in Income Groups		
		Farm Rural	Non-farm Rural	Urban Farm	Lower	Middle
Crop husbandry	1,917	314	218	72	50	78
Animal husbandry	1,328	137	48	43	16	25
Wages-salaries	1,241	90	1,036	749	20	204
Trade	1,424	133	307	1,191	21	64
Other enterprises or profession	1,418	96	83	982	14	34
Rents (including lodgers)	48	3	1	467	X	X
Interest and dividends*	268	13	44	129	2	9
Remittances and Gifts	1,169	34	47	108	6	8
Sales and Assets	658	26	41	54	3	11
Others	206	5	1	5	X	2
Total per Household		851	1,826	3,800	132	183
Total No. Households		2,187,984	331,403	14,583		435

Source: HBS T1717, 1718, M0209, T0216, M0202.

*In the Swahili version this category of income was entitled *Faida na Hisa* and survey respondents probably entered under this heading all kinds of miscellaneous receipts involving payments from the co-operative society, profit returns or sharings and loan-interest proper.

were for that purpose. Both groups of households borrowed frequently for non-consumptive purposes, 31% and 25% of all loans for farm and non-farm households respectively (HBS TI 101-106).

Loan repayments by respondent households as disclosed by expenditure schedules were on a much smaller scale than loan receivings, indicating either that loan payments were not reported on expenditure schedules or that loan obligations were not met. The schedules reported loan outpayments in the form of loans given out by respondent rural households during 1969 at 16.2 million shillings and loans repaid or debt service at only 8.2 million shillings. Since the sampling incidence of these loan outpayments was very low, 47 loans given out and 32 repayments, the magnitudes are highly problematical. This fragmentary character of outpayment returns, as compared with our earlier information about loan incomings, probably arises from their respective places in the survey form. The incomings data was requested early in the survey form (page 8 of schedule B), under a separate schedule with its own heading in which information was requested about any act of borrowing since the last interview; the information was requested by amount, purpose of loan, source of loan and term and interest rate if any. The outpayment information was requested on page 27 of the form near the end of a long list of over 400 expenditure items and it seems likely that interviewers did not follow instructions and read the full list of items at each interview. And since the more reliable incomings account was not tabulated by income group or even by size of loan, probably the dominant fact about the incoming loans is that most of the loans were received from relatives at no interest charge.

When we turn to landlord relations and rental incomes, whether in money or kind, we deal with the main base of stratification exhibited in more "advanced" social orders. All over the world an extensive scheme of stratification emerged in agriculture arising out of landlord-tenancy relations and the corresponding exploitation of peasant populations by rural landlords or gentry via collection of rental incomes or rental tribute in kind. Though playing a sizeable role in urban communities and for farms located within urban jurisdictions, money rental payments are of minimal proportions in rural Tanzania as is clearly indicated in Table 1 which shows cash incomes in 1969 by income source. Even in Ismani Division where it is assumed that renting of land is a common practice, it turns out upon enquiry that less than 2% of the cultivated land acreage is rented and that of the gross value of output less than 1% was paid out in rent.¹⁷ Inspection of Table 1, fifth column, shows that the process of commercial development has clearly transformed the urban farm household into a small property base for carrying on trade and craft activities (accounting for over half of the cash income earned by these households) and providing housing services in Swahili-type houses on that

17 See R. Feldman, "Custom and Capitalism: A Study of Land Tenure in Ismani, Tanzania" (Economic Research Bureau Paper 71.14). She reported a prevailing rent rate of Shs. 20/- per acre and that 4% of her surveyed acreage was rented. With yields at seven bags per acre and less rental away from the highway where her survey was concentrated, it is indicated that less than 1% of gross crops proceeds running at between 12-14 million shillings was paid in rent.

land by renting to tenants or lodgers. The minimal level of cash rents recorded on the rural income side is matched by the same low level of house rent payments enumerated in the expenditure schedules, amounting in the aggregate for rural Tanzania to 5.6 million shillings or to Shs. 2/- per household with a sampling incidence of only 15 for every 1,000 possible respondents. Similarly the comparable enumeration in the housing schedules of housing tenure—whether owner-occupied, rented from a landlord or from Government or given free by a relative—shows 93% of all rural mainland houses were owner-occupied and 1.4% were rented from Government or the market while 112,001 homes or 4.4% of the total were given free by relatives.¹⁸

