"NO WORST THERE IS NONE"? TANZANIAN POLITICAL ECONOMIC CRISES 1978 - ????

by Reginald Herbold Green[1]

> A man who has inherited a tumbledown cottage has to live in even worse conditions while he is rebuilding it and making a decent house for himself.
>
> We have only two rights in the present world economic system, to sell cheap and to buy dear.
>
> Mistakes are mistakes.
>
> - President Julius K. Nyerere

"Here We Go Round The Mulberry Bush..."

The political economic and socio political crises now confronting Tanzania are appalling and unprecedented in their intensity and duration. The only vaguely comparable crisis - that of 1974-1975 - was both much less severe (especially in human terms) and lasted at most 24 months (versus at least 45 to date for the present one).

Worse, no rational projections (on anybody's strategic model) now available give any cause for expecting a significant upturn or even a firm consolidation at present levels. The reality is of accelerating deterioration with no evidence that the worst is about to pass or even where the bottom of the precipice is.

Worst, this result is not one achieved by an absence of response but in spite of energetic and draconic responses which have imposed major sacrifices on most social and economic groups (including the decision makers) but so far to no very evident purpose beyond slowing the vertiginous decline from what it otherwise might have been. Analytically and operationally the informed, detached observer is increasingly plunged into the worlds of Eliot's "Hollow Men" who shore up fragments of a lost dream, wander in circles and experience the end of their world "not with a bang but with a whimper"; cf "Coriolon: Ode To A Statesman" whose musings on institutional reform and diplomatic negotiation end in "the rising cry of the people: Resign! Resign! Resign!"; or of Yeats' "Second Coming" where, as"things fall apart" and the "centre cannot hold", "mere anarchy is based upon the world" and a violent apocalypse moves nearer to birth.

If those visions become the perceptions of Tanzanians and Tanzanian leaders, the crises will become insoluble and the end of the road (however different its actual milestones) will be that of Ghana, of Zaire and of Uganda. To date this one clearly positive element is that Tanzanians, Tanzanian decision takers and Tanzanian analysts still (if with growing doubts and increasing twings of despair) still hold to Dylan Thomas' dictum "Do not go silent into that good, but rage, rage against the dying of the light" and that of Gramsci to proceed with pessimism of the intellect but optimism of the will.

1982 - "Alms for Oblivion"?

A quick sketch of the political economic crises in Tanzania in 1982 can perhaps best be presented in an order of driving forces and interactions even if this is necessarily too unidimensional and abstracts from feedbacks.[2]

There is a visible trade gap equal to about 100% of exports and perhaps 10-12½% of GDP.[3] This is true despite imports being held down to $1,000 million odd as opposed to $1,250-1,400 million required to maintain capital stock, operate basic services (e.g. health, education, water) fully effectively and operate the industrial and agricultural sectors at reasonable output to capacity ratios. Attempts to handle this gap have over 1979-1982 led to the buildup of about $300 million of trade arrears, $100 million of short term external commercial bank credits $200 million in short term supplier credits and $20 million in delayed long term debt service - about 120% of annual export earnings. Debt service including amortisation in the near future will stand at 20% to 30% of export earnings (the very wide range relating to how rapidly one assumes arrears to be cleared)[4] as opposed to 6-8% in the early 1970's.

The direct result of the import squeeze is to hold operation of domestic manufacturing to perhaps 35% (versus about 70% in 1977 and 1978) with the trend rapidly downward and 1978-1982 absolute decline likely to be over 40%. Given that the incremental import/exfactory value of manufactured output ratio is about 4 to 1, and virtually no consumer manufactured goods are imported, the impact on availability of basic consumer goods and construction materials is draconic. Similarly because Sales Tax on domestic manufactures plus company tax on their producers accounts for about half of Recurrent Revenue (even at 1981/82 depressed levels) recurrent revenue at Sh 8,800 million is about Sh 4,000 million below what it would be had output risen slowly over 1979-82 instead of declining steeply.

The impact of import constraints on agriculture is harder to quantify. In respect to food production it relates primarily to inadequate transport and secondarily to input supply while in respect to industrial/export crops the input impact is greater and compounded by inadequate capacity and capacity utiliseability in processing. The total cost in production and availability may be of theorder of 3-5% for food and over 10% for industrial/export crops. If these orders of magnitude are correct, the loss of exports is about 10% ($50 million) and the impact on food imports $30 million (half of present grain imports) and on domestically produced urban and quasi urban food supply 15-25%.[5]

The government bank borrowing requirement in 1981/82 was about Sh 3,000 million (16% of GDP) - a very slight improvement over 1979/80 - 1980/81 in proportional terms but a deterioration in absolute ones and a level likely to at best remain about constant as a proportion of GDP in 1982/83.[6] This is despite real (constant price) cuts in basic public service expenditure (excluding defense, debt service and parastatal reconstruction and interim subsidization) over the past two years of perhaps 10-15% with another 6-10% cut in 1982/83. To have held real provision of basic public services per capita stable and provided for adequate maintenance of infrastructure would have added perhaps Sh 1,500-1,750 million in 1981/82. That would have meant a bank borrowing level of Sh 4,500-4,750. It is worth contrasting this to the Sh 4,000 million revenue loss from the import capacity squeeze on manufacturing in that Sh 500-750 million (1% of GDP) would be a prudent (or too austere) bank borrowing level.

The mechanism of inflation generation - about 20% in 1979, 30% in 1980, 25% in 1981, probably at least 30% in 1982 on a cost of living basis[7] - is only too clear. Reduced government revenue base leading to a broad recurrent budget deficit (versus a 1961-1977 record of unbroken, modest to moderate surpluses) combined with reduced availability of manufactured goods and certain preferred foods[8] is a perfect recipe for rapid inflation and - if continued - for hyperinflation at Ghanaian or Argentinian rates of 50-100% a year.

The human impact is equally clear. Average personal consumption power in 1982 is of the order of 20%[9] below 1977 - in one sense as a result of the 50% fall in the external terms of trade directly on purchasing power of constant price notional output and indirectly through the multiplied impact of import compression on output. The main losers are urban salary, small scale self employed and wage earners. Rural purchasing power changes are not homegenous - both weather and price/output trends for particular crops vary widely - but on average the fall is much less severe.[10] The gainers are - inevitably under the circumstances - 'entrepreneurs of adversity' ranging from basically reputable producers/dealers of scarce goods (including some peasants) to pure fixers, bribe takers and shortage creator/exploiters.

In respect to public services the decline is in quality and reliability - coverage and quantity have continued to increase absolutely and even on a per capita basis for basic health-water-education services, though not for urban services. It is illustrated by the proportion of clinics frequently without basic drugs, schools with few texts or other materials, rural water units out of operation pending maintenance. The pharmaceutical availability to need ratio is at best 50% and at worst 25%, the out of service ratio of rural water supply at any one time is at least 25-33%.

