Peasant Cash Cropping versus Self-Sufficiency in Tanzania: A Historical Perspective

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Peasant agricultural performance in Tanzania over the past decade and a half has been exceedingly poor. Few dispute this fact. Comparing 1971-73 and 1981-83 export volumes of coffee, cotton and cashew, Tanzania's main peasant-produced export crops, one sees that coffee increased by only three per cent whereas cotton and cashew declined by 31 per cent and 69 per cent respectively (see Table 1).[1] Net per capita food imports, meanwhile, have climbed to record levels (Fig. 1).

The causes of this situation have been the subject of much debate, usually taking the well-worn form of a state versus market controversy. The IMF and most foreign economic advisers have been heavily critical of the state, specifically the crop marketing parastatals. Market liberalisation has been their central policy recommendation. This position has gained more and more adherents within Tanzania as the economic crisis has deepened. Little by little state restraint on produce trade has been lifted. Whether internal market liberalisation will trigger the recovery so hoped for remains to be seen. However, before jumping on the bandwagon for or against market liberalisation, it might prove useful to consider peasant cash crop performance in a longer time frame, i.e. the past 60 years, and with reference to the tension between subsistence food crop and cash crop production on the part of peasant households.

This article is general in scope and somewhat speculative in nature. It is hoped that it may serve to contextualise the present debate in terms of specific features of the institutional development of the Tanzanian state and market rather than treating the 'state' and 'market' as universal categories with presupposed inherent characteristics. It is divided into five sections, the first being a brief discussion of the subsistence basis of Tanzanian peasant household production. The next two sections will review state policies towards peasant production and peasant crop performance. A consideration of policies and events during the 1970s and 1980s will follow. The conclusion speculates about the future of peasant agriculture in Tanzania.

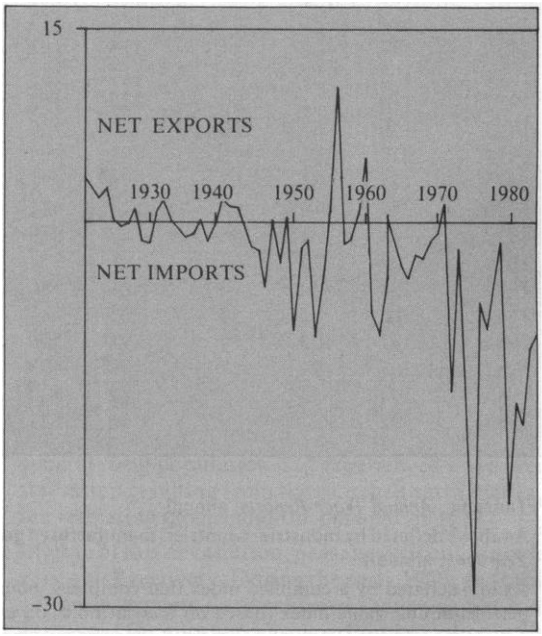
I. Composition of Peasant Household Production

The basic objective of peasant production has been and continues to be physical survival. Traditionally, agriculture was organised around the material survival of the lineage. Under the influence of indirect rule, colonial taxation, missionary activity, etc., the unit of collective welfare began to narrow to the household, albeit of an extended nature. The guiding principle of social organisation in Tanzania's numerous shifting cultivation societies was to produce sufficient food for year-round supply. Households were the basic unit for this undertaking, supported by kin-neighbours.

William Allan's (1965) book, *The African Husbandman*, perhaps more than any other has illuminated the

Figure 1

Annual Net Grain Import/Exports of Grain per Capita, 1921-84 (Kg per Capita)



[1] In 1981, Tanzania's main export crops in order of value were: coffee (Tsh 1,305 mn), cotton (TSh 642 mn), cashewnut (TSh 286 mn), sisal (TSh 270 mn), tea (TSh 168 mn) and tobacco (TSh 146 mn).

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Table 1	Indices of Nominal and Real Unit Export Value and Volume of Cotton, Coffee and Cashew, 1920–84 (1963 = 100)

