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redistribution with growth?



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SUMMARY

The Politics of Redistribution with Growth

Colin Leys

This article challenges the political assumptions which, it argues, characterize **Redistribution with Growth**: that a large number of Third World countries will continue to be predominantly capitalist, and that poverty relief should be attempted through redistributive policies which will arouse minimum opposition from their ruling classes. The contradictions in these assumptions are reflected in **RwG's** analysis of the determinants of poverty, which excludes the structural and political forces of capitalist underdevelopment; in its rejection of class analysis and the substitution of arbitrarily defined 'target groups'; in its proposed 'index of performance', intended to replace GNP as a measure; and in the pessimism and indeterminacy of **RwG's** analysis of the prospects for its actual adoption as a strategy. Finally, the origins and context of **RwG** must be taken into account in assessing its assumption that radical change is "unlikely" in much of the Third World; it is argued that the nature and approach of **RwG** are such as to make such change less likely.

Redistribution with Growth—a reply

Richard Jolly

Although Colin Leys argues that **Redistribution with Growth** is directed against revolutionary change, this article shows the charge to be unjustified. The quantitative models which the IBRD/IDS volume develops to analyse distribution and growth, and the basic strategies considered, are as equally applicable to socialist as to capitalist transformations. It is not **RwG** which rules out radical change—it is rather Colin Leys who attempts to rule out serious consideration of what might be done to alleviate poverty and improve income distribution when radical change appears very unlikely. This article elaborates these points, beginning with a summary of the basic argument of **RwG** and concluding with an alternative statement of the weaknesses in **RwG** and of fruitful directions for future work and refinement.

A Comment

Montek Ahluwalia, Clive Bell, Hollis Chenery, John Dulong

These comments on Professor Leys' article do not constitute a rejoinder in the ordinary sense of the term. They simply highlight certain aspects of the argument in **RwG** for those who have read Leys, but not the book itself.

Redistribution with Growth—and/or Transition to Socialist Development

Reginald Herbold Green

Tanzania's 1961-74 political economic dynamic is examined with emphasis on strategic themes, major changes and critical obstacles, and the pace of change. A brief summary of 1961-73 development covers income distribution, mode of production, mass needs and growth of productive forces. The political nature of the planning process, the pattern of political-technical interaction and the stress on utilizing crises for advance rather than retrenchment are central to an understanding of Tanzanian political economic change. TANU's role as the dominant political force and the potentially retarding interests of high level manpower and rural elites are noted as well as the special problems of informal sector development in the context of a transition to socialism. The ways in which Tanzanian experience is relevant to other peripheral economies—and the hazards in attempting to make such generalizations—are considered briefly.

New Light on China's Political Economy

John Gittings

Most Western writing on Chinese economic development since 1949 has, until recently, treated it in isolation from the broader goal of building and consolidating a socialist society. In fact the Chinese choice of strategies and priorities can only be understood within this context. New material from China, including some previously unpublished writings on political economy by Mao Tse-tung, show more clearly how the Chinese see the path of their transition to socialism and the problems arising along the way. This has been the central issue of Chinese political life since the mid-1950s and it has been strongly influenced by the mainly negative lessons of the Soviet (and especially Stalinist) experience. A bibliography gives details of the new Chinese material, and of recent Western work which opens up fresh perspectives.

here the leadership see (in different objectives as subsumed within the socio-economic structure, in ways to unleash social incentives. Indirectly, it emphasizes aspects underlined by Colin Leys, a common feature which is notable in this controversy is that both the fears of the leadership that the transition is considered inevitable in a transition to socialism be perpetuated through property relations and political power.

Tanzania, by Reginald Green, is an application of his country study in **RwG**. John Gittings draws on two new books by Chairman Mao and the National People's Congress held last year) and it ends with a useful summary of work on China which is particularly relevant for those working in the develop-

ment process. It is followed by two reviews by IDS Fellows. The published works on leading topics in development policy and the choice of the first review is by Hans Singer, for himself one of the leading innovators in the field (as in a number of others). In **RwG** he invented the term **RwG** while on the ILO mission to Kenya (led by Richard Jolly), a mission whose primary work led to the reconsideration of concepts and theories in the develop-

ment process. His review brings out, of course, how influential the Kenya report has been in 'revisionism' in the development field, and the affected attitudes even in the citadels of development theory and theoretical orthodoxy. His criticism of the theoretical approach common at the end of the 1960s, when the Kenya report and the Second Development Strategy documents were issued. This seems a long time ago though the approach lingers on: the

University Press, 1974. Readers unfamiliar with it in the second section of Richard Jolly's paper, the themes are summarized. A technical innovation which is not discussed directly in this issue, far-reaching effects, because it will immediately bring official as relevant, is the demonstration of the implications of any growth in income. How one weights the increase in the income of some groups.

