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**Raising Productivity Levels and Alleviating  
Poverty in Tanzania's Rural Areas:  
The Case of Non-Agricultural Activities**

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**LIST OF ABBREVIATIONS**

DANIDA	-	Danish International Development Agency
EEC	-	European Economic Community
ESRF	-	Economic and Social Research Foundation
FAO	-	Food and Agricultural Organization
FDC	-	Folk Development Centres
GDP	-	Gross Domestic Product
GNP	-	Gross National Product
LDC	-	Least Developing Countries
NGO	-	Non-Governmental Organizations
RNA	-	Rural Non-Agricultural Activities
ROSCAs	-	Rotating Savings and Credit Associations
TDL	-	Tanzania Dairies Limited.
UNICEF	-	United Nations' Children Fund
UNIDO	-	United Nations Industrial Development Organization
WRI	-	World Resource Institute

**SUMMARY**

The objective of this paper was to review the literature related to rural non-agricultural activities (RNAs) in Tanzania. In the rural areas productivity levels are very low and most people live under absolute poverty. The review demonstrates that very little is known about RNAs and rural employment in the country. Not only is research on RNAs very scanty, but government attention related to the same is grossly lacking. However, the few studies we have come across, which are indeed rigorous and exhaustive, have come up with highly instructive findings. These include those by Bevan *et al* (1989), by Collier *et al* (1990), and by Bagachwa and Stewart (1990). The scanty literature that exists could be a reflection of two things: one, the non-existence or existence of very limited RNAs and second, the lack of research in this area. A rich literature on RNAs in other developing countries exists; especially for the Asia continent. Traditionally, agriculture or peasant crop production has been the main, if not the sole source of employment for the Tanzanian rural population. More than 85% of the total Tanzanian population depends on the sector for its livelihood proving that employment in non-agricultural activities is the exception rather than the rule. Although the number of rural people employed in non-farm activities has remained insignificant, the share of earnings accrued from these activities has shown a potential to increase. The reason for the lack of rural non-farm activities in Tanzania could include the relative ease with which land for cultivation can be obtained. This becomes more apparent when the main factors which have influenced a faster growth of RNAs in other LDCs seem most likely to be population pressure, which causes land fragmentation and landlessness; declining productivity and earnings from agricultural activities; accessibility; and institutional and other infrastructural issues.

Studies on RNAs in Tanzania conducted so far indicate that less than 10% of the rural labour force is employed in non-farm activities. The share of earnings from RNAs seems to have gone up from about 20% in early 1980s to about 30% in the mid 1980s, and then down to less than 10% in the 1990s. Therefore, a clearer understanding of this sub-sector is more likely to influence policy making thereby contributing to an increase in earnings and rural productivity. This will serve to alleviate poverty. At the end of this paper is a proposed list of areas in which further research seems urgently needed. Logic would, however, suggest that rather than directing (research) effort mainly into the understanding of the almost non-existent but potentially lucrative non-farming rural sector, it would be more rational to conduct research aimed at exploring possibilities and mechanisms through which rural non-farm activities could be created, expanded, and sustained on one hand, and through which farm activities could be diversified on the other. This will indeed require producer prices to be remunerative, something which can not be achieved without the existence of an efficient and effective marketing system for both farm and non-farm products. Marketing studies would, therefore, be an indispensable complement to the rest of the studies.