Both in respect to personal consumer goods and services and to public service access, pure price change and reliability data understate the human hardship for two reasons. First, getting what is available (especially if one cannot afford to pay over the going rate via a 'parallel market' or a bribe) takes far more time hunting and queuing than at any time in the previous 20 years. Second, the opportunities for corruption, favouritism and abuse of power (as trader or as official) are maximised in a context of extreme shortages with the far away (physically), poor and individually non-powerful the chief victims.

While to date the drive toward greater equity (lesser inequality in consuming power, access to public servieces and participation in decisions) has not been reversed, it has faltered - eg no minimum wage increase in 1982 after a year of 25% inflation - and, to the extent it survives, squeezes middle income groups, not the most obnoxious exploiters. Further, the process of absolute poverty eradication has been reversed - redistribution is out of decline not growth (including decline in national and communal total ability to take/implement decisions).

The impact on morale, expectations and both personal and national self respect are both evident and critical. It is not evident that hard work, commitment and honesty lead to personal, communal and national development. On the face of it nothing works and one is a plaything of forces beyond his or his leaders' control. The incentives for despair, cynicism, passive 'going through the motions', febrile grasping at straws or "each for himself and the devil take the hindmost" are only too dangerously clear as are their first fruits of corruption, inefficiency and anomie The present levels of these - shocking by Tanzanian standards but less so by global or African - are neither fatal nor irreversible; it is the trend which is cause for grave alarm.

1972-78 "Facile Descensus Avernum"

The present contains both the past and the future[11] - and the past, the present and past of the future. To understand the present and to shape the future requires an interpretation of the past. This is especially true in the case of Tanzania because as recently as 1977 none of the facets of the 1982 survey of crises existed in any overt or severe form. Overall the balance of payments was in surplus, external reserves were nearly six months (versus six days or hours) imports, the recurrent budget surplus was over 3% of GDP, inflation was in the 6-8% a year range, food surpluses (not deficits) predominated, real GDP growth was around 6%, the terms of trade were at about the same level as in 1961 and better than in any intervening year, the confidence of a major crisis surmounted and of palpably renewed progress dominated most individual and national perceptions. Looking back one seems to see another country in another era in another world.

In 1972[12] Tanzania's economy was basically in balance (external and domestic), moving ahead and showing a sustained development dynamic. 1964-66 (income distribution, incipient fiscal and inflation) and 1969-71 (external balance, credit management) crises had largely been overcome and overcome by means which strengthened institutional and decision taking capacity.

1973 appeared to be similar. In fact the bad harvest combined with grain, oil, fertiliser and manufactured goods world price increases and the downswing of some commodity prices (including several critical to Tanzania) meant that by the year's end the prospects were for a massive, externally triggered crisis.

Over 1974-75 the crisis emerged - external reserves vanished, terms of trade worsened sharply (on the order of 10% of GDP loss over 1972-75 on UNCTD estimates), the Recurrent Budget surplus virtually vanished, domestic credit creation expanded, import constraints crippled growth, prices rose sharply while real wages and real grower prices fell.

However, this was within a coherent short term policy framework worked out over early 1974 and adopted in April. The price changes (about 40% from late 1974 to April 1975) were deliberate and structural and balanced with minimum wage, grower price for food and tax changes. The goals were to sustain the growth and development trend (including basic service access expansion), limit low income group consumption compression, return to a 10% or less inflation rate, hold the Recurrent Budget in balance and seek substantial external bridging finance over 1974/75 - 1976/77 until supply increases (better weather, more food production incentives, completing basic product capacity coverage in manufacturing, reversing export stagnation) closed the domestic and external gaps.

By late 1975 it was clear (as it had not been earlier in the year) that the strategy and most of the tactics were working. Unfortunately the two that were not - speedy completion of manufacturing projects and export rehabilitation and development -

were lost to sight in 1976 and 1977. The beverage boom (price explosion for coffee, and to a lesser extent tea, consequential on Brazilian frost) raised real import capacity while reduced compression of imported inputs and spares bolstered manufactured goods output.

Further during this period food procurement storage, marketing and finance as well as agricultural pricing broke down (not known until 1979) and fiscal and foreign exchange policy became lax in a way only sustainable so long as the beverage boom lasted. When it collapsed in 1978, both external and internal balances were lost though not so rapidly or visibly as in early 1974. As a result no serious, across the board policy response was seen to be necessary even though by the last quarter of 1978 one was clearly headed for reserve exhaustion, Recurrent Budget deficit, inflationary credit expansion (government and food marketing) and shortages in the first half of 1979.

The Amin invasion of late 1978 and its consequences over 1979-81 had a very negative threefold impact : direct costs of the order of $700 million (with a heavy foreign exchange component); indirect costs of rendering recovery of external and fiscal balance impossible so long as the war lasted; focusing attention away from the economic crisis in general and its more underlying medium term components in particular. Compounding these results was the onset of the 1979-198? run of bad harvests (following are equally unprecedently long (1976-78 run of good ones) and the discovery of the non-viability of national storage and, therefore, non-existence of supposed food reserves.

Until late 1979 the situation could be described as unmanaged and partly unrecognised crises. During 1979-80 drastic efforts were begun to achieve fiscal, foreign exchange, credit and overall domestic balance management. Success was limited both by successive discoveries of new adverse adjustments (previously hidden agricultural sector losses, worsening terms of trade, breakdown of IMF and World Bank programmes or programme negotiations) and a failure to achieve a coherent, workable strategy comparable to that of 1974 or to achieve a similar degree of consistent articulation and disciplined implementation.[13] Thus the apparant consolidation achieved in 1980 was either illusory[14] or transient and 1981 was marked by renewed deterioration which accelerated in 1982. While the period was marked by a number of policy and partial strategy initiatives these tended to lack coherence and to be overwhelmed by events before becoming operational rather than to serve as any chart for crisis management.[15]

To Talk of Many Things: of Causes, Cabbages and Kings

Two exogenous event causes can be stated briefly: the Amin invasion and consequential war and attempt to provide interim security for Uganda to allow elections and the emergence of a Ugandan chosen and supported government and the shift from the previous one good/one bad year basic weather cycle to the 1973-1974 bad, 1975 fair, 1976-1978 good, 1979-1982 bad pattern of the past ten years (with a most unfortunate correlation of bad years with ones which were difficult on other counts as well). Their total net cost has been the order of $1,000-1,200 million,[16] albeit this is partly (say 10-15%) the result of inept agricultural policy including relative price setting, output mix incentives and storage.