John Gittings, though a Fellow of IDS, has been working for the Bank, and joined the three Bank authors in this reply.

Redistribution with Growth—and/or Transition to Socialist Development

Some Jottings on Tanzania 1961-74

Reginald Herhold Green

Even the longest journey starts with the first step.

Chinese Proverb

Tanzania is attempting to achieve change by deliberate policy, and to maintain order by involving all the people in both the direction and the process of change. We are under no illusions about the difficulty of the task we have undertaken. With few socialists we are trying to build socialism; with few people conscious of the basic requirements of democracy we are trying to achieve change by democratic means; with few technicians we are trying to effect a fundamental transformation of our economy. And with an educated elite whose whole teaching encouraged motives of individualistic advancement, we are trying to create an egalitarian society.

Mwalimu Julius K. Nyerere

While participating in the two seminars leading to RwG, preparing the Tanzania country study for it and reading the finished product, I found two aspects of this strategy disturbing. First, it appears to stress continuous, even, marginal change gradually growing into structural transformation. This simply does not address the question of what type of political coalition in peripheral economies either would wish to or would have the ability to institute or maintain such a transformation. I have therefore dealt here with Tanzania's strategy—which is not primarily linear, even, or marginal. Second, its political power structure and base is neither homogenous nor as fragile and narrow as is sometimes assumed. Both the strategic thrust and the power base evolution appear to be critical to Tanzania's adoption of and persistence in a development dynamic in many respects similar to that of RwG, albeit one much more overtly centred on a transition to socialism rather than a social democratic approach.

Tanzania has attracted a great deal of attention over the eight years since the Arusha Declaration. It has been heralded as the precursor of social democratic redistribution with growth strategies, and written off as an example of inefficient state capitalist intervention; hailed as an example of transition to participatory

socialism, and pilloried as another Kenya with a thin rhetorical gloss. The reasons for this are not hard to find. Tanzania's style of presentation and action is unusual; despite repeated predictions (or warnings from friends) of one type of collapse or another, political and socio-economic change appear to have gone forward and been coupled with moderately rapid growth in output; and both published data and opportunities for on-the-spot contact are relatively good—especially for a state seeking radical change.

However, much of the interest has been from particular perspectives, notably one seeking to discover either the commentator's own utopia or confirmation of his conviction that a social democratic or socialist transition to development is impossible; or one attempting to find a systemic pattern of change broadly applicable elsewhere on the periphery; or one dedicated to quarrying examples to support policies or theories without too much care to examine the context in which they are embedded.

These approaches have certain limitations. Tanzanians do not claim to have achieved their goals but to be in the early stages of a long transition, while individual policies and actions mean very different things in different contexts (e.g. wage control in Tanzania and in Singapore). The 1967-75 trends in Tanzania are at least as important for analysing the 1974-75 position and venturing into projections of 1975-83 as are the exact positions attained by the end of 1974, and Tanzania's whole approach to development is based on the belief that systems cannot be imported and exported *en bloc*, but must be analysed, adapted, modified, transformed and internalized together with local ingredients. Therefore, an evaluation of Tanzania in terms which are not Tanzania-centred and particularly as an 'experiment' to apply elsewhere is, for many purposes, inappropriate.

This set of notes attempts to consider the nature of Tanzania's 1967-75 dynamic from a Tanzania-centric position, and to offer a few reflections on certain strategic elements and critical obstacles. Because Tanzania's leadership views increases in productive forces as critical means to attaining socio-political and political economic ends, rather than as overriding ends in themselves, the content will stress political economic elements.

The following sketch of 1961-73 development achievements is necessarily brief and presupposes some knowledge of Tanzania.¹

The concentration on largely positive results is a mix of a conclusion that on balance a dynamic towards development, socialism, egalitarianism and participation was achieved, and the needs of brevity; it does not imply that no serious secondary non-achievements and mistakes exist.