Of course, in the traditional modes of rural exploitation, rents were often collected in kind. But so uncommon or strange is the phenomenon of land rental in rural Tanzania that the HBS designers did not specifically enquire about rent payments in kind though, of course, the wording of the farm cost schedule asking for production costs paid in kind was applicable to transfers of produce paid as rent for using the land and not only as a method of payment for work. The instructions, however, formally requested interviewers to "register here even estimated quantity and value of maize . . . used in food or *pombe* consumed by relatives and friends who are not household members and who have helped with harvesting or other farming operations". (HBS, Instructions for the Fieldwork, page 13.) The widely pervasive and deeply rooted institution of *communal* land tenure, while favouring individual use of farm land, would frown upon and discourage any attempt to collect a payment for land assigned or allocated to a particular household but given to someone else to cultivate.¹⁹ It would be more common for such land to be re-allocated within the family or between relatives or to be re-assigned by the village authorities. Quite possibly a fraction of gift transfers to others outside the household, totalling for rural Tanzania 8.6 million shillings, was used to reward the source of land.²⁰ The concentration of such gift payments in the upper income groups (for which Shs. 13/- per household was recorded under this heading) with relatively low per household gift payments in the lower and middle income groups (Shs. 2/- and Shs. 4/- respectively) (HBS TO 110, MO 101) may simply be due to the greater ability to give gifts in the upper income brackets.

I turn now to the HBS findings relative to rural income inequality. Reference is made to Table 2 which gathers together available information concerning the range of distribution of household incomes. We utilise for this purpose

18 HBS, *Housing Conditions*, Table TO 703, p. 32.

19 Julius K. Nyerere, *Ujamaa Essays on Socialism* (Dar es Salaam: O.U.P., 1968), p. 8 (see also pp. 84-85). For a full treatment, see James, *Land Tenure*, op. cit., pp. 61-66, 261-287.

20 In response to questions about how farmers obtained their land or expected to obtain additional land desired, farmers did not list renting as a source and only a few per cent listed purchase, but 9% of the male household heads thought they would need to make gifts to obtain access to land—apparently an African form of purchase. *Southern Highlands Final Report*, op. cit., p. 56. The Chagga peasant was reported in the 1940s as paying "through the nose" by a "present" "when he gets a grant of land" from native land-granting authorities. Tanganyika Territory, *Report of the Arusha-Moshi Lands Commission* (Dar es Salaam, 1947), p. 42.

the distribution by expenditure groups because at least it provides a clue as to the relative order of magnitude of the scattering of more affluent rural households which the higher income group gathers together in a single figure while at the same time allowing for income received in kind or produced and consumed on the farm. The number of households recorded for the higher expenditure groups is very problematic but the order of magnitude is I believe faithfully exhibited. Of the 19,000 rural households who in 1969 consumed goods and services valued at or over Shs. 8,000/- per year—and these households may be considered as an upper income group—some 16,000 were farm households. These high expenditures will reflect income earned from non-farming trade or craft activities and, of course, wages earned by household members in non-farm employment. We know from HBS income schedules (Table 1) that members of farm rural households earned incomes from outside wage employment or in craft and trade enterprises which were 70% of the total cash income from crop or animal husbandry. The same Table shows that the decisive differentiation in the income behaviour of the upper income group occurs by reason of the escalation of incomes arising outside farming operations proper. These produce for the upper income

Table 2—NUMBER OF RURAL HOUSEHOLDS, IN THOUSANDS, BY 1969 TOTAL EXPENDITURES, RANKED BY EXPENDITURE BY HOUSEHOLD SIZE AND FARM, NON-FARM STATUS

	By Household Size			Self-employed	
	All	1-2 Member Household	7 or More Member Household	Farm	Non-Farm
Total expenditure per year (thousand shs.)					
0- .999	804	226	103	735	2
1-1.99	1,048	116	316	952	9
2-3.99	499	32	226	390	17
4-5.99	111	1.5	61	88	1.6
6-7.99	32	1.2	15	22	1.6
8-9.99	9	X	3	8	X
10 and over	11	.8	9	8	1.2
Total	2,514	378	733	2,203	32

Source: HBS, T1717, T1718.