External balance crisis causation includes terms of trade, export volume decline, debt service increase, initial laxity in controlling imports and using supplier credit and the levels and making of external resource inflows.

1982 import purchasing power per unit of exports is about half 1972/3 or 1976/7.[17] 1980 export volume was 15-20% below 1972/3 (or 1965/67). The 1981 improvement was of the order of 10-15% but has not been sustained.[18] Had 1981 terms of trade and export volume been the same as 1972/3 (or 1961/3 or 1976/7) export earnings would have covered about 110-120% of actual imports and 85-95% of minimum necessary imports. The export volume lag is partly the result of the declining terms of trade, partly of unsound price policy, partly of inadequate micro export promotion policies and projects but perhaps most of a lack of any clear strategic priority being given to exports until 1980 or any attempt to articulate an export strategy until 1981.[19]

Debt service increases come partly from bunching of initial repayments on World Bank and Chinese loans, partly from commercial and debt service arrears which must be reduced, but substantially from an unwise 1978-80 laxity in cutting back on imports (leading to arrears) and attempting to sustain investment by use of supplier credit without attention to future consequences. Tighter import controls in 1978/9 and systematic analysis of supplier credit proposals might have reduced present debt by $200-250 million.[20]

External financial inflows have risen over 1977-82 (albeit in real terms they are now declining and within them concessional finance has probably never regained 1973/4 real per capita levels[21]). Makeup problems include the "use" of arrears, supplier credits and short term borrowings (e.g.IMF) and the share of concessional finance linked to expanding capacity rather than allowing fuller maintenance and use of what exists. Long term commercial bank borrowing has been negligible; private direct investment has been negligible and its prospects turn on the outturn of studies/negotiations toward major natural resource projects (oil, gas, coal, nickel, uranium).[22]

Agricultural performance has on the food side been a secondary cause of the crises and on the industrial/export crop one a significant one. The trend growth rate of 3 to 4% has been sustained but within this industrial/export crop growth has been negative and 1979-8? bad weather means 1982 output is below trend.[23]

Agricultural policy and institutional performance has been the major domestic "contribution" to crises. Relative prices went haywire over 1975-79 leading to a fall of two thirds in output (or more accurately picking) of the most promising export (cashew) and huge switches to several traditional, drought resistant crops whose surpluses could neither be stored nor exported except at massive losses (to the marketing body and relative to the more plausible exports priced out for cassava, millet, sorghum and pigeon peas). Storage was not developed plausibly (both high and low technology expert advice when acted on led to debacles) so that 1976-1978 surpluses led to 600,000 tonnes spoiled, strayed, fed to poultry or exported (the last two to avert spoilage), not to the reserves which would have covered 1979-1982 maize deficits.

Production targets (decentralized by crop and area) were abandoned after 1973 and not reinstated until 1979 while articulation of coherent relations of policies and inputs to targets was not even addressed until, perhaps, 1980/81. Transport problems multiplied - partly as a result of import constraints and the war but partly as a result of bad management of public sector and ineffective hiring of private sector vehicles combined with a tendency to maximise number and total distance of movements between producer and point of use/export and to posit total reliance on road even when rail would have been cheaper.

As a direct result, all but one or two marketing authorities fell into major deficits - exacerbated but not caused by internal inefficiencies (especially tea, tobacco, pyrethrum) and loss of volume raising per unit fixed costs (especially cotton, cashew). The National Milling Corporation achieved total 1977/78 - 1980/81 losses of about $250 million. These results were largely unknown until 1980 or even 1981 because of monitoring consisting of oversights and, in several cases, an incredible deterioration in accounting.

Ironically these were precisely the areas which in 1975 were

were subcontracted to basically autonomous, professional expert group whose proposals were fairly uniformly acted on until 1979. The Marketing Development Bureau (also basically expatriate and externally responsible) is a classic example of the damage non-responsible, "expert" parallel administrations can achieve. The fact that it took three years (1979-82) to claw back policy and analysis to Tanzanian control (thereby paralysing strategy during that battle) is also instructive - but a very costly learning process.[24]

Public sector management performance deteriorated in some areas - notably accounting - but more often because capacity did not grow as rapidly as crises increased demands, with a resultant general deterioration and a more marked one in strategic and tactical forward planning and budgeting and in financial control and performance. The pattern was very diverse e.g. in government some departments (notably forestry) because more relevant and effective and the ingenuity (or capacity) of parastatals to cope varied from high (e.g. breweries) to poor (e.g. textiles) to abysmal (e.g. NMC). Overall public enterprise surpluses fell from 5-6% of GDP in the early 1970's and, probably[25], in 1977 to about nil in 1981 with the diversity shown in that the 1981 result is a cross cancelling of profits and losses each totalling about 4% of GDP.

Completion of capacity lags, capacity utilisation and maintenance all deteriorated. Training of middle level personpower began to build up momentum after 1972 but remained inadequate, albeit by the end of the decade enrolment in specialised (largely user sponsored) institutions was comparable to that of formal public secondary schools.

Part of the performance decline relates to macro projection weakness (external to operating units) and part to micro over-optimism on costs (inflation) and resource (whether budgetary or import) availability. However, failure to prioritize, adopt and cut back fast enough over 1978-1980 exacerbated the impact of resource constraints both in respect to overall output levels and financial outturn.

Price management became increasingly incoherent at macro level, increasingly unreal given the degree of imbalance and, therefore, increasingly ineffective from late 1979 onward. Attempts to protect minimum wage earner and peasant real incomes over 1980-81 could not be sustained for 1982/83 and Price Commission analysis was too dependent on (usually too high) capacity utilisation forecasts either to protect surpluses in manufacturing/wholesaling or to avert the rapid growth of parallel markets.

Foreign exchange pricing from mid 1979 on suffered from inadequate examination of options, an atypical degree (for Tanzania) of dogmatism, and inordinate delays in acting which rendered analysis and action out of date.[26] Until 1981 the only devaluation option considered was a massive single cut; phased smaller adjustments (preferably after an initial external resource injection) were not seriously analysed. In response to theological sermons on 40 or 60% devaluations a pattern of quasi-theological or abstract academic rejection of any foreign exchange price change gained force. The 1981 proposals to delink from the rising dollar and adjust back to mid 1980 parity with major currencies took a year to be decided on and the early 1981 Exchange Rate Study conclusions against a 60% devaluation in early 1981 seem to be perceived as somehow relevant to phased 8-12% downward adjustments beginning in late 1982 and, therefore, at least 60% inflation (say 33% relative to industrial economies) later.