1. The ratio of top, public sector, pre-tax salaries to minimum wages was reduced from 80 to 1 at independence in 1961 to about 15 to 1 in mid-1974, and the effective purchasing power ratio from about 50 to 1 to under 10 to 1. A parallel narrowing of differentials took place throughout the wage and salary structure. Real purchasing power at the top of the scales declined dramatically, and at the bottom and middle rose significantly;

2. The widening of the differential between rural and urban personal incomes in relative terms was probably halted during the period 1967-72 (1973-74 were drought years), and very large increases in expenditure on rural services and rural investment probably led to a modest improvement in the overall rural/urban balance over the same period;

3. Recorded employment in urban areas after 1964 rose by 6-7 per cent a year—a rate roughly comparable to that of urban population growth—while minimum and middle wage purchasing power was raised to levels estimated at minimum decent family standards, and adjusted regularly;

4. The minimum wage appears to have had a spill-over impact on the 'informal' sector—in Dar es Salaam in 1971 about half this sector apparently achieved minimum wage-earner purchasing power;²

5. Ujamaa villages—largely drawn from the third and fourth income quintiles of the peasant population—grew to about 30 per cent of the peasant population (3 to 3.5 million) over 1967-73. Their short-term output effects were largely neutral because the supporting capital and services provided were largely long-term in effect (e.g. education) or not readily quantifiable because the results would not be caught in GDP data (e.g. pure water, health), or related to output gains

which are difficult to measure (e.g. greater peasant consumption from increased subsistence production);

6. Together with villageization (1973-74) the Ujamaa programme changed Tanzania's peasant pattern from 15-20 per cent village/80-85 per cent isolated homestead or hamlet in the middle 1960s, to 65-75 per cent village/25-35 per cent scattered in 1975. The social and service provision results were clear-cut; the production gains (via input provision, dissemination of knowledge, infrastructure, organization) were still basically potential; the initial 1974 moves were very badly organized in some areas;³

7. Mass adult education grew over 1970-74 to about 3.5 million enrolment, over half in post-literacy applied courses;

8. Health facility allocation began a rapid shift toward urban/rural balance over 1971-73;

9. The proportion of high level jobs held by Tanzanian citizens rose from about 10 per cent (of 5,000) in 1961 to 50 per cent (of 10,000) in 1971, and above 67 per cent (of 12,000-12,500) by 1975;

10. The share of the parastatals in the directly productive sector rose by 1974 to about 80 per cent of large and middle-sized businesses;⁴

11. The operating cash surplus of the public directly-productive sector rose to about Sh600 million (6 per cent of total GDP or 8.5 per cent of monetary GDP) by 1973;

12. Decentralization—aimed at greater efficiency in the provision of services, development of production and achievement of broad participation in decision taking/implementation—was carried out for about half of government activities and perhaps a quarter of parastatal operations over 1971-74;

13. Workers Councils, Regional, District and Ward Development Councils, and Ujamaa Village Committees were created as avenues to participation with very uneven and somewhat slow results over 1971-74. Almost all the appropriate bodies existed by 1975. The problems lay in their general lack of adequate assertiveness, weak conceptualization of roles and the dynamics of internal decision-taking/power balance;⁵

3 cf. G. Hyden, Ujamaa, Villageization and Rural Development in Tanzania', *ODI Review*, no. 1 1975; 'Unlucky Ujamaa', *Economist*, 12 April 1975.

4 See R. H. Green, "Relevance, Efficiency, Romanticism and Confusion in Tanzanian Planning and Management" in A. H. Rweyemamu *Public Sector Management Problems in Africa*, Dag Hammarskjöld Foundation, Uppsala 1975 for a more detailed presentation.

5 Resistance of managers and civil servants is a real obstacle, but one whose significance turns on lack of assertion. Given the political authority behind participation, passive resistance is much easier to sustain than active confrontation in the face of worker or peasant initiatives.

1 For a brief description see R. H. Green, 'Tanzania', in *Redistribution with Growth* (Chenery *et al* eds) OUP, 1974; and for a fuller analysis R. H. Green, *Toward Ujamaa and Kujitegemea: Income Distribution and Absolute Poverty Eradication Aspects of the Tanzania Transition to Socialism*, IDS Discussion Paper no. 66, 1974. An interesting debate, 'Towards Socialism in Tanzania—a Postscript', appears in volume II of *Socialism in Tanzania* (Saul and Cliffe eds), East African Publishing House, Nairobi, 1973.