group only Shs. 93/- per household member as compared with Shs. 89/- and Shs. 66/- for the middle and lower groups. But all the non-farm income sources, with outside wage employment playing the major role, account for Shs. 66/-, Shs. 94/- and Shs. 342/- per household member for the lower, middle and upper income groups respectively. The upper income rural household is lifted above its neighbours not so much by aggrandising opportunities in agriculture but by carrying on a more diversified range of non-farm activities, including the remunerative salaried posts in Government and education. This also shows up in the differentiation of the non-farm rural household

from the farm rural household. The non-farm rural households earn some three-fifths as much cash income as farm households from crop and animal husbandry (Shs. 266/- to Shs. 451/-). The decisive differentiation is salaried or wage employment. We note in passing that because lower income group households are more commonly of smaller size than the middle group (see the differential patterning of one to two and seven or more member households in Table 2), that on a per household member basis the respective cash income levels of the lower and middle income groups are very close together (Shs. 132/- to Shs. 183/-). Since these two groups account for nine out of ten rural households (and 94 out of 100 rural farm households), and since the subsistence component of income is more equally distributed among rural households than cash income, we see here, in fact, a nearly common level of living for the bulk of the farm population. But again it must be noted that the mean value for the income groups is made up of widely varying levels of income and expenditure within the group, running all the way between a few shillings per head for the poorest rural households to several thousand shillings per head for the most well-to-do strata of the farm population as is indicated in Table 2; this gives an inkling of the wide range of variation between the bottom and top expenditure strata.

We turn now to the disparate levels of real consumption made possible by disparate levels of income earned or output produced in the rural household. We look first at the disclosure of variations in rural housing conditions by income group, spelled out in specifics for cost of building, number of houses, foundation, floor material, wall material, roof frame, water supply, toilet system. The enumerators have had a relatively simple task; statistical variability was very limited for staple housing items and the sample for the purpose in hand was more than adequate. The results are published elsewhere so our presentation is confined only to highlighting a few points (HBS, *Housing Conditions*, pages 33-35). The value of the first or main dwelling unit rises from a mean level of Shs. 355/- for the lowest income group to Shs. 1,161/- for the upper income group. But in terms of quality and type of construction the dwellings are much alike. Most of the houses in the upper income bracket (83%) have no foundation, have earthen floor materials (86%) and wall materials of poles, thatch or mud (75%). Improvements in roofing are more conspicuous with 32% of upper bracket houses using sawn timber for a roof frame and 37% going in for metal sheet roofs. Corresponding figures for the lowest income groups are 7% and 5%. Upper bracket families depend with their poorer neighbours mostly on nearby streams or river beds for water and only a small 10% of their number live at or near a pipeline connection. If the upper bracket containing the upper 6% by cash incomes of Tanzanian rural farm households are a peasant bourgeoisie, then this bourgeoisie lives in a very proletarian style of home.²¹

21 "The correlation between wealth and quality of housing is by no means perfect, ... the author has seen a number of larger farmers living in thatched houses and not even very large ones." Phil Raikes, "The Historical Development of Wheat Production in Northern Mbulu District", Economic Research Bureau Paper 70.11, p. 3.

Table 3—ANNUAL CONSUMPTION IN RURAL PRIVATE HOUSEHOLDS, 1969, BY SELECTIVE MAJOR PRODUCT CLASSES OR ITEMS AND BY INCOME GROUP, SHS. PER HH PER YEAR

	Income Groups			Total	Upper Group Expenditure as % of Total
	Lower	Middle	Upper		
Food and drink	787	922	1,248	862	145
milk and dairy products excl. butter	28	52	72	43	167
meat and meat products	74	117	165	102	162
alcoholic drinks and beverages	43	57	87	56	155
Housing (including water, fuel or light furnishings)	107	131	224	120	187
Clothing	111	154	292	142	206
Medical care	18	29	34	21	162
Personal care (toilet cosmetics, etc.)	11	15	37	14	264
Education	9	17	55	15	367
Entertainments and recreation	X	10	9	3	300
Bicycle	5	12	33	8	413
Bus	8	13	40	14	286
Cleaning materials	15	18	34	17	200
Cigarettes & tobacco	12	12	36	16	225
Taxes and Fines	15	29	59	24	246
Remittances to relatives	8	12	67	14	479
Gifts outside household and dowry	7	20	53	11	482
Savings (other than increases in cash holdings)	25	48	173	42	412
Investments (including own house)	10	4	33	10	330
Total expenditure	1,319	1,777	2,931	1,572	186

Source: HBS, MO 101.