Fiscal performance is clearly the key factor behind inflationary pressures. As noted, this is now basically caused by revenue stagnation related to manufacturing output constraints flowing from import limitations. However, 1977-1979 was marked by relative laxity in budgeting. While over 1977-78 this was masked by windfall revenue overruns, it created a habit hard to reverse and very damaging from mid 1978 to early 1980. Subsequent efforts to constrain expenditure and raise revenue have proven inadequate even though they have been draconic. Until 1982-83 there were limits on possible rates of cutting military spending (1979/80 - 1981/82 real cut perhaps 30%), debt service increases are consequential on past deficits and the declining revenue base prevented real (and minimal nominal) increases. Overruns on normal spending were held to an average of 6-7% which in world terms is fairly good. The uncovering[27] of deficits elsewhere in the public sector drove subsidies and related costs from about Sh 150 million in the initial 1979/80 budget to Sh 1,427 million in 1981/82.

Strategy and Policy Response, while by definition not an initial cause of the crises, has been less coherent, less speedy, less consistently articulated and less diligently pursued than over 1974-76. This has limited its effectiveness and, presumptively, caused the crises to build up greater intensity and momentum.

In 1978 the incipient crisis simply was not fully perceived and over 1978-80 there were hopes (by no means unique to Tanzania) that the "Second Oil Shock" would be as speedily followed by the resumption of global output and trade growth as the first. Until late 1979 the war prevented concentration on economic issues. Over the entire 1979-82 period an inordinate amount of time and energy was spent on negotiations with external parties which (except for "operating" or balance of payments support finance) came to little or nothing partly because of rigidities in both sides' positions but largely (except arguably in 1980) because Tanzania did not have a comprehensive, coherent, consistent prioritized strategy and because delay in negotiations resulted in the crisis worsening and the Tanzanian (or indeed the external) proposals becoming impracticable for that reason alone.

The demands of day to day survival and the failure of major policy attempts increasingly led to short term stop-gappery, febrile partial initiatives and hesitancy to act decisively on major priority issues over 1981-82. While hardly surprising and partially inevitable (collapse today would render strategy tomorrow useless), the overall results have been deeply damaging.

Industrial sector crises are largely consequential not internal. The rate of technological and personnel capacity development has been inadequate (albeit rising) but this is hardly a cause of the sharp deterioration in post 1978 performance - indeed its continuation is partly a consequence of the great difficulty of staying in production at all. The failure to identify a set of industries suitable for export buildup and follow through on them (and failure to ensure inputs in some of the cases attempted) has had a significant but secondary negative impact (perhaps $20-25 million net exports a year or 5% of total actual exports).

The industrial strategy[28] evolved over 1969-1975 (basic industry in the sense of vectors covering all basic consumer goods, most intermediate and construction inputs and a start toward engineering and capital goods) has resulted in substantial capacity, relatively low (by African and poor country standards) incremental import/output ratios and some buildup of sectoral linkages. However, the 1979 on period has caught it at a stage when import constraints cripple its ability to produce or maintain capacity and prevent filling in missing linkages.

The dominant causes are external (perhaps 75-90% counting terms of trade, war and weather and contrasting with 1977 performance). However, domestic strategic response cannot be to 10 or 25% of the problem as the external shocks have happened, the terms of trade will not recover appreciably in the forseeable future and it is quite inconceivable (whatever the logical or normative case for or against) that doubled concessional finance in real terms can be secured or sustained.

Tanzanian Strategic Responses: Of Sisyphus and the Stationery Queen

The panorama of the crises and adumbration of causes may suggest a lack of serious response - which would be untrue - and a lack of responses which actually mastered the rising trend of crises (or falling trend of performance) - which certainly is the case. Tanzanian strategic and policy response (partly because of its time lags, partialness and optimistic projections,but largely because external events and prospects worsened very rapidly) resembled Sisyphus trying to roll his stone up the hill or the Red Queen in Alice In Wonderland who could at best stay in the same place by running flat out.

War and weather are not - at least in the Tanzanian context - easy subjects for effective response. The real military spending cuts of 1980-82 are targeted to be followed up with 35% nominal (50% odd real) in 1982/83.[29] Small scale irrigation and plausible storage are approaches to offsetting weather swings but the first cannot yield major results in the short run, and appropriate storage techniques and pattern remain partly unanalysed and largely undecided (with central large store proponents clashing with decentralised, point of purchase or import concentrated, slightly modified godown advocates) and will pay off massively only after the next run of two or three consecutive good harvests.

In respect to external balance little is practicable vis a vis the terms of trade - response via integrated Commodity Programme, commodity agreement and improved Compensatory Facility efforts have not - and, in the short term at least, seem unlikely to yield - much.

Export volume decline has been targeted as a priority area. While both the 1981 and 1982 National Economic Survival Programmes export target and related policy/resource allocation sections are analytically weak (and 1982 in particularly grossly over-optimistic), a growing response exists. But raising import allocations for exports (including transport and processing) in the context of declining import capacity and providing real price incentives to crops with declining global real prices in the context of an economy with declining real per capita purchasing power (despite - until 1981 - real per capita output growth) have proven intractable. 1981 saw export volume growth, but largely because the 1980-81 coffee crop was a cyclical peak above both the low 1979-80 performance and the (rising) trend.

Specific export rehabilitation/growth programmes appear to be working in coffee and may do so in sisal, but in respect to cashew, cotton and tobacco require major rethinking. Two major resource export projects with high priority - paper and amonia/urea - should give a structural boost to net exports (over 50% of 1981 levels) but only after basic debt repayment i.e. in the 1990's not the 1980's.

Indiscriminate use of supplier credit has (with a twelve month lag between problem identification and action) been halted. Arrears and debt payment delays are certainly identified as problems but given import capacity restraints/requirements they have continued to worsen (albeit more slowly than in

1979 and early 1980). Import capacity allocation is more coherent (subject to the fact that applications now bear no relation to actual desired allocations making really efficient decisions virtually impossible) but pouring a half litre into four litre jugs produces demonstrably unsatisfactory results.

The attempt to reduce expansion of (unusable) capital stock in favour of maintenance and operating imports has made uneven progress. It became fairly fully embodied in the 1981/82 and - especially - 1982/83 Budgets and on the external finance side has resulted in maintenance and balance of payment support finance rising from perhaps 5% of concessionary inflows in 1977/78 to about 33% in 1981/82. How high a degree of consistent articulation and systematic implementation has been achieved is less clear.