## 1. INTRODUCTION

According to the 1988 population census, about 20 million Tanzanians which is about 80% of total population, live in the rural areas. Of these, nearly 12 million or about 60% live in conditions characterized as being below the poverty line (IFAD, 1992; World Bank, 1994). The major assets in the rural areas are, undoubtedly, livestock and land (Collier *et al*, 1990)<sup>1</sup>. Efforts by the government to raise the living standards of the rural people through the most comprehensive effort of "Ujamaa" (Socialism) proved a failure. Systematic efforts to bring about collective production ceased altogether in 1975. The policy that followed was one of villagization-*sans*-socialism (Ergas 1980, Green 1975, Hyden 1975, and Lofchie 1978). Despite the fact that the government has been able to put into place a gigantic network of research institutes and extension services all over the country, land and labour productivity in agriculture and in other non-farm activities in the rural areas has generally faltered. In recent years, government investment in rural activities or areas has remained low. The World Bank has lamented that in Tanzania many costly public policy and expenditure mistakes are committed in the agriculture and agrarian sector in the name of poverty reduction (World Bank, 1993). However, it could be that these mistakes are intentionally made in order to serve specific purposes and interests. It is no secret, for example, that it is the peasants who have created most of what can be called success in Tanzania. Julius K. Nyerere admitted that the peasants have been doing the production which underlies our advances in health, education, the building of factories and the establishment of a viable transport system. The fact of the matter is that what/who is basically responsible for all the successes Tanzania prides itself is agriculture, or indeed the peasant, we have not been developing either of the two. And now the agricultural sector can bear the load we have put on it no more (Nyerere, 1982). The peasant has been overtaxed, so to say.

Recent findings have shown that, among other factors, over-taxation of the agrarian sector has increased the gap between urban and rural areas in most African countries including Tanzania. It was found that about 50% of the rural-urban migrants move to towns to seek paid employment due to the boredom of village life. The abject conditions of rural poverty lie at the heart of the escalating flight of youths to the towns. The author emphasizes that migrants do not hate rural areas as such but the poverty associated with rural life (Ishumi, 1984). They essentially seek a better life in town (Von Troil, 1992). The migration of adults from rural to urban areas, however, has caused a greater increase in the dependency ratios in the rural areas where those who remain have to work even harder due to increase in desertification, drought and the fall in international market prices for agricultural goods. The diminishing opportunities for employment in the rural areas followed by the same trend in the urban areas has created a huge reservoir of unemployed young men and women who are resorting into non-formal and even illegal or dirty businesses to survive. What Livingstone (1989) calls the "sponge effect", that is, the capacity of the rural economy to absorb an increased population in the country has remained very low and is probably negative. (Collier *et al*, 1990) on the other hand found

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<sup>1</sup>. Other productive resources include: labour power; investable capital; planted trees; products; consumption funds; farm implements; seasonal inputs; and relevant extension advice (Havnevik *et al*, 1988).

out that the rural poor are poor not because they misuse their resources but because they have so few non-labour resources. Therefore, raising the productivity of agricultural and non-agricultural activities, and creating an increment in the resources available to the non-agricultural labour market in the rural areas is important in the reduction of poverty in general (World Bank, 1994).

The need for non-farm employment generation in Tanzania is, among others, due to the:-

- (i) lower level of labour absorption in the industry and manufacturing sector;
- (ii) over-burdened urban centres;
- (iii) limits to employment expansion in the agricultural sector in most regions; and lastly
- (iv) mounting rural poverty.

Thornton (1982) has forcefully argued that solutions will be difficult to find, but must be quickly sought both as a corrective measure to poverty and to a way to prevent further deterioration of the rural resource base. It has also been argued that in Sub-Saharan Africa, the non-agricultural sector has developed without active government support and at times without government notice (Bagachwa and Stewart, 1990).

The purpose of this review is to highlight the literature available on the issues related to rural non-agricultural activities (RNAs) in Tanzania. This review is a kind of brain-storming exercise which tries to put the country's RNAs in a better perspective. This review is supposed to act as a basis upon which research projects in the area could be designed. It is aimed at answering the question: "What are the things we know about RNAs that can make us better understand the dynamics of rural-urban change in order to devise ways of modifying the change for the social good?"