Year	Cotton Nominal Value[1]	Cotton Real Value MUV[2]	Cotton Real Value MUV/FI[3]	Cotton Export Volume[1]	Coffee Nominal Value[1]	Coffee Real Value MUV[2]	Coffee Real Value MUV/FI[3]	Coffee Export Volume[1]	Cashew Nominal Value[1]	Cashew Real Value MUV[2]	Cashew Real Value MUV/FI[3]	Cashew Export Volume[1]
1920	76			2	27			7	0			0
1925	54			9	34			21	0			0
1930	30			8	15			40	0			0
1935	26			21	11			64	0			0
1940	25			22	12			54	16			4
1945	47			15	27			50	35			6
1950	92	117	115	15	99	125	123	51	66	83	82	15
1951	149	156	156	17	116	123	122	56	86	91	91	19
1952	188	192	191	23	127	130	129	63	97	99	99	27
1953	146	157	156	31	162	174	173	52	88	94	94	27
1954	124	136	135	25	197	217	214	74	71	78	78	38
1955	121	132	130	43	143	155	154	71	100	109	108	43
1956	120	125	124	58	163	170	169	83	111	115	114	39
1957	108	111	109	57	147	145	149	69	95	96	96	79
1958	101	104	103	67	130	134	133	83	73	79	74	74
1959	97	101	101	64	112	116	116	75	99	103	102	78
1960	101	104	103	81	110	112	112	96	122	124	124	86
1961	102	103	103	62	105	104	106	94	95	96	96	94
1962	101	102	102	68	109	106	110	88	84	84	84	139
1963	100	100	100	100	100	100	100	100	100	100	100	100
1964	99	98	98	93	143	142	142	112	124	123	123	132
1965	99	95	95	116	131	126	126	95	136	131	131	150
1966	92	88	88	177	129	123	123	171	148	141	141	173
1967	94	89	89	125	115	109	109	150	139	131	131	179
1968	102	96	97	129	121	114	115	134	139	131	131	195
1969	94	86	87	117	113	104	104	166	157	144	144	212
1970	93	80	81	125	151	131	132	151	159	137	138	208
1971	102	83	83	112	140	115	114	118	133	109	108	262
1972	119	91	90	132	152	116	115	184	142	108	108	291
1973	126	82	80	123	179	116	113	203	137	89	87	292
1974	219	116	93	101	199	106	84	138	184	98	78	305
1975	177	84	67	78	193	91	73	183	194	92	74	266
1976	253	119	95	113	481	227	181	195	211	100	79	216
1977	304	131	106	83	859	370	299	157	269	116	94	213
1978	204	77	63	96	554	208	171	171	389	146	120	139
1979	288	94	74	64	580	190	149	152	400	131	103	131
1980	288	85	61	65	584	173	123	146	711	211	149	59
1981	331	103	69	91	506	158	106	171	1215	380	254	127
1982	307	99	67	79	503	162	109	176	829	267	180	90
1983	394			82	620			171	737			47
1984	592			56	921			176	1892			76

[1] Tanzania, *Annual Trade Reports*, annual

[2] As above deflated by industrial countries' manufactured goods unit value export index (MUV) (United Nations, *Statistical Yearbook*, annual)

[3] As in [1] deflated by a compiled index that combines industrial countries' manufactured goods unit value index with a petroleum unit value index (based on Kuwait f.o.b. oil export prices) weighted according to fuel's proportion in total Tanzanian imports (Bank of Tanzania, *Economic and Operations Report*, annual).

content of peasant agricultural systems in Central and East Africa. He stresses the adaptive nature of shifting hoe cultivation, pointing out the obstacle that poor soils pose to the achievement of higher yields. The subsistence character of the agriculture is one of his main themes, but he is the first to recognise that a 'normal surplus' is part and parcel of the system. Peasant practices are geared to producing adequate amounts of food in a climatically sub-average year. Thus, in a normal year there is a surplus of production.

This 'normal surplus' has immense significance for the introduction of cash cropping. Without a normal surplus, the agricultural systems, which prevailed in the essentially self-sufficient kin-neighbourhoods at the outset of British colonial rule, would necessarily have had to gear up in any of three ways: namely, by the employment of surplus land, surplus labour or capital investment. Due to the historically low population densitites throughout Tanzania (except in the well-watered highlands), the land factor has rarely posed a problem until quite recently. The continual expansion of cultivated land has been a feature throughout this century. However, expansion has been primarily associated with rural population growth rather than providing added capacity for cash cropping. To be otherwise, land expansion would have had to be accompanied by labour or capital intensification, tendencies which have not been very pronounced.

Labour and capital availability have been severely constrained. The recruitment of labour in peasant agriculture has been more dependent on kin ties than wage labour (e.g. Bantje 1986:38]. Polygamy and the work/beer party tradition stand out as two of the most important social institutions for labour recruitment. While an abundance of recent literature has pointed to the far heavier work-day Tanzanian peasant women shoulder in comparison with their menfolk, a position that might imply that men represent a partial reserve supply of labour, nonetheless, within the confines of this argument, the prevailing sexual division of labour has to be taken as a given, which therefore discounts the availability of additional male household labour. But it should be noted that if intensification of the working day has taken place, it has most likely been on the part of women whose agricultural tasks have had to be combined with domestic chores and childcare.

Lack of capital has been even more problematic. The subsistence producer has no source of starting capital nor collateral for borrowing. The physical survival risk that the peasant household faces during each agricultural year does not afford it a safe margin for financial risk taking. Furthermore, it is apparent that a great deal more applied research has to be done to develop improved agricultural technology and associated techniques of production specifically suited to the different soils and micro-climates of Tanzania. Agricultural investment is otherwise fraught with uncertainty.