Agricultural institutional and policy reform has been a priority item since 1979. But until 1982 limited action other than - somewhat doubtfully effective given inflationary impact- nominal grower price increases and - potentially more effective - relative price realignment was done. At present a priority list exists: prompt collection from and payment to producers (whose deterioration over 1978-81 may have affected output more negatively and parallel marketing "positively" as actual price trends), continued relative price adjustment by crop and region,[30] specific targets by crop and area linked to resource allocations, rehabilitated transport and processing, cost control (especially on storage losses, excessive transport and administration) in parastatals, overall production and parastatal financial data strengthening and development of adequate storage. Input supply improvement is primarily a matter of better transport and allocation among crops. Research and extension productivity improvement (or perhaps creation except for a few crops and areas), stepping up improved animal drawn and hand implement production and use and small scale irrigation are seen as needing initial action but as having long term, not initial crisis resolution payoff.

However, a checklist of priorities is far from an articulated, operational strategy.

Public sector management performance has been identified as a priority area but without clear operational priorities for improving it nor - beyond a handful of cases - micro programmes at operating unit level. The 1982 National Bureau of Accountants and Auditors report may lead to a forward dynamic there as may Treasury 1980 onward financial monitoring and control tightening.

However, practicable short term incentives have been hard to devise - output is too contingent on exogenous events to make productivity bonuses or deductions broadly realistic while the 1981 salary increases at best indicated managers were not wholly forgotten. Similarly greater discipline, self discipline and accountability for results are not easy to enforce when maximum effort at best usually leaves one standing still and falling real living standards/shortages provide pressure and opportunity for moonlighting, parallel marketing or worse. However, the rather shotgun approach to these issues has certainly done less good than a planned one and by arbitrariness (and hitting innocent bystanders) may have reduced willingness to act decisively more than sloth of malpractice.

Price management, while improved in detail, remains incoherent (or unworkable) at macro level. The nil minimum wage increase for 1982/83 implies a nil agricultural price increase for 1983 (which is clearly not going to happen). The foreign exchange price policy delay means - since the very dramatic 1981 decisions on 1982 export crop prices - huge marketing board deficits (now - quite rightly - transferred from the banking system to the Treasury) and inflationary pressures. Price ceilings cannot work at present supply levels and rate of credit expansion. Market management can restrain price movements and avert self justifying margin creep under conditions of balance or moderate, intermittent shortages (1973, to a degree 1974-75, 1976-78) but not close the type of gaps currently existing.

Fiscal policy response has been targeted on recurrent budget deficit elimination - or at least reduction, albeit the 1982 "Bluebook" Structural Adjustment Programme For Tanzania appears to downgrade that goal (and with it, one must logically conclude, reduction of inflation). Real expenditure - excluding debt service and public enterprise deficit/rehabilitation cover - has been cut, but the increase in these two items (in the latter case partly a matter of discovery and of shifting the burden from the banking system) and the deterioration of real recurrent revenue performance despite higher tax rates and improved collection have kept the recurrent deficit and overall bank borrowing requirement rising in nominal and static or slightly rising in real terms since the initial 1978-79 recurrent deficit. Here the sectoral policy response and priorities may be coherent and correct (or too draconic as to maintenance and basic services) but,in the absence of consistent price management strategy and increased import capacity effectively used to restore manufactured output,they can only avert or delay catastrophe.

Industrial performance policy responses are clear at overall level but do not lead coherently to operational micro level policies or allocations. There is stress on capacity maintenance and utilisation and not - except for export directed or key import bottleneck cases on new capacity but how this relates to partly completed plant is unclear. Similarly import allocation priorities are clear,but are stated in terms requiring about twice the possible overall foreign exchange budget item so cannot actually guide policy. Calls for substitution of local inputs do not seem to be backed by meaningful support to locating or developing them. Admittedly the basic problems of capacity utilisation (including for export) and of reducing the incremental direct operating import to output ratio from 20-25% to 10-15% all need unavailable foreign exchange, but if that does block major improvement both allocation (however painful) and secondary productivity improvement policies could be given more systematic attention.

Energy policy is coherent, clear and - up to a point - operational. Petroleum product consumption - via price, substitution, rationing and - much less acceptably - physical shortages is down 20% odd on 1977. The sector yields both taxes and profits. Hydro power and electricity grid development are the subject of serious forward planning. However, the resource shortage is delaying closing the grid gaps and has blocked the only economically rational route to hydro power expansion. Coal development has begun but poses unresolved technical and cost problems. The identification of the wood problem has been in advance of a national crisis (though not of crises in certain regions and in respect of tobacco), whether the buildup of reafforestation (e.g. woodlot) programmes will become adequate remains less than clear especially given the general crisis setting.

The presentation of these sectoral or programmatic national responses illustrates the continuing absence of a coherent, prioritized, articulated overall strategy. The 1980 Structural Adjustment Programme collapsed under the pressure of lags, worsened external contexts and failure to conclude the World Bank (though, ironically, not the IMF) component. The 1981 and 1982 tranches of the National Economic Survival Programme, while formally adopted and partially articulated, have not proven to be fully coherent nor have they been fully adhered to in detailed articulation and action. If the 1982 "Bluebook" is to be the start of such a strategic response, it will require clearer priorities (and much more emphasis on macro price management and fiscal outturn), articulation both to test for consistency and to turn a somewhat gappy collation of broad principles and bits and pieces of (usually, but not always, evidently sensible) micro policy into a set of policies backed by quantitative allocations and practicable targets. Further this must be done promptly or it too will become dated by worsening events and with determined enforcement at the operational stage to avoid micro deviations (or inaction) rapidly undermining what will be at best a fragile construct.

The task on the response front is considerably more difficult than copying anybody's extant prescriptions. Accelerated Developments in Sub-Saharan Africa's strategy is no exception because it is equally non articulated, non coherently prioritized in anyoperational sense, as well as too generalised for a direct fit to any one country quite apart from serious empirical feasibility (e.g. re its export led growth and doubled aid prescription and assumption of general private sector capacity and benignity) and its apparent normative assumptions ("to him that hath shall be given and from him that hath not even that little which he hath shall be taken") problems.[31] Tanzania's basic policy and instrumental mix is not particularly ideological (nor have the so called "pro capitalist" strands been notably effective) and switching to an intensified inequality, reduced access, increased passive dependence strategy is not practicable without a new political and social base after an intervening collapse, as to attempt one within the present framework would assuredly destroy its self confidence, credibility, legitimacy and -therefore - operationality in a very short space of time.

'Through a Glass Dimly........'

The downside potential of the Tanzanian economy is massive - to put the prospects in jargon. The cost in terms of human deprivation, social and political collapse and engulfment in a quagmire from which clawing back would take decades is morally appalling.