2 See M. Bienefeld, 'The Informal Sector and Peripheral Capitalism: the Case of Tanzania', *IDS Bulletin*, vol. 6 no. 3 and sources cited therein.

14. Over 1964-73 real output rose by about 4.5 per cent a year (perhaps 2 per cent per capita)—somewhat above the African average and the Tanzanian late colonial record (2.5 per cent) but below strategic, as well as formal operating guideline, targets;

15. Over the same period agricultural output (and its food subsector) grew by about 3 per cent a year—slightly above the rate of population growth but not enough to build a position of strength to resist consecutive years of unfavourable weather (e.g. 1973, 1974).

In fact, the 1961-73 period has two phases—1961-67 and 1967-73.⁶ The former was more Fabian, technocratic and mixed-economy oriented, but apart from high-level manpower and output, its direct contribution toward the results noted above was either low or negative. Its indirect contribution in demonstrating the need for strategic shifts, and building up the personnel, knowledge and institutional capacity for it, was more positive. The period 1967-73 was characterized by a more radical, more political and more socialist strategy. Because this has increasingly evolved in response to Tanzanian perceptions of Tanzanian needs, with studies of foreign approaches and imports of foreign knowledge related to that perception, it is somewhat confusing to the observer, for the process is more Marxian than the terminology; the degree of discipline imposed rather greater than is superficially evident; and the experimentation with a wide range of knowledge, institutional/procedural imports rather more a deliberate policy than random pragmatism or absent-minded 'neutrality'.

* * *

One special characteristic of the Tanzanian strategy of transition has been to use crises to push ahead on basic objectives while at the same time introducing unpopular reforms needed even in the absence of the crisis. In 1971 the problems posed by the rise of the right-wing populist regime in Uganda were the occasion for a clarification, reassertion, and deepening emphasis on participation, egalitarianism, and rural-oriented development. The problems of the State Trading Corporation in that year were seized upon to provide the springboard for the total reform and decentralization of the import-export-wholesale commercial sector, and the foreign exchange crisis for an assertion of much more effective strategic control over parastatals, bank credit, imports, and the allocation of surplus from the productive sector. The 1973 devaluation was made the occasion for a tough price-control system, which

in legislative direction and practice was concerned with firm efficiency and the protection of key investible surpluses as well as commercial margins and consumer welfare.

This approach has been put to a severe test over 1974-75.⁷ Grain price increases, the failure of the 1973-74 short rains crop and a very poor harvest on the 1974 long rains crop, and oil price increases trimmed probable effective national purchasing power for 1974 by at least 10 per cent between Christmas 1973 and June 1974. Forceful arguments were advanced for 'muddling through' and massive retrenchment. The first was rejected as imprudent and the second as suicidal, because it would probably reverse the development dynamic, undermine political solidarity and worsen the production gap (in food and basic consumer goods) which was the basis of the crisis.

The actual strategy elaborated over April-October 1974 included:

1. Raising minimum and middle wages enough to protect real purchasing power and increasing salaries by a significant amount (5-15 per cent), though not one which protected all income levels from the price increases;
2. Raising prices to avoid random subsidies and to preserve the bulk of investible surpluses (with the exception of grain until October, when the extent of import volumes and prices forced a deliberate interim subsidy to be abandoned);
3. Boosting producer prices to import parity (over 1971-73 they had fallen below this level for the first sustained period since the 1950s) and stepping up input provision (largely seed, fertilizer, pesticide);
4. Speeding rural transformation to seek patterns more conducive to providing know-how, education, inputs, transport, marketing and, more immediately, food relief (probably about 200,000 tonnes);
5. Concentrating more investment on productive sector projects with an immediate emphasis on mass market items including textiles, garments, cement, steel products and the pre-export processing of primary products, e.g. cotton, cashew, hides and skins, sisal;
6. Launching a major emergency assistance campaign to secure foreign resources to cover very large (1974-75) and smaller projected (1975-76 and 1976-77) interim resource gaps until better weather and the pay-off on production-increasing policies would restore a balance.