I would argue that the lack of surplus labour and capital has made the existence of a 'normal surplus' a vital prerequisite to the introduction of export cash cropping in peasant agriculture. It has meant that in the majority of years there is some slack that can be channeled into cash cropping. On the other hand, severe or complete food crop failure is still a strong possibility which makes the system very vulnerable.

The introduction of export cash cropping was dependent on the proliferation of market and state activities. The expansion of trade and transport facilities had to take place. Peasants needed incentive goods to produce cash crops and they had to be supplied with purchased food during sub-average years. They were no longer going to be producing their 'normal surplus' in the form of food which could be stored for poor harvest years. As an additional compensatory safeguard the state had to provide famine relief in times of severe food stress [Bryceson 1981].

Trade in cloth, cooking oil, soap and the small household items that peasants started to define as basic purchased needs led to the expansion of the non-African trading class that had first come to East Africa to expedite the ivory and slave trade during the 19th century. It should be pointed out that apart from local barter of foodstuffs between pastoralists and cultivators and the long distance trade in salt, African commodity 'markets' in any formal sense of the term were not very pronounced at the outset of colonial rule. Factor markets were even less in evidence. Thus, in many respects the 'markets' was foreign: foreign goods were being sold by foreign traders on the basis of an alien profit-maximising principle. This is a historical legacy that should not be overlooked when considering the role of cash cropping in Tanzanian history.

II. Fostering Food Self-Sufficiency, 1919-1950

German East Africa, the site of a grisly campaign between British and German troops during World War I, was handed over to Great Britain as a League of Nations mandated territory in 1919. During the war, there had been a tremendous loss of life amongst the tens of thousands of African men who had been deployed as porters and combat soldiers, while the general rural population had experienced widespread starvation resulting from the scorched earth tactics of the retreating troops and the drought of 1917.

In spite of this devastation, peasant agriculture made a very quick recovery. During the early 1920s per capita net grain exports were achieved that were not to be surpassed for another 30 years (Figure 1). In the high rainfall areas of Kilimanjaro and Bukoba where coffee was especially suited, export cash cropping took root. Between 1920 and 1930, Tanganyika's coffee exports more than quintupled (Table 1). Iliffe [1979:286-97] identifies men with vision, entrepreneurial skills and status in their tribal societies as the main force behind the adoption of coffee. They were responding to the example of European farmers and missionaries' encouragement rather than government insistence or extension advice. However, planting on a significant scale was the preserve of only a few Africans. The vast majority of Chagga and Haya farmers, if they planted any coffee at all, could boast of only a few trees.

Three external factors bear mentioning at this point. The early and mid-1920s was a period of relatively high commodity prices, a fact not lost on African peasant farmers. Second, Tanganyika's transport infrastructure was improving. The Central railway line which had been completed at the outset of World War I could at last by utilised for trading purposes. Human porterage was steadily being replaced by motorised transport. Finally, rainfall was higher than average during the 1920s, and significantly it was the high rainfall areas where export cash cropping began.

Export cash cropping was not a feature of the drier plateau areas. Cotton production was still miniscule in 1930 (Table 1). Instead, male labour from these areas tended to be siphoned to the large sisal plantation estates that were becoming a dominant feature of Tanganyika's rural landscape in the northeast and on the coast.

The Depression engendered new trends in peasant production. The severe drop in international commodity prices imposed great strain on the territorial economy. Coffee, cotton and sisal prices plunged more than 50 per cent (Table 2). Sisal owners laid off thousands of workers and the colonial government, worried about territorial revenues, invoked a 'Grow More Crops' campaign to spur peasant agriculture. It was at this time that the second major peasant cash crop, cotton, began to take hold, notably in Unyamwezi and Sukumaland, areas that had hitherto been supplying plantation labour to the coast.

Although export crop production was actively being encouraged by the government, priority was still being given to peasant food production, and the colonial government readily adhered to the notion that the 'natural order' of the peasant household was one of food self-sufficiency. In the wake of the Bugufi famine of 1929, when an estimated 500 Africans died of starvation unnoticed by district officialdom until it was too late, district officers were required to follow clearly defined famine prevention measures [Bryceson 1980:301]. Enshrined in district bye-laws, these included obliging peasants to plant their food crops first, the stipulation of minimum food acreages, and in some of the more drought-prone areas, the enforce-

Table 2

Official NAPB/NMC[1] Purchases of Maize/Mtama, Rice/Paddy[2] and Wheat 1963/64-1983/84 (Tons)