To outline doomsday scenarios has a macabre fascination and may be useful either to shock advocates of 'steady as you go' navigation into noticing that a waterfall lies immediately ahead or to guide 'entrepreneurs of adversity' (or wingless two legged vultures) tactics. However, the fascination would, on the present author's part, be pure masochism and his concern for the care and feeding of vultures is negative while there is no need to inform Tanzanians or Tanzanian leaders that they are in the midst of a worsening crisis. Therefore these concluding notes are partial preconditions for a stabilisation and recovery strategy, however daunting or unlikely to succeed that may appear to be.

1. Tanzanian (and external cooperating body) projections of external events must be cautious and pessimistic not - as has been the case to date - overly optimistic. The global economic crisis shows no signs of 'turning the corner' and the fact that the weather cycle must eventually come to a good year is no basis for projections used in three year programming.

2. Tanzanian (and external cooperating body) projections for speed of response to policy changes, resource injections and strengthening must be slower; the crisis has exacerbated every latent weakness, emptied pipelines so that new resource injections will take 8-12 months to halt declines in most sectors; and dulled the enthusiasm and initiative needed to galvanise rapid change.

3. Tanzanian decision takers must achieve a comprehensive, priority focused strategy (not a kaleidoscope of partially conflicting pieces with unclear relative importance), articulate a possible pattern of policies and resource allocations from the strategy and proceed to implementation speedily and with regular monitoring.

4. Tanzanian implementation and monitoring must be disciplined despite the severe costs of any strategy, policy and resource allocation package meeting the critieria of short run feasibility and long run sustainability but it must also be subject to correction if major divergencies in external setting or domestic reponses from projection occur.

5. Both Tanzanian decision takers and would be cooperators must accept both that, whatever the merits and demerits of 1967-72 and 1974-77 strategies, neither is viable today; that whatever the weight of external causes domestic restructuring is essential (the late 1960s world economic setting cannot be whistled back into being nor can a major international economic order restructuring be projected as a safe basis for national strategy), but that without enhanced as well as better utilised external resource injections the probable cost burdens and extremely slow payoff of any such restructuring will render it impossible to implement even if the strategy is devised and articulated realistically. (A ratio of exports to imports of 50% with imports 25-40% below the minimum needed to operate and maintain the basic economic structure cannot be brought to an acceptable - say 80% - ratio in less than a decade.)

6. Tanzanians must be less ready to accept external technical and institutional advice on faith (especially when their own experts demur) and external cooperators more willing to accept the extreme fallibility (for whatever reasons) of their own past (and thus probably present as well) advice. Both

need to realise that a dialogue not a lecture, an argument not a shouting match is needed on areas of divergence and that a donated or imposed strategy will not work. Unless a basically Tanzanian devised, oriented and believed strategy emerges,no amount of advice, coercion and help can recreate a forward dynamic.

These points are in a sense procedural or at best mega economic for threereasons:

a. there is not adequate space to present a coherent strategy-policy-allocation package;

b. nor is there adequate data to do so partly because of external resource uncertainties and partly because domestic priorities do not appear to be clear, consistent and practicable;

c. and in any event such an exercise by one technician (let alone an expatriate one) would be totally inconsistent with at least the last four basic conditions set out above.

However, it may be worth stating that the preceeding analysis does not suggest that domestic economic integration (self reliance), absolute poverty eradication and universal access to basic services, lessened inequality (including greater participation) and public sector leadership are inherently unsound. They worked reasonable well over 1967-1977; the errors of 1975-1982 are more deviations from than aspects of them and the experience of African economies with a very wide range of strategic and political economic diversity is so depressingly similar as to cast doubts on ideological or sweeping political economic model interpretations. That does not deny the need for basic change in priorities, tactics and timing. Restoring import capacity (especially earned import capacity, ie exports) and production growth are now crucial to each of Tanzania's basic goals even if the means to achieving them are either not directly relevant to,or represent a partial, temporary and reversible divergence from them.

A conclusion full of hope and bright prospects would offend against the warning on realism in projections. The most positive possible citation may be the Lord Krishna's to Arjuna while a battle hung in the balance.[32]

> Not fare well but fare forward, voyagers.

TABLE 1

Balance of Payments: Trade Balance in Goods and Services: 1965 - 1980

1 Year	2 Merchandise Trade Exports (T. Sh. m)	3 Imports (T. Sh. m)	4 Balance (T. Sh. m)	5 Balance on Services	6 Col. 4 as % of Current GDP	7 (Col. 4 + Col. 5) as % of Current GDP.
1965	1,475.9	1 410.0	65.9	-	1.07	-
1966	1,889.9	1,694.9	195.0	-72.9	2.77	1.73
1967	1,796.9	1,637.6	159.0	-	2.15	-
1968	1,719.0	1,833.7	-114.7	-	-1.45	-
1969	1,756.5	1,710.1	46.4	177.3	.55	2.67
1970	1,797.2	2,274.2	-477.0	225.9	-5.21	-2.74
1971	1,913.1	2,725.6	-812.5	208.8	-8.11	-6.93
1972	2,312.7	2,882.9	-570.2	256.0	-9.99	-3.7
1973	2,581.1	3,478.9	-897.7	190.1	-6.85	-5.4
1974	2,878.1	5,377.0	-2,498.9	181.7	-15.6	-14.49
1975	2,764.0	5,709.4	-2,945.4	480.9	-15.49	-12.96
1976	4,108.0	5,349.5	-1,241.5	466.4	-5.3	-3.3
1977	4,464.2	6,161.3	-1,697.1	155.7	-5.8	-5.2
1978	3,670.6	8,797.7	-5,127.1	210.1	-15.3	-14.72
1979	4,484.3	9,073.2	-4,588.9	306.0	-12.2	-11.37
1980 *	4,702.2	10,261.9	-5,559.7	156.1	-15.6	-15.1

Source: Bank of Tanzania, Economic and Operations Reports various issues, National Accounts, various issues; Green et al (1980).

* Revised estimates

TABLE 2

Public Finance/Gross Domestic Product Ratios 1961-1980

(stated as % of GDP)

	1960/61	1963/64	1966/67	1969/70	1972/73	1975/76	1977/78	1978/79	1979/80
Recurrent Revenue	13.0[3]	14.2	15.5	20.1	22.8	20.9	21.7	21.6	22.6
Recurrent Expenditure	13.6	13.7	15.5	19.5	21.1	19.8	19.8	26.0	27.5
Capital Expenditure	2.6	2.9	4.5	7.8	7.0	12.0	11.8	15.1	15.8
Total Expenditure	16.2	16.6	20.0	27.3	28.1	31.8	31.6	41.1	43.3

Notes

1. Includes Debt Service in full. Technically debt redemption should not be included.
2. 'On budget' items only.
3. Excludes Colonial Welfare and Development Payments.

Sources

Adapted from "Twenty Year Review" Annex Tables on Gross Domestic Product and Trends in Government Finances; Financial Statement and Revenue Estimates (various years); World Bank, The Economic Development of Tanganika.