This strategic package was fairly clearly presented in the 1974-75 **Budget Speech** and—in part—in

⁶ For a fuller discussion of 1961-67 see K. Ngombale-Mwiru, "The Arusha Declaration", and A. de la Rue, "Ujama on the March" in, **Socialism in Tanzania**, *op. cit.*

⁷ For a somewhat fuller account see R. H. Green, "Aspects of World Monetary and Resource Transfer System in 1974; A View from the Extreme Periphery" in G. K. Helleiner **A World Divided**, Cambridge University Press, 1975.

the earlier and later announcements of the implementation of some of its components. It may not succeed—although, with success assured for interim external finance raising, and reasonable 1975 main crops, total failure now seems most unlikely. What it clearly does demonstrate is a belief on the part of the leadership that either slamming on the brakes or going into reverse would entail strains the Tanzanian transition could not survive; and that meeting crises could be used to refine the more positive elements of government strategy. It also demonstrates a capacity for a coherent and rapid response to major exogenous shocks and, on the part of the country as a whole, a very considerable willingness to take and stick to tough action, combined with a commitment to lay as little as possible of the burden on the weakest sections of the population.

* * *

Certain elements of the Tanzanian transition strategy and political base are of greater significance than the attention usually paid to them would suggest. The strategy has normally been seen as uneven and somewhat erratically articulated central planning, dominated by European social democratic or technocratic elements. The political base has either been treated as self evidently the urban and rural poor (without much analysis), or seen as the bureaucratic-managerial and rural elites and, therefore, inherently contradictory to stated policies. None of these explanations is very satisfactory.

Tanzania's major political economic and socio-economic decisions are taken politically, not technically. In a majority of cases a large number of technical inputs, and a large sample of peasant and worker opinion, have been collected by the TANU Central Committee, the President and/or the Cabinet **before** the decision is taken. In almost all cases the details of implementation (subject to a check that they **do** implement, and not reverse the decision) have been formulated in processes involving managers and planners, but **after** the basic decision has been reached.

Decisions taken in response to technical proposals have increasingly been consolidating steps to reap the benefits from, or adjust the detailed course of, major decisions or stop-gap measures to avoid serious problems until a major decision could be taken. These are marginal or incremental rather than structural or direction-changing, e.g. the April 1974 wage-salary-price package did flow directly from initial technical proposals, but the broader 1965-67 set of political decisions, determining the course toward creating an egalitarian

income allocation framework, emanated from the President.

The political strategy has consistently turned on identifying a limited number of important and urgent problems (immediate contradictions) involving broad structural decisions aimed at creating a new base for development (intermediate synthesis), and following through by concentrating resources and technical attention on achieving and consolidating the potential gains from the structural changes. This strategy quite explicitly denies either that incrementalism can be an adequate overall approach, or that one can advance equally on all fronts at once. It is **not** linear. The number of structural changes which can be carried out at once are limited by political, technical and real resource constraints, and by the general social, political and external environments. Even had it not been transformed into something else by IBRD technicians, the President's 1962 village proposals could not **then** have formed the basis for a structural shift to Ujamaa villages (1969) or total villageization (1974-). The Arusha Declaration (1967) and its initial implementation in respect of ownership, management, equality and mass education were preconditions for the strategic decisions at political level of 1968 and 1973 to be operational. Similarly, the move to a dominantly public directly-productive sector, decided in the Arusha Declaration, would not have been possible in 1961 given the capacity of citizen manpower, nor would it have been possible had 1961-66 trends to greater inequality, more foreign firm-Tanzanian manager links and the emergence of a citizen political-capitalist coalition been allowed to continue until 1971.⁸

The political choice of areas for structural change and of their sequence, backed by technical inputs, is not particularly consistent with either standard socialist European models of central planning—as usually taught at any rate—or with Western academic planning strategies, which have a tendency to confuse the neat linear world of some branches of mathematics with the rather different world of political economy. The process does look messy, does involve changes of direction, does lead to at least marginal waste and failure to articulate, and does put very heavy and new pressures on technical personnel. However, the alternative of incrementalism on the eve of the Arusha Declaration would have meant a steadily increasing divergence from the goals of egalitarianism, participation, and national self-reliance.

⁸ It is not intended to imply that the entire strategic sequence was seen clearly from the start. The basic goals and some intermediate positions were, but other developments resulted from growing experience and response to external challenges.

Equally, a broad front approach, seeking public directly-productive sector dominance in 1962 and embarking on the 1969 and 1974 Ujamaa and Development Villages and the 1967 decision on income allocation frameworks at that date, would have resulted in virtually immediate technical and political collapse. These would have been much less efficient results than those actually achieved. The political base issue is equally complex and also closely related. TANU is a mass party with a majority of poor peasant and worker members and a socialist majority in its central leadership. It is national and does possess considerable—albeit uneven—two-way communication, organization and implementation capacity at levels from 10-House Cells upward.⁹ On the other hand, its strength—while growing—is not massive in absolute terms and its local leadership—albeit decreasingly—is often both overly authoritarian and derived from proto-rural elite groups. Its total dominance turns on the absence of any alternative political coalition or, indeed, any locally articulated ideology around which to build one.