Year	*Maize/ Mtama*	*Rice/ Paddy*	*Wheat*
1963/64	108,890	—	—
1964/65	80,430	24,516	—
1965/66	69,550	12,880	29,000
1966/67	107,820	24,130	28,000
1967/68	105,125	19,630	33,000
1968/69	130,181	29,705	23,300
1969/70	47,000	38,870	24,600
1970/71	186,400	60,800	43,000
1971/72	43,000	44,600	56,800
1972/73	106,400	47,500	46,900
1973/74	73,800	38,700	27,900
1974/75	23,900	14,800	14,400
1975/76	91,100	11,900	24,500
1976/77	127,500	15,100	27,100
1977/78	213,200	35,100	35,300
1978/79	220,400	33,000	28,900
1979/80	161,100	29,000	27,200
1980/81	104,600	13,000	26,900
1981/82	89,400	15,000	24,100
1982/83	68,700	20,900	30,900
1983/84	71,000	22,000	28,300

Sources:

NAPB figures from:

1. Kriesel *et al.*, *Agricultural Marketing*, 21
2. Livingstone, I., 1971, 'Production, Price and Marketing Policy for Staple Foodstuffs in Tanzania', *Economics Research Bureau* Paper 71.16, University of Dar es Salaam, 32
3. Tanzania, Ministry of Agriculture, 1977, *Grain Storage and Milling Project*, Vol. II, Dar es Salaam, Coopers and Lybrand Assoc. Ltd., Tables A1.17, A1.22, A1.27, A1.36, A1.37, A1.38
4. Tanzania, Marketing Development Bureau, 1981, *Price Policy Recommendations*, Vol. I: Maize, Rice and Wheat, Dar es Salaam, Appendices 2.1 and 3.1

NMC figures from:

1. Tanzania, Ministry of Agriculture, 1977, *Grain Storage Milling Project*, Vol. 11, Dar es Salaam, Coopers and Lybrand Assoc. Ltd., 1977, A.36, A1.37, A1.38
2. Tanzania, Marketing Development Bureau, 1981, *Price Policy Recommendations*, Vol. I: Maize, Rice and Wheat, Dar es Salaam, Appendices 2.1 and 2.3; 1983: 46 and 1984:52-53

[1] National Agricultural Products Board and National Milling Corporation

[2] Note 1 ton paddy = 0.65 ton rice

ment of cassava planting as a famine reserve crop. In the event of local food shortages, the principle of district food self-sufficiency was applied. District borders were closed to all out-going food commodities.

Asian traders occupied a position of dominance in rural produce trade. Organised into networks of family firms competing against one another, they spread throughout the country. While most peasants rarely if ever encountered a European district officer, the Asian *dukawallah* was a well-known figure in rural areas, usually resented for his profit-orientation which was at odds with the more communal outlook of the peasants. During the Depression as international commodity prices dropped, Asian traders were caught between peasant resentment and colonial government suspicion of their trading practices. In 1932, a set of inter-related legislative acts were passed that, when implemented, would heavily circumscribe the operation of Asian produce marketing. Colonial government tended to support rather than discourge peasants' antipathy towards Asians. However, even a cursory examination of the situation points to the extremely extensive, low-cost marketing and transport services Asians were offering to Tanganyika's rural areas [Wright 1955; Economist Intelligence Unit 1962]. It is doubtful that their entrepreneurial skill could have been exceeded by black or white alternatives.

With the outbreak of World War II, the colonial government's food security concerns escalated to the national level. The possibility of shipping blockades preventing the import of food into the territory, along with the territory's responsibility to support Britain's war effort with strategic materials such as rubber, sisal, and pyrethrum led to the promulgation of a Defence Regulation directed at peasant production. This regulation authorised the issue of orders by native authorities requiring peasants to produce sufficient amounts of any product essential to the prosecution of the war. But in 1943 a severe drought hit, threatening famine for peasants in many areas. This factor, together with the view that the coercion of the 'Plant More Crops' campaign of the 1930s had been detrimental,[2] led to an easing of pressure on peasant household production. Instead the colonial government switched to support of capitalised farming by the small, but politically vocal white settler farmers of Northern and Southern Highlands provinces. Settler production of food, rubber and sisal, however, depended on sufficient amounts of waged labour. Peasant households were therefore most strategic as a source of surplus male labour. It is not surprising that the export volume of peasant-produced crops like cotton declined during the war years (Table 1). It was only after the war, as peasant commodity prices were allowed to rise in line with international prices, that peasant cash crop production again was on the upswing.

National food security continued to pose difficulties for the colonial government during the latter part of the 1940s as a result of a post-war world food shortage and the effects of drought in 1946 and 1949. Over the decade of the 1940s, a clear contradiction was emerging between the aims of peasant household and district food self-sufficiency on the one hand and national food self-sufficiency on the other. The capitalised settler food producing sector was exceedingly small in comparison with its task of feeding a country which was beginning to experience very rapid urbanisation. The low and erratic food crop yields from unspecialised peasant household production could not provide a reliable fallback. Amidst the drought of 1949, the newly appointed Governor Twining re-iterated the call for self-sufficiency in food, but in so doing he added a new twist. For the first time, there was a call for regional specialisation and an implicit rejection of district and household food self-sufficiency, the cornerstone of peasant agricultural policy for over 30 years:

> . . . much effort is wasted in endeavouring to grow foodstuffs in unsuitable soil and climatic conditions . . . it may . . . be necessary for us to make some fundamental changes in our internal economy and to concentrate on the production of foodstuffs in those areas where soil and climatic conditions are favourable and to encourage the breeding of livestock and the cultivation of cash crops in the area where staple foodstuffs are difficult to grow.[3]

III. Cash Cropping and Cooperatives, 1950-70

A number of factors converged to create a very favourable environment for the take-off of peasant cash cropping in the 1950s. A sharp rise in world raw material commodity prices during the Korean war was probably the most important. But peasants' positive response to the doubling of coffee and cotton prices was undoubtedly bolstered by the mood of the times. African nationalism was gaining momentum.

Peasants' nationalist fervour was most concretely manifested in the wildfire spread of the cooperative movement. African cooperative membership multiplied six times between 1948 and 1960.[4] The first African cooperative union, the Kilimanjaro Native Cooperative Union had been established in 1932. Two other cooperative unions were founded during the 1930s — for tobacco in Songea and coffee in Bugufi.

[2] The main criticism was that it had led to soil mining in the absence of improved agricultural practices on the part of the peasantry. See 'Notes on Native Agriculture Policy', Kitching, TNA SMP 26817.

[3] Governor Twining, President's Address, Legislative Council, 24th Session, 23/1/49, p 4.

[4] African cooperative membership totalled 52,565 and 322,928 respectively in 1948 and 1960 [Tanganyika 1949 and 1961].

These early cooperatives were carefully fostered by the colonial government. However, it was the nationalist leaders, particularly Nyere and Paul Bomani, who catalysed the movement during the 1950s. To the average peasant the nationalist content of the movement seems to have been seen more in terms of ousting the Asian trader from rural produce buying rather than doing away with the British colonial administration. It is therefore not surprising that the colonial government supported the spread of cooperatives during the 1950s but tried to keep the lid on it by restricting the rate of registration.

The African post-colonial state embarked on a nationwide cooperative programme. Societies were established in the more marginal commodity producing areas, which frequently did not have a viable export crop. Thus many of the new cooperatives were based on food as a cash crop. These were far less successful than the coffee and cotton cooperatives of the northern and lake regions, and were always viewed by the local peasants as the government's societies, not evidencing much popular participation [Hyden 1976; Westergaard 1970].

To facilitate the national development of cooperatives, the Cooperative Union of Tanganyika (CUT) was founded as an umbrella organisation servicing all cooperative unions throughout the country. The CUT, together with the unions and the primary society formed a three-tiered system. The marketing boards, operating on a crop-specific basis, acted as the final buyer before export, and provided extension advice.

By the mid-1960s the cooperatives' crucial significance to the national economy lay in their perceived role in Africanising the market, being a rich source for government taxation as well as a tool for achieving government planning targets with respect to the stimulation or regulation of crop production.

While peasants' export crop prices were especially favourable during the 1950s, towards the end of the decade international commodity prices declined and peasants started to complain about producer prices, particularly because Asian traders were still around and often willing to buy their produce at higher prices than the cooperative offered.

Peasant disenchantment with the cooperatives mounted over the 1960s, especially in relation to food crop prices [Kriesel *et al.* 1970; Ellis 1983].[5] It is likely that most peasants had only a vague awareness of the international prices for export crops, and therefore remained relatively oblivious to the size of the marketing margins during the 1950s. As cooperative marketing extended to the food crops during the 1960s, there was a heightened consciousness of price because the margins for food crops were glaringly obvious [Temu 1974].[6] Peasants not only sold food crops, they sometimes had to buy food if a seasonal shortage occurred. The gap between producer and consumer prices outraged them. Low producer prices led many to sell their food crops in parallel markets rather than to the cooperatives. The issue of the second payment also alerted them to the inefficiencies, or in their eyes, the injustices of the cooperative marketing system. Producers received an initial payment at the time of crop purchase for some crops and were promised a second payment if there was money left over from cooperative society receipts at the end of the season. The likelihood of this happening largely depended on the efficiency of cooperative staff.

In considering the overall impact of the cooperative movement, it is clear that the cooperatives were very successful in drawing peasant farmers into cash cropping. The enormous increase in cotton production in the Lake Province is the most salient evidence of this. Cashewnut production took off during this period in the coastal and southern parts of the country where hitherto any peasant cash earning had been due to male labour out-migration rather than export crops. Peasants' production of tea, tobacco, and pyrethrum expanded in various parts of the country. Coffee, already a well-established crop, was nonetheless stimulated by the elimination of Asian traders from Kilimanjaro and Bukoba. In some areas, notably the semi-arid areas of Dodoma and Singida where no suitable export cash crop had been identified, peasants resorted to selling their food surpluses.