We turn to Table 3 showing annual expenditure from all sources in shillings per household by key items and classes of consumption expenditures by income group. The style of life of the upper income group is scaled by expression as a per cent of the total. Differentiation for food and drink for the first two income groups is moderate. The 45% step up in food outlays over the average is accounted for by increased expenditure over a wide range of items. Expenditure twice as great as the average or more is confined to outlays for clothing, personal care, education, entertainment, transportation, remittances to relatives and gifts, bona fide savings, property investment, cigarettes and tobacco. Of course, it is only on a relative scale—compared to their poorer neighbours—that upper group rural households seem affluent. The amounts spent on all these categories is paltry in every sense of the word so that the income groups sum up expenditure levels that might properly be denominated bare subsistence, tolerable subsistence and liveable subsistence for the three income groups respectively.

One interesting aspect of the consumption table is the relative level of consumption for milk and dairy products by the lower and middle income groups who probably obtain most of their dairy products and meat from their own shambas and little by purchase. This is confirmed by the relative holdings in cattle tended by households classed by income group. The lower and middle income groups tend 89% of all cattle, 56% for the lower and 33% for the middle, and 91% of all goats tended (HBS TO 909). Households with large herds of cattle frequently give out cattle to neighbours or relatives for tending. The offspring of tended animals are usually shared in some fashion but the milk produced belongs to the tending household. That tends to equalise opportunities for milk consumption in areas where dairy cattle are relatively plentiful.²²

SUMMARY AND CONCLUSION

Summarisation of the argument can be brief because our findings point to a single conclusion. The evidence indicates only a limited process of social differentiation or class stratification emerging in Tanzanian peasant agriculture or rural society. In Tanzanian agriculture there are probably only about 13,500 peasant farmers who regularly employ one or more helpers. The number of regular employees who work on farms is only a few thousand greater. During the harvest season or to aid in major building operations as many as half a million workers will be hired. Much of this labour which is paid in kind, often amidst festive proceedings, is provided by families and relatives in the neighbourhood and often the same family will receive and give help in the same season as different plantings require harvesting at different times. Reported compensation paid in kind for this hired labour amounted to 3% of gross farm produce. Much part-time labour was hired

²² "... an extensive system of loans... serves... to provide milk for poor people" among its other effects. Raikes, *ibid.*, p. 3.

on a more commercial basis but the annual number of man-days involved was very limited.

Another major field of rural employment is in cottage industries which accounted for some 10% of all rural incomes in 1969 and in which 418,000 rural households were engaged, utilising altogether some 650,000 workers, 89% from farm and 11% from non-farm households. Though hired labour made up only 17% of the work force it contributed 23% of the man-days worked but received only 12% of the value of the product after deducting expenses for materials and other direct costs. In terms of overall household income from all sources we found that the hired workers, who were generally younger and drawn from smaller households, lived in households with higher income levels than family workers.

Tendencies to class stratification arising out of lending activities were then scrutinized in the light of the important fact disclosed by the survey that rural households in 1969 borrowed 354 million shillings chiefly for consumption purposes and mostly from relatives (80%) and on a predominantly interest-free basis.

Landlord operations in rural Tanzania were found to be virtually non-existent by examination of the tenure of rural homes, by tabulation of rent payments in expenditure schedules or rental incomes received on income schedules. The absence of rental housing arises in part from the tendency for income and wealth sharing among relatives as evidenced by the fact that rural houses given free by relatives were four times more numerous than rural houses rented at a market price. The absence of land rental owes more to the institution of communal land tenure under which the rights of individuals to control land is contingent upon their ability to use it productively.