High-level manpower is critical to the articulation and implementation of political decisions. A hostile managerial-civil service grouping could block, and a passively demoralised one slow, action. Without an alternative political coalition this group could hardly change the government nor, so long as the latter remains intellectually and politically self-confident, its strategy. In practice the Tanzanian public sector elite has accepted severe cuts in its relative and actual standard of living, while morale and efficiency (while uneven) have improved since independence, since Arusha and (after a setback in 1971-72) over the past two years. Internalization of the ideology of transition to socialism is incomplete, and transition to participation still more so, but progress is neither negligible nor static.¹⁰ A majority do fit Amílcar Cabral's definition of a 'revolutionary petty bourgeoisie':¹¹

"in spite of all hostile conditions it remains identified with the fundamental interests of the

popular masses. To do this it may have to commit suicide, but . . . by sacrificing itself it can reincarnate itself in the conditions of workers and peasants".

The lower rural civil service cadres and the proto-rural elites pose more serious potential challenges. They are far less ready to transform themselves—the lower civil servants because all they perceive themselves as possessing is the power to give orders to the masses, and the proto-kulak and proto-merchant elite because all they have is an income higher than their fellow peasants and the ability to influence local officials.¹² Here, if anywhere, is the foundation for a political counter-coalition. But it is more a foundation for delay and scattered resistance than for counter-revolution. The African rural proto-kulak and proto-merchant groups can hardly number more than 50,000 households out of over 2 million; the very hierarchical orientation of the civil servants makes them at least partially responsive to national Party and government ideology and policy; neither group is nationally organised.¹³ Successive centrally mobilized campaigns have removed or weakened many bourgeois local TANU leaders; Ujamaa has tended to isolate some proto-kulaks, remove others from the land, and incorporate the remainder in villages (albeit sometimes at the price of their having considerable influence within them). Decentralization has made local mass participation possible—and less often, but to a growing extent, has led to it in practice—and has moved many more ideologically committed and highly qualified officials, who do not see themselves as personally threatened by participation, into the regions and districts. Villageization (replacing what until 1967 was an 80-85 per cent scattered household pattern) will further reduce the rural elite's powers of inertia, which the massive rural adult education programme (3.5 million listed enrolment, or about 25 per cent of the population in 1974-75) is likely to have an even greater positive transforming power. The main body of the Tanzanian peasants has included, and still includes, TANU's loyalest supporters: the basic problems are to provide education and ideology to increase their participatory initiative, organizational capacity, and productive achievements.

⁹ TANU technocratic capacity has been kept low deliberately. Its political role was seen as likely to be weakened, not enhanced, if it came to have a parallel technocratic bureaucracy and to argue technical policy details rather than set frameworks for policy and criticize results in the context of these political terms of reference. This may be a wrong decision; it is not absent-mindedness or bureaucratic sabotage, as some critics have implied.

¹⁰ I. Shivje (in *Socialism in Tanzania*, *op. cit.*) greatly over-emphasizes the power of this proto-class. Almost all of his examples relate to a limited group of individuals in one institution; his sources were managers and civil servants who opposed them; his targets were already the objects of civil service and political criticism, and have almost all been demoted or transferred to less critical positions.

¹¹ Brief Analysis of the Social Structure of Guinea. 'Revolution in Guinea', London, 1969.

¹² cf. J. R. Finacune, *Rural Development and Bureaucracy in Tanzania*, Scandinavian Institute of African Studies, Uppsala, 1974, for a forceful—if perhaps over static and thus pessimistic—account of the interaction in the Mwanza Region. Mwanza is one of the four regions (Kilimanjaro, Arusha, Iringa are the other three) with the most proto-kulak stratification.

¹³ The Co-operative Union of Tanzania is a potential focus. In practice it is rather weak and has steadily lost influence. Some regional unions have been more effective rural elite bases of power and arenas of attempts to reduce that power.