It should be stressed that most peasants were producing cash crops as an aside to their main subsistence food production. Essentially, the cash crop, be it in the form of an export crop or food crop, still occupied the position of 'normal surplus' in peasant production. No revolution in agricultural practices had occurred. Peasant productivity had not experienced any giant leap forward. One qualification must be inserted here: some of the African food crop producers of maize and wheat started operating on a highly capitalised basis, using machinery and hired labour, in the frontier areas of Ismani and Hanang. These, however, were a tiny minority about whom the colonial state was ambivalent. The post-colonial state was openly antagonistic to them. Their demise was embedded in the objectives of the ujamaa and villagisation programmes.

While playing a key role in the cash crop boom, cooperatives, nonetheless, imposed restraints on

[5] Kriesel *et al.* [1970:38] estimates that the proportion of the final sales value of maize going to producers dropped from 76 per cent to 48 per cent between 1956 and 1969 in Iringa. Ellis [1983:225] calculates that by 1970-72, peasant producers were receiving 45 per cent of the sales value at cost for staple grains and 67 per cent of export crops' sales value.

[6] In Temu's 1972 survey of farmers in six regions of Tanzania, 96 per cent of the respondents to the question of why they sold on the parallel market gave low producer prices as their primary reason [Temu 1974:157].

peasant cash cropping both with respect to marketing and production. Cooperative marketing was dominated by local patrons. The cooperative patron, as an elected committee member of the society, enjoyed prestige as a local big-man. His prestige derived from being an affluent member of the rural community who had economic and political power to influence the welfare of the less advantaged. In addition, he, together with his fellow committee members, could allocate himself *'posho'*[7] and *'zawadi'*,[8] i.e. allowances and bonuses of various sorts. The rank and file membership usually knew about these perks and condoned them as befitting men of importance [Tanganyika 1959; Migot-Adholla 1976].[9] There was, however, the unsanctioned siphoning of cooperative funds and resources as well. This activity tended to be identified more with the salaried secretaries, but increasingly over time it was believed that committee men were in on the loot [Tanganyika 1966:9; Rutaguza 1976].

The viability of the cooperative clientage relationship revolved around the commodity price paid to peasant producers. The main determinants of the peasants' price level were: first, the international market price for the commodity; second, the efficiency of marketing board personnel; third, the extent of central and local government taxation, and fourth, the efficiency of cooperative staff at union and society level. The effects of these four factors on the price level as well as peasants' awareness of these factors varied over time. However, by the end of the 1960s, economic commentators were citing the fourth factor, i.e. the cooperative margin, as having the most detrimental effect on producer prices [Dumont 1969; Temu 1974].

But in a long-term sense, the cooperatives' greatest deficiency was in the sphere of production. Over time cooperatives were accorded a greater and greater role in agricultural credit, the supply of improved inputs and extension. But there is very little evidence that this had any profound effect on peasant productivity. Whatever advances were being made in productivity due to capital investment were probably being negated by the shortening of the length of the fallow in shifting agriculture as a result of increasing rural population densities. The very rapid population growth of the rural areas was edging peasant agriculture towards a critical point. The threat of soil fertility decline, consequent reductions in crop yields and the elimination of the 'normal surpluses' was present in many places. The replacement of shifting cultivation with more intensive agricultural practices seemed imperative, but the cooperative was not proving to be an effective agency for agricultural transformation.

The theme of food self-sufficiency, although not very salient during the 1950s and 1960s, was nonetheless always the fundamental premise of peasant agriculture and in the background of government policy. Even though peasants' production was becoming more commoditised, almost all peasant households were still producing their own household supply of food. Only in Sukumaland was a growing reliance on purchased food noticed, Sukumaland being a place where rural population densities were fast approaching critical levels, the carrying capacity of the land being considerably less than the more densely populated but moister highland areas [Economist Intelligence Unit 1962].

Rural famine relief became less of a worry during these years. The cash crop boom afforded peasants a cash income. They could use it for food purchase in the event of harvested food shortfalls. It should be remembered that peasant real income from cash crops was particularly high during the 1950s due to favourable international commodity prices. In the following decade, exceptionally plentiful rainfall and the euphoria of independence led many people to view famine prevention measures as superfluous.

Nonetheless, the nation's per capita grain imports were steadily increasing (Figure 1). The rapid rise of urban demand, rather than any suspected decline in peasant food output, was at the root of this situation. Peasant marketed production of food was increasing, but not fast enough to keep up with the burgeoning numbers of youth who were attracted to the city.

IV. National Food Crisis and Cash Crop Crash, 1970-87

Table 1 showing the export volume index for coffee, cotton and cashew and Figures 1 and 2 showing net food import/exports and the balance of trade dramatise Tanzania's sudden downward economic trend. What caused this economic blitz? In tracing what happened, it is impossible to isolate external and internal causes. The two are inextricably interwoven.