Rural incomes were found to vary over a wide range when measured by total expenditures. The higher levels of these incomes were attributable chiefly to non-farm activities carried out by members of farm households active in cottage industries or trade or business or the very remunerative employment in Government service or parastatals, probably the leading single source of enrichment in rural Tanzania. Assuming different levels of income, we then searched expenditure patterns for evidence of the different standards of living and housing associated therewith. Housing for the upper income group containing the top 6% of the rural farm income-receivers, was only slightly better than their neighbours' chiefly by using framing timber, a more frequent use of mud bricks for wall material and cement or concrete for floor material, but most markedly in a much greater proportion of sheet metal roofs. The upper stratum spent more in all directions but especially for education, transportation, savings and personal care. Differences in levels of consumption of meat and dairy products, so important for providing proteins, were less marked than for most other categories of expenditure partly because some 90% of all cattle tended were available for use entirely by tending households in the lower two income groups.

If all this is true, on what basis has concern developed about the degree

of social stratification in Tanzanian agriculture and rural society? The concern developed because the inequalities which exist—the relative handful of capitalist farmers, the some 8,000 Tanzanian farm households with expenditures in 1969 over Shs. 10,000/—are not scattered uniformly over the countryside but are concentrated in areas which attract attention because of their novelty and the marked economic growth often associated therewith. These areas of capitalist development are very real, e.g., in the Ismani Division near Iringa. Equally prominent is an area of feudal land tenure lingering among a few thousand Buhaya near Bukoba and not yet fully liquidated by reform legislation.²³ These areas are very unrepresentative of Tanzanian rural life which is founded upon a broad distribution of communal tenure in the basic wealth of the country, its farm lands, its grazing fields, water holes and streams, and a strong urge to provide mutual help and assistance among kinfolk and relatives who are important sources of work assistance, of housing and of loans.

Clearcut lines of socio-economic stratification exist in Tanzanian rural society but they do not cut through the society in the same way as lines of social stratification did in advanced European or older Asiatic societies. Probably the most significant line of inequality runs not *between* households but *within* households with preference in consumption, a lesser share of the drudgery of field work, high status and esteem and finally disproportionate amounts of sexual gratification awarded to older males. At the opposite pole are wives upon whom are concentrated the burdens of psychological subjection, continuous personal service and a never-ceasing round of domestic and field labour.²⁴ Secondary bearers of burdens are the young sons, deprived by bride-price of sexual access to their natural sex-mates who are disproportionately utilised by older adult males, especially those more well-to-do who are the chief beneficiaries of the system of plural marriage. Neither the census nor the HBS shed any light on this line of stratification which must be investigated from other sources. And in terms of conceptual framework this

23 For a detailed analysis of the pocket of feudal land tenure called *nyarubanja*, see James, *Land Tenure*, op. cit., pp. 67-90. For as many as 9,000 tenancies, land was held from a political and social superior in return for service and tribute. This became unpopular during the colonial period and the British authorities compiled a roster of tenancies and restricted and defined rights and duties and scaled down rents. Some 2,700 tenants were given freehold tenure, half of whom paid Shs. 150/- as compensation. Acts of complete enfranchisement were put on the statute book since independence but there is some question whether all incidence of feudal tenure has been uprooted.

24 Labour input on an average farm (0.84 hectares) was estimated at 866 hours for the man and 1,621 hours for the woman (excluding animal husbandry and women's work in fetching water and domestic work). J. Rald, "Land Use in a Buhaya Village, A Case Study from Bukoba District", University of Dar es Salaam BRALUP Research Paper No. 9 (January, 1969), p. 6. President Nyerere has said of the lot of women in traditional East African society that it was "to some extent inferior". Women did "and still do more than their fair share of the work in the fields and in the home" and "ill-treatment and enforced subservience could be their lot". J. K. Nyerere, *Ujamaa Essays on Socialism*, op. cit. (1968), p. 109. See for a general survey and extensive citation of references, Marjorie J. Mbilinyi, "The Participation of Women in African Economics" (Economic Research Bureau Paper, 71-72); A. Wipper, "Equal Rights for Women in Kenya", *The Journal of Modern African Studies* IX (October, 1971), p. 434 ff.

line of stratification is illuminated more in the writing of Thorstein Veblen than Karl Marx.²⁵