TABLE 3

Makeup of Recurrent Revenue 1961-80

(In Percentages)

	1960/61	1963/64	1966/67	1969/70	1972/73	1975/76	1977/78	1978/79	1979/80
Major Direct Taxes	21	22.5	26.5	25.5	24.5	39	35.5	30	37
Income	(20)	(20)	(23)	(22.5)	(22)	(35)	(27.5)	(23)	(31)
Export	(1)	(2.5)	(4)	(3)	(2.5)	(4)	(9)	(7)	(6)
Major Indirect Taxes	44.5	40	41	46	38	53	51.5	53	50
Customs and Excise[1]	(44.5)	(40)	(41)	(33.5)	(24.5)	(17.5)	(21)	(16)	(15)
Sales Tax on Domestic Goods	(0)	(0)	(0)	(12.5)	(13.5)	(35.5)	(30.5)	(37)	(35)
Parastatal Dividends	0	0	1	3	3	2	2	3	3
Other Sources	34.5	37.5	31.5	25.5	37.5	6	10	14	10
Total	0	100	100	100	100	100	100	100	100
External Trade Taxes[2]	27	31.5	33	25.5	18	15	25	23	21

Notes: 1. Includes Sales Tax on Imports. Excise amalgameted into Sales Tax 1977/78 - 1978/79.

2. Import and Export Duties plus Sales Tax on Imports.

Sources: As For Table 2.

TABLE 4

Analysis of Budgetary Financing Requirement 1963/64 - 1979/80

(In %)

Ratios To GDP	1963/64	1966/67	1969/70	1972/73	1975/76	1977/78	1978/79	1979/80
Capital Budget	2.9	4.5	7.8	7.0	12.0	11.0	15.1	15.8
Plus Recurrent Budget Deficit or minus Surplus ( )	(0.5)	(0.0)	(0.6)	(1.7)	(1.1)	(1.9)	4.4	4.9
Budgetary Financing Requirement	2.4	4.5	7.2	5.3	10.9	9.9	19.5	20.8
External Finance[1]	1.0	1.9	1.6	3.3	5.5	4.2	8.0	10.5
Domestic Finance[2]	1.4	2.6	5.6	2.0	5.4	5.7	11.5	10.3
Grants/Transfers/etc.[3]	(1.4)	(2.6)	(0.7)	(0.2)	(0.5)	(0.5)	(0.4)	(0.3)
Non-Bank Borrowing	(-)	(-)	(2.2)	(1.8)	(1.8)	(2.5)	(1.4)	(1.4)
Bank Borrowing	(-)	(-)	(2.7)	(0.0)	(3.1)	(2.0)	(9.7)	(8.6)
Ratios to Financing Requirement								
External Finance	39	43	22	63	50	42	41	51
Bank Borrowing	-	-	38	1	28	19	49	41
Ratios to Capital Budget								
External Finance	33	43	20	47	45	36	54	67

Notes:

1. Includes grants, loans to government. Some small private agency grants may be misclassified under domestic. Includes counterpart Funds from food aid and balance of payments support finance in year paid into Development Revenue account.
2. Excludes domestic counterpart funds from external aid (see Note 1).
3. Early year figures appear to include some borrowing eg from Cotton Authority, East African Currency Board. Later years include resources from special Funds in year allocated/paid over to Development Revenue.

Sources: Adopted from "Twenty Year Review" Annex Tables on Public Finance, GDP; Financial Statement and Revenue Estimates (various years)

TABLE 5

ELEMENTS OF THE RECURRENT BUDGET AND SOURCES OF GOVERNMENT DEVELOPMENT FINANCE

1966/67 - 1979/80

(shs. million)

	1966/67	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79*	1979/80*
1. Tax Revenue	1017.2	2937.8	3160.6	3302.5	4672.0	5343.0	5854.0	6154.0
2. Other Revenues	6.8	85.2	781.7	616.0	607.0	748.1	830.0	1116.0
3. Total Recurrent Revenue	1024.0	3023.0	3942.3	3918.5	5279.0	6091.1	6684.0	7270.0
4. Recurrent Expenditure	979.7	2785.0	3961.1	3715.6	5108.0	5769.0	8907.0	9094.0
5. Surplus	44.3	238.0	-18.8	202.9	171.0	322.1	-2223.0	-1824.0
6. Development Expenditure Financed by:	294.4	1442.0	2221.2	2253.0	2731.0	3388.0	4771.0	4800.0
a. Surplus on Recurrent Budget	44.3	238.0	-18.8	209.9	171.0	322.1	-2223.0	-1824.0
b. Non-Bank borrowing	59.8	196.0	362.0	336.0	276.0	488.0	569.0	443.0
c. Borrowing from Banks	18.9	521.0	834.0	570.0	-170.5	464.0	2912.9	2802.1
d. Other Sources	44.4	6.0	6.0	113.1	1052.3	744.9	1085.1	778.9
e. External Loans and Grants	127.0	481.0	1038.0	1031.0	1402.0	1369.0	2427.0	2600.0

* Provisional

Source: Economic Survey (Various issues) and Budget Documents

TABLE 6

Gross Bank Lending 1966 - 1979*

	Central Government: Bank of Tanzania	Central Government: Commercial Banks	Total	Non-Government Borrowing
				(shs. million)
1966	72.5	98.0	170.5	806.9
1968	64.9	80.1	145.0	819.8
1969	75.6	168.3	243.9	964.1
1970	291.3	164.7	456.0	1141.3
1973	484.9	558.6	1043.5	1566.9
1974	863.3	671.2	1534.5	2456.4
1976	1477.2	1895.1	3372.3	3513.6
1977	1445.6	1878.7	3324.3	3847.7
1978	2041.3	1898.2	3939.5	5153.1
1979	4515.6	2589.3	7104.9	6418.2

* The figures are given in quarterly averages

Source: Bank of Tanzania. Economic and Operations Report (various years)

NOTES

1. Reg Green has been a student of the political economy of Tanzania since 1964 and a full or part time advisor to various Tanzanian bodies since 1965. This paper contains his personal interpretation and views and is in no sense to be taken to represent those of any Tanzanian institution. Equally while he has made a number of the critical points before, the present perspective is that of late 1982 and in part comprises changes of emphasis and interpretation which, if correct, means that portions of his previous analysis and/or advice were either wrong or inadequately emphasised relative to other aspects.

2. For a somewhat fuller analysis - but also one before the last half year's worsening - see R. H. Green, 'Political Economic Adjustment and IMF Conditionality: The Case of Tanzania 1974-1981' in J. Williamson (ed), IMF Conditionality, Institute for International Economics, Washington (in press).