In 1972, following a poor harvest, food imports shot up to an unprecedented level (Figure 1). In effect 1972 was the point at which it becane evident that the low productivity and erratic output of peasant production provided a shaky foundation for the expansion of the wage labour force, urbanisation and industrialisation that had proceeded apace during the 1960s. Between 1969 and 1971, the balance of trade slid into a deficit position for the first time since independence (Figure 2). This was not due to a decline in export earnings; they registered a four per ent increase. Rather the import bill had ballooned by a full 70 per cent, primarily because machinery imports increased by 130 per cent.[10] Machinery imports rose from 19 per

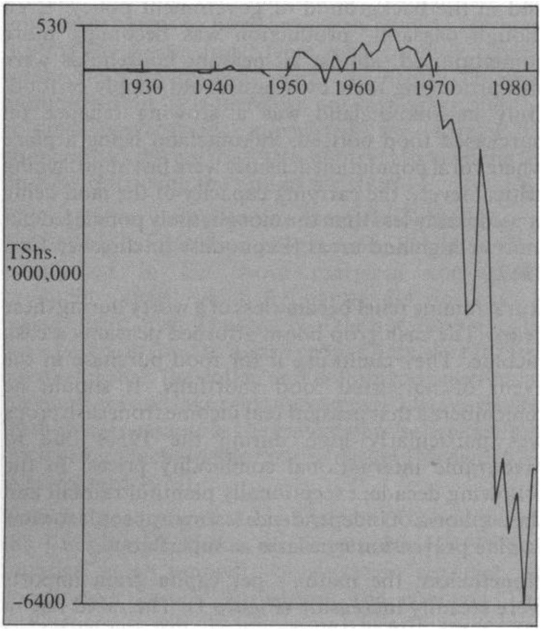
[7] Translated 'food ration'.

[8] Translated 'gifts'.

[9] There was a very thin line between bonuses and peculations: '... the peculator on a scale large enough to make it worth while is too often the object of admiration of the very persons he has defrauded' [Tanganyika 1959:10].

Figure 2

Trade Balance, 1922- 83



cent to 25 per cent of the import bill during those two years. Unfortunately, this trade imbalance was then pushed down further by the increase in food imports in 1972.

Meanwhile, fundamental changes were taking place in the world market. World oil prices, which had remained stagnant for almost 20 years, began to edge upwards. Between 1969 and 1973 the price of oil doubled. This boded ill for Tanzanian peasant cash cropping. The wide dispersal of peasant settlement and commodity production made Tanzanian export crop competitiveness heavily dependent on low oil prices. The economic viability of peasants' export and town-directed food crops was premised on cheap petrol. It was in this economic climate that the state plunged into a radical restructuring of rural production.

In 1973, the state embarked on a territorial-wide villagisation programme which sought to undermine peasants' shifting cultivation practices, bringing them into nucleated settlements in which they would practice 'modern' agriculture with greatly enhanced productivity. Villagisation and 'development villages' have to be distinguished from *ujamaa*. The state's *ujamaa* programme, involving the spread of village cooperative production amongst voluntarily constituted peasant producers, had received political reinforcement from the 1967 Arusha Declaration which proclaimed Tanzania's intention to build a socialist society. But in the late 1960s, the emphasis in peasant agricultural development was beginning to switch from collective production to nucleated settlement, as areas which experienced recurrent flooding or famine were subjected to villagisation operations to facilitate the state's delivery service to them. In 1973, this sort of thinking was extended to the entire country. All rural areas were to have villages, on or proximate to roads.

There is a great deal of literature dealing with Tanzania's villagisation programme, so it suffices here to point out that relocation was undoubtedly disruptive to food and export crop production [Boesen and Mohele 1979; Coulson 1982:235-62]. Rich and poor peasants alike were moved. Their relocation was a bureaucratic exercise that often overlooked the quality of the soils or access to water. All of these factors in combination with poor rains in 1973/74 led to even greater food imports in 1974 than had occurred in 1972, with a two-fold increase yet again the following year.

Amidst the villagisation campaigns, the oil crisis hit with full force. 1974 oil prices were 350 per cent higher than the previous year causing Tanzania's fuel import bill to rise by TShs 200 mn. The effect of higher oil prices was ubiquitous, raising international shipping as well as domestic transport costs for export crops and peasant incentive goods. The impact of oil prices is reflected in Table 1 which shows the real value of Tanzania's main export crops when deflated by manufacturing and oil unit value indices.

The re-alignment of world energy costs had a devastating effect on Tanzania's trade balance; the import bill rose by 73 per cent while export value only increased by 13 per cent between 1973 and 1974 (Figure 2). Nonetheless, the balance of trade began to recover in 1976 through 1978. But recovery was short-lived. The 1979 oil shock, coinciding with Tanzania's war with Uganda sent the balance of trade spiralling downwards to yet unprecedented depths.