A second line of systematic rural inequality runs between the historically evolved tribal communities some of whom occupied fertile land free of insect pests and disease carriers and blessed with sufficient rainfall and ample supplies of surface water throughout the year. Obviously, the people so favoured were able to develop economically and socially at a faster rate, achieving higher levels of education, income and a more prosperous agriculture. Other peoples were pastoral or practised agriculture on poorer land less suitable for the cash crops needed for economic development, land devoid of surface water for many months on end or plagued with insect pests and disease. To these primary bases for divergent levels of achievement other bases were added: differential access to choice urban facilities, differential location of Western industry or estate agriculture, varied access to main roads or railroads, and finally, to an extent which can only be sensed and intuitively apprehended (but which many will categorically deny) different degrees in the intensity of effort and will to develop without which development cannot proceed.²⁶ Much of the inequality noted in this paper arose because our statistical methods pooled together households drawn from many regional communities each with a divergent regional course and level of development. Some idea of the range of diversity among these communities is communicated by the startling fact that the mean level of estimated gross domestic product per inhabitant in 1967 among the 60 some Districts of mainland Tanzania ran a range (excluding Dar es Salaam) from Shs. 1,186 for Tanga down to Shs. 177/- for Kasulu.²⁷ Though income and product estimates for Tanzania have many weaknesses, these estimates faithfully indicate the wide diversity in mean levels of income and output in different Districts of the country.

But this type of diversity *between* Districts, like that found *within* households, should be investigated in its own right free from prepossessions associated with more traditional kinds of social stratification.

25 In many writings but especially in his *Theory of the Leisure Class* (1899), Veblen expounded on the theme of the ruling class as a leisure class which had its roots in the late barbarian culture with woman as its first form of property and with the dominant males dedicated to the noble pursuits of hunting, warfare and government, while women were assigned the drudgery of the field, the household crafts and domestic duties.

26 See a famous chapter entitled "The Will to Economise", by W. Arthur Lewis, in *The Theory of Economic Growth* (London: Allen and Unwin, 1965).

27 Ministry of Economic Affairs and Development Planning, *District Data*, 1967, Table 11.

APPENDIX

SELECTED HBS AGGREGATIVE ESTIMATES TANZANIAN ECONOMIC OR DEMOGRAPHIC ACTIVITY AND COMPARISON WITH OTHER ESTIMATES (in million units)

ITEM	VALUE OF ESTIMATE		SOURCE
	HBS	Other	
1 No. rural households	2.52	2.49	HBS TI716; 1967 Population Census v. 4, Table 321.
2 Total value subsistence production agr. (shs.)	1,435	1,664*	HBS v. I, <i>Income and Consumption</i> , App. 11, c. 1; <i>Economic Survey 1970-1</i> , p. 128,
3 Marketed agr. output, total (shs.)	975	1,430*	HBS TO 403, TO 501; <i>Economic Survey 1970-1</i> , p. 128.
a. cotton	210	223	
b. coffee	75	170	
c. sisal	0.6	185	
d. cashewnuts	77	107	
e. tea	1.3	56	
f. sugar	X	38	
g. pyrethrum	24	14	
h. tobacco	24	48	
4 Total no. rural employees	0.142	0.347	HBS T 1718 (only for household heads); 1967 Population Census, v. 4, p. 332 (inclusive of all employees, not just household heads).
5 Total wages bill (shs.)	1,116	1,385	HBS v. I, App 1.a (extended by total household count, HBS. v. 2, <i>Housing Conditions</i> , p. 59); <i>Economic Survey 1970-1</i> , p. 142.
6 Pounds salt consumed (lbs.)	75.4	71.6	HBS v. I, <i>Income and Consumption</i> , p. 220; M. Gottlieb, "The Problem of Goiter...and...Salt Iodization in Tanzania" (ERB Seminar Paper, February 1973), Table 4.
7 Private household expenditure (including subsist.) (shs.)	5,442	6,242	HBS v. 1, <i>Taarifa ya Tarakimu</i> , February 1971, p. 4.
8 Estimated no. cattle	11.1	11.7	HBS TO 901 (end 1969); W. MacKenzie, "Conflicts and Obstacles in Livestock Development in Tanzania", ERB, 18.7.72, p. 6 (1970 estimate).
9 Hshld. expend. mission medical facilities (shs.)	24.5	9.8	HBS v. 1, <i>Income and Consumption</i> , pp. 66, 210; M. Gottlieb, "Health Care Financing in Tanzania", (ERB Seminar Paper, March, 1973), p. 9.

*Inclusive of forestry, hunting, fishing.