Organized labour in Tanzania (about 500,000) is very much integrated into TANU organizationally. Because egalitarianism has meant the growth of purchasing power for minimum and middle-wage earners, and even the first steps toward worker participation and mass adult education have increased human dignity and status, organized workers accept the Party's basic ideology and the government's basic policies. Differences have been occasional and relatively low key (compared, say, with the United Kingdom). The National Union of Tanzanian Workers (NUTA) is not perhaps very efficient either at building worker participation or presenting worker needs very clearly and cogently,¹⁴ but it is a part of the ruling coalition both now and in the foreseeable future, and in that respect does represent the vast majority of its members. The informal sector¹⁵ poses problems. Tanzania's leadership is committed to preventing the emergence of a medium or large-scale African private sector. In the absence of such a sector it sees the possibility of utilizing the resident Asian and foreign capitalist sectors during the transition, because these can be cut off from any local business/civil service alliances. The small-scale African proto-capitalist sector cannot, therefore, be allowed to expand dramatically either in unit size or sectoral importance.

Whether to provide some assistance, or at any rate channel some purchases to the informal sector is debated. The Workers and Peasants Housing Fund set up channels designed to allow workers to use informal sector contractors who are cheaper and quicker; the Small Industries Development Organization is not strictly limited to regional, district and workers' co-operative unit support. One reason for this somewhat ambivalent attitude (and for the much slower phasing out of middle and small Asian businessmen than in Kenya) is the problems confronting building up small-scale public sector units. Decentralization to regional, district and co-operative level in trade, transport, repair services and simple manufacturing has begun, but is not seen as achieving major breakthroughs, at least in the last two areas, until the 1980s. In the

meantime, the informal sector is needed and half encouraged, but also seen as a potential danger if allowed to develop into a capitalist class.

* * *

The continuation of Tanzania's transition to decentralized, participatory, egalitarian socialist development faces major obstacles. Margins for error are very low in terms of productive forces, institutional capacity, and high level manpower. The ability to make and to recover from serious errors is available only to middle and high-income countries, or to those with high levels of centrally-controlled coercive forces. At the same time, exogenous forces place the implementation of national decisions at far greater risk than in larger, less externally dependent, and/or less poor countries. For example, the cost of the 1973-74 drought, grain price rises over 1972-73 and the oil price escalation over 1973-74 represented a loss of at least 10 per cent in real purchasing power of national output in 1974.

Because the success of the transition rests on continued progress requiring a series of structural changes, marginal errors are inevitable and major ones difficult to avoid, with the implied corollary that corrective action must be rapid and rapidly effective, despite the limitations of data, and of human, institutional and communication capacity for learning about and identifying errors or formulating and implementing responses.

The degree of shared national purpose and of self discipline achieved to date is uneven. Compared to most peripheral economic units it is high and growing, but compared with either a Scandinavian country or China it remains low. In the absence of decisive coercive force available to the government, and the presence of a commitment to broadening participation, the raising of the levels of perceived national purpose and self-discipline is a critical strategic requirement, and the present levels a significant constraint.

The balance between the minimum rate of progress necessary to prevent a reversal of the dynamic of transition and the maximum rate objectively possible (for political as well as material and human resource reasons) is a very fine one. The selection, timing and sequence of structural changes is critical, as is the adequate consolidation of the potential gains from structural changes which will, in the absence of consolidation, slip backward from reality to rhetoric.

The tension between broadening informed participation through education and ideology, and imposing change on a Platonic guardianship model is extremely severe—especially in the case of radical intellectuals and technicians who appear

14 Apparently the 1974 wages/prices package, like its 1969 and 1972 predecessors, was formulated as a Treasury proposal much more in response to overall TANU goals and their interaction with resource possibilities than on the basis of specific NUTA proposals. Indeed, there is a certain irony in the abnormally low level of broad participation in formulating the main 1969-74 tax, price, wage policy instruments designed and used to promote egalitarianism. The framework was the Party's and the President's but the response—while clearly enthusiastic and relevant—does not seem to have been informed by very broad consultation or opinion collection.

15 cf. Bienefeld, *op. cit.*

to have less historical perspective and human contact with mass individuals than the dominant radical politicians and managers. *Laissez faire* will not bring systemic change; centralized dirigisme will not create participatory, egalitarian socialism, liberating workers and peasants. The intermediate syntheses, temporarily resolving aspects of this contradiction, are partial, unsatisfactory and subject to change—not because the ones chosen are usually unsound, but because of the inherent nature of the tension.¹⁶

These are not obstacles unique to Tanzania. They are almost certain to confront any sustained effort to achieve a transition either to participatory socialist development or to a social-democratic variant of redistribution with growth. A number of them would appear in quite different form for a coalition seeking to achieve or consolidate power to institute such a transition, or for a ruling coalition seeking a quite different pattern of growth, stability and/or development. The obstacles are dominantly political, economic and socio-economic; the augmentation and allocation of productive capacity and material resources are critical elements in, and constraints on, transition to development, but by no means the only ones, nor even, in each individual instance, the most important ones.