How were the peasants faring during this time? The real world market value of their export crops had been severely undermined by the oil crisis. But the decline of value in the prices they received was further depressed by the marketing parastatals' wide margins. The parastatals had been set up during the early 1970s to address the inefficiencies of the cooperatives. They followed a policy of pan-territorial pricing to rectify the regional unevenness of returns to farmers that had existed under cooperative marketing. In 1976 the cooperatives were eliminated entirely.

The poor performance of the parastatals has been reviewed elsewhere [Ellis 1982; Bryceson 1985]. It suffices here to mention that the parastatals' over-centralisation, the heavy costs of pan-territorial

[10] The second Five Year Plan with a prominent industrial component was launched in 1969.

pricing in relation to the rise in the price of oil and the demoralisation of parastatal staff caused the margins to increase at the expense of peasant returns.

During the 1970s the volume of peasant marketed production declined, but because marketing statistics are only available for produce marketed through official channels, it is uncertain by how much. Despite rumours of large-scale parallel marketing, it is very unlikely that unofficially marketed production completely made up the loss in officially marketed tonnages. The lack of supply of petrol and transport throughout the country was a severe constraint on parallel marketing.

It must be noted that the export volume of coffee and cotton did not decline in proportion to the drastically reduced real export values (Table 1). Official food sales as well remained remarkably resilent under the circumstances (Table 2). Most likely force of habit and the necessity to meet certain basic needs through cash purchase kept peasants producing their normal surplus in the form of food and export cash crops. Thus peasant autarky was avoided. Nonetheless food self-sufficiency of the peasant household was undoubtedly strengthened during this period as food prices spiralled upwards and transport problems mounted. Conditions were certainly not ripe for the advancement of regional specialisation of peasant production.

As state and market operations weakened, and household food self-sufficiency strategies assumed prominence for peasants and non-peasants alike, a vicious cycle ensued. The erosion of the state and market led to the undermining of peasant productive infrastructure which engendered lower and lower output and brought about the further weakening of the state and market.

V. Conclusion

In tracing the rise and relative decline of Tanzanian peasant cash cropping, the historical evidence seems to suggest that the dichotomy between peasant cash cropping and food self-sufficiency is a false one. Within limits, the traditional shifting cultivation practices of peasant agriculture could and did accommodate cash cropping in addition to subsistence food production, and this held true even under stressful circumstances. But the degree of prosperity that peasants derived from cash cropping depended primarily on external conditions, namely, favourable weather and favourable terms of trade.

The Tanzanian state can not exert any control over the weather and it is virtually in the same position *vis-à-vis* international terms of trade. However, it has had very direct control over peasant terms of trade through marketing board pricing, and later through parastatal monopoly control of produce marketing. Recent steps to loosen state control over marketing will undoubtedly have profound implications for peasant subsistence and cash crop production.

There are a number of questions that have to be asked about the market in Tanzania, i.e. its actual operation as opposed to its theoretical operation in conformity with general equilibrium models. The first question is who are the market agents? Historically, the Asians dominated produce buying. During the 1950s and 1960s they were edged out by the cooperatives, but it should be remembered that not only were cooperative management principles not the same as that of a profit-maximising entrepreneur, but that the co-operative leadership did not evidence much entrepreneurial skill or parsimony. Recent parallel marketing has undoubtedly given room for the beginnings of an African trading class, but it remains to be seen whether this first generation can single-mindedly pursue a capital accumulation strategy.

Second, can the market be 'free'? As long as there is a severe lack of transport, the market is bound to be bedevilled by oligopoly. Petrol supply and availability of vehicles will set the level of monopoly.

Third, can the market catalyse improvements in peasants' agricultural productivity, which are so imperative as rural population densities increase? Given the fact that considerably more research has to be done into improved agricultural systems before proven inputs and techniques can be made available to peasants, it seems unlikely that the market will have the sophistication to provide such research and extension service. In this regard it should be mentioned that there is a danger that peasant agriculture will be by-passed altogether. Land leasehold has at last been introduced under the 1982 Agricultural Policy. Unless there is a clear policy of state support to smallholder production, the development of large-scale, capitalised agriculture at the expense of the development of peasant production is a possibility now.

Finally, there is the rather worrying issue of whether or not Tanzanian peasant commodity production is indeed economically viable under the prevailing international terms of trade. Sisal production was, after all, edged into a position of economic unviability during the 1960s. Looking at the real price indices for cotton, coffee and cashew one wonders how low they can fall before peasants find it impossible to carry on with their production.

Whatever the impediments to the operation of a free market, it is fairly safe to guess that when given a free rein, market liberalisation will result in an increasing rate of economic differentiation amongst peasant producers, as some succeed due to farming ability, a more favourable resource base or proximity to markets, while others remain as primarily subsistence food producers. The big change will probably be in the direction of a bifurcation of peasants into specialised cash crop producers on the one hand and subsistence food producers on the other. It is at that point that a stark dichotomy between peasant cash cropping and food self-sufficiency will emerge.

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