3. This was the position in 1981 and appears to remain the case (1981 from Bank of Tanzania data to be published in 1981 Annual Report).

4. Even the 30% rate assumes 6 years to clearance. Any faster progress would require IMF facilities and/or exporting country consolidation loans of - say - $200 million in excess of medium term operating import bolstering requirements.

5. This assumes 20% of food is consumed in quasi urban and urban areas and that this supply is basically additional to (not out of) basic rural supply.

6. This is slightly worse than the real position since 1980/81 the burden of public enterprise losses has been largely shifted from bank loans to Recurrent Budget payments which causes an evident rise in expenditure balanced in part by a concealed fall in de facto bad debt creation.

7. This understates the real rise in costs though, given the sample purchase base of much of the basket and a number of index boosting apparent errors, by less than might be expected.

8. Actual hunger is more related to purchasing power declines than to actual non-availability. But sugar, cooking oil, milk, bread, wheat flour and - at times - rice and maize flour are absolutely scarce. (Bananas, potatoes, millet, surghum and cassava are not nor are eggs, meat, onions, tomatoes, oranges with fish and poultry erratic.)

9. This estimate is based on constant price GDP evolution reduced for population and military expenditure growth and terms of trade losses. On the face of GDP based estimates of personal consumption growth (eg in 1982 World Development Report) the decline would appear to be much less, but this seems implausible.

10. This is based on rising real official, private and parallel market prices for agricultural porducts taken together since 1975 (albeit not for industrial/export crops nor for all foods taken separately) and a conservative estimate of total sales growth.

11. This is not a deterministic or fatalistic statement, past decisions affect the present and present ones the future.

12. For a much fuller presentation and analysis of 1972-78 see R. H. Green, D. Rwegasira and B. Van Arkadie, Economic Shocks and National Policy Making: Tanzania in the 1970s, Institute of Social Studies, The Hague, 1981. but also see R. Liebenthal, Adjustment in Low Income Africa 1974-78, World Bank, Washingotn, 1981, pp 29-39.

13. This may relate to an objectively more difficult situation and/or exhaustion from 1974-76 and wartime crisis management, but the failure to achieve coherence, focus and action remains a fact, whatever its causes.

14. The author believes it was partly real - late 1979 trends would have led to collapse or at best 1982 crises intensity levels by June 1980.

15. Again this is an empirical more than a normative judgement, especially in 1980-81 the author was too involved to be an impartial evaluator and still cannot see what systematic alternatives were then open.

16. The good weather year food surpluses exports offset a very small proportion of the bad year imports.

17. This has been the subject of debate. Accurate Tanzanian based import price data do not exist nor are global analogues satisfactory. However, the joint World Bank/Tanzania appointed Tanzania Assistance Group ('Three Wise Men') came to roughly the same conclusion of massive terms of trade deterioration and real import volume falls.

18. Much of it related to a cyclical peak 1980-81 coffee crop and a one year partial recovery in cashew nut picking.

19. Cf.Green, Rwegasira, Van Arkadie on this issue and on why action was not seen as crucial/practicable earlier. This issue has been debated in Tanzania at least since 1969 when it became clear that Tanzania's very late 'initial export opening up' rise had plateaued in the mid-1960s. That boom - which was not the result of any conscious export strategy by the colonial or independent governments - and the fact that Tanzania became independent with a trade surplus created a context in which export development strategy did not seem particularly pressing, until external balance projections for the 1969-74 Five Year Plan were drawn up.

20. 1980-1982 imports have been so low that some arrears would have built up and some of the public sector (perhaps 25%) and private sector (perhaps 20% dominated by lorries) supplier credits have been economically prudent.

21. Data do not show this clearly because international tables tend to exclude Chinese transfers (two thirds of Tanzania's total during the peak of Uhuru Railway construction) and Tanzanian budgetary and external transaction handling of railway finance was neither transparant nor consistent.

22. Tanzania has been very cautious in use of medium term bank loans - probably wisely since large floating rate five to seven year loans contracted in 1973-74 or 1977-78 (when they were available) would have tended to defer adjustment over 1974-76 and 1980 as well as producing unmanageable interest and repayment or rollover problems from 1979 onward. On large, technically complex and/or export marketing intensive projects Tanzania has, in principle, welcomed joint ventures. In practice this policy has been rather passive outside the hydrocarbon and mining sectors with individual exceptions in tyres (USA), tanning (Sweden) and shoes (Italy).

23. The data series are conflicting and unreliable. Only those in National Accounts are based on decentralised total output estimates. ILO and FAO data analysis (and fieldwork in the latter case) tend to confirm a food production trend growth of the order of 4 %.

24. Clearly, Tanzania should have exerted supervision and control much earlier (indeed, never accepted the hiving off of policy and planning to an autonomous unit). But once the Ministry had had its technical functions moved to the MDB, analysing its proposals and performance, let alone reasserting control, was objectively difficult - especially since MDB was believed to speak with the authority and expertise of the World Bank behind it.

25. Post 1975 figures are open to doubt because of the increasing proportion of delayed accounts and of the share of these which, when received, show rapid financial performance deterioration.

26. Of R. H. Green 'Political Economic Adjustment...' op cit, for a fuller discussion.

27. These had previously been financed as if they were working capital. In the agricultural cases, the subsidies are de facto (since grower prices are above export or import parity) to producers while in the transport sector they are to users.

28. For fuller accounts see M. Fransman (editor) Industry and Accumulation in Africa, Heineman 1982. For fuller accounts in chapters by M. A. Bienefeld, A. Coulson, R. H. Green, A. Singh.

29. See Table 1, "Bluebook" (Structural Adjustment Programme for Tanzania, Dar es Salaam, 1982)

30. The regional price differentials are intended to encourage specialisation. Whether cross-subsidized prices in remote areas - which are highly grower price effective at raising total marketed output and do bring poor peasants into the process of development by providing a "vent for surplus" on orthodox Smithian (Adam not Ian!) lines but are also transport cost intensive - are to be altered and, if so, how remains under consideration.

31. For a much fuller survey of and commentary on the Report see IDS Bulletin Vol. 14, No. 1, Accelerated Development in Sub-Saharan Africa: What Agendas for Action?, C. Allison and R.H. Green (editors), January 1983. (Preliminary text available at this conference.)

32. The optimism of the will does remain - Krishna and Arjuna subsequently did carry the field and the day.

Related Materials

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----- — 1982/83 Budget Speech by Minister for Finance, Government Printer, 1982.

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R.H. Green, D. Rwegasira and B. Van Arkadie, Economic Shocks and National Policy Making; Tanzania in the 1970's, Institute of Social Studies, The Hague, 1981.