On the face of it the list of obstacles might suggest either that Tanzania's transition cannot continue, or that it is the result of some fortuitous accident and cannot be repeated. That is probably too facile a conclusion. Tanzania has managed to balance the necessary and the possible for over 13 years while building up an increasingly clear development strategy and dynamic, and has done so despite (indeed in part in the process of) meeting several serious crises. If a description of Tanzania as it is in 1975 had been offered as a projection in the months immediately before or after the Arusha Declaration it would (quite rightly perhaps) have been rejected as impossible. A serious internal misjudgment and/or a concatenation of exogenous events could have destroyed—and could still destroy—Tanzania's development dynamic. Economically, socially and politically, Tanzania is very small, has limited resilience and is therefore fragile. However, collapse is rather less likely today than in 1968. Equally, a quiet sliding back into a more hierarchical, elite-oriented pattern has become

steadily less probable from 1967 onward—the opposite forces have built up a history, a dynamic and a sense of victory.

Clearly Tanzania is unique and the Tanzanian transition cannot be an export-oriented industry. These are rather trivial propositions because no two states, no two governing coalitions (or their means of securing and consolidating power), and—therefore—no two transitions to development are identical. However, if Tanzania is today radically atypical of the smallest, poorest states this is a result, much more than a cause, of the road it took from 1961-75. The present nature of Tanzania's ruling coalition and of the organized (or quasi-organized) forces behind it is not what it was 13 years ago, any more than levels and targets of income distribution, external dependency or productive forces have remained unchanged.

This suggests that the broad pattern of the Tanzanian transition is of interest to any group seeking to begin or continue a rapid, but basically non-violent, transition to egalitarian, participatory socialism (or perhaps to the social-democratic variant of redistribution with growth). While part of the pattern would be irrelevant to a political coalition achieving power by armed revolution (e.g. Mozambique) a number of elements would not: a revolution does not create a *tabula rasa* with all internal and external constraints removed, nor permit totally direct and linear sequences.¹⁷

Picking out particular programmes or policies to drop into quite different political economic and socio-economic contexts and dynamics is another matter. A few might be transplantable—e.g. in the directly-productive public enterprise sector; others would either wither and die or be transformed in rather odd ways—contrast mass rural education in Tanzania and in Kenya;¹⁸ and some—if really implemented—would be quite unexpectedly explosive—e.g. the combined tax-salary-wage policy. This conclusion is not surprising in the context of Tanzania. One aspect of Tanzanian self-reliance has been a growing conviction that neither random selection of policies-programmes-techniques from quite disparate systems, nor attempts to import large chunks of foreign systems, was either possible or desirable without systematic prior study by Tanzanians of the Tanzanian context, and resultant rejection or modification of the imports, combined with the development of Tanzania's own knowledge and its capacity to apply it.

16 The same type of successive contradictions with successive partial synthesis requiring amendment and re-balancing in a zigzag advance is very evident in the cases of China and of Yugoslavia. To a lesser degree (partly because of limits posed by actual or potential external intervention) they can be fairly readily identified in Czechoslovakia, Hungary and Poland.

17 The obvious example is China—see the paper in this issue by John Gittings.

18 See for example the articles by Martin Godfrey and G.C.M. Mutiso and by Budd Hall in *IDS Bulletin* vol. 6 no. 3.

The major aim of the **Bulletin** is to publish brief and direct—sometimes provocative—articles on themes of current importance to those concerned with problems of development: students, teachers, and, above all, practitioners and administrators and civil servants who rarely have much time to spare. Hence no scholarly reviews of the literature on the subjects broached, a minimum of footnotes and compression of often complex arguments. Editorial policy must, therefore, be quite different from that of a professional journal. But despite these self-imposed limitations, the **Bulletin** tries to maintain rigorous standards of argument. Taking advantage of rapid publication techniques it seeks to fill the gap between the major professional journals and the journalism of newspapers and periodicals.

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