## 2. THE MEANING AND CHALLENGE OF RURAL DEVELOPMENT

The ultimate measure of development is not so much the abundance of the wealth produced or cattle owned, but the quality of life that is lived by the poor in our societies; the smallholder farmers and slum dwellers. It is how well they meet their basic needs that determines whether they have developed or not; how well they eat, how well they are clothed, what homes they live in, how sound their health is, what education is available to them and their children, how easily they and their offspring can move about, what they can do to amuse and recreate themselves, how they provide for their old age and perhaps most importantly, how fully they participate in the economical, social and political well-being of society. Participation is the key measure. Satisfy it and you make man capable of satisfying his other basic needs (Korten and Alfonso, 1981). According to Tailor (1992) development is best defined in terms of the aspirations and values of people in their own social context.

In Tanzania, as is the case in most developing countries, the smallholders, who make up the majority of the population are non-participants. Their individual resources are minuscule, their productivity low. They are cowed in by their poverty<sup>2</sup> and dominated by the rich, the educated and the politically well-positioned; many of whom are unsympathetic to their plight. Their voices go unheeded, their needs unattended. As a consequence, their power to claim their rightful share of society's output goes unnoticed. The challenge, therefore, is how to set the small farmer free so that he/she can participate effectively in the mainstream of society's economic, social, and political life, survive and lead a decent life.

Unfortunately, there are no well-articulated government policies on rural non-agricultural activities (RNAs) in Tanzania. The emphasis so far has been on agricultural activities. This review has found that the institutional infrastructure to back up and encourage the development of RNA has been seriously missing. In the case of Africa in general, the EEC-ACP (1988) argues that governments have so far pursued policies that are unfriendly or inimical to the expansion of RNAs and there are laws, rules and regulations that are definitely hostile to some of the activities.

In order to ensure the sustainable development of RNAs, rural development should be as comprehensive as possible. It is important to avoid training people in, say, just agricultural skills without also teaching them how to improve their minds, their homes, their health, their villages and beyond. To train men without training their wives or wives-to-be is to court disaster (Makerere University College, 1976). But then, it is not enough only to provide skills and facilities for services to the rural population; it is also necessary to market the goods produced in the rural areas and to develop in the rural people the taste for such goods and services (Verma, 1981). Therefore, the existence and development of secure markets is a prerequisite for ensuring the sustainability of rural activities and economic development in general.

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<sup>2</sup>. Ishumi (1984) concludes that rural life for many people in Tanzania has been characterized by poverty. This means that agriculture, the basic and probably the only occupation for the majority of the population, has not been a paying vocation and therefore has not improved rural life. He concludes further that rural areas will remain unattractive places to live in if they continue to be submerged in poverty.



### 3. THE BASIS OF RURAL POVERTY

Poverty alleviation in rural areas means increasing the ability of rural populations to acquire the basic necessities, namely; food security, adequate and decent clothing, better shelter/housing which includes a better place to sleep, improving democracy and security. Other things remaining constant, poverty alleviation could be synonymous to creating an increase in rural incomes. In fact, the World Bank (1990) considers the increase in producer prices to be synonymous to the improvement of the standard of living. To see how an increase in rural income could take place, the following simple relationship could be of assistance:

$$\pi = PQ - \sum SiL + AE + Au$$

where:	$\pi$	=	Net aggregate rural income;
	$P$	=	Output price;
	$Q$	=	Quantity of output produced for sale;
	$Si$	=	Price of input(s);
	$L$	=	Total quantity of inputs used;
	$AE$	=	Administrative efficiency; and
	$Au$	=	Other factors.

In the above functional relationship,  $Q$  could include agricultural production; livestock (wealth); non-agricultural production activities such as crafts, fishing, logging, charcoal and woodfuel production; and various forms of wage labour. A nation-wide household survey conducted in 1976/77 showed that in the pre-crisis period 25 percent of smallholder earnings were already coming from non-agricultural activities (Sahn and Sarris, 1991).

Other things remaining constant,  $\pi$  would improve when  $P$  increased at a faster rate than  $Si$ . In the case of cotton growers in Tanzania for example, the average price increased by 70 percent while the average prices for agro-chemical went up by 475 percent from 1985/86 to 1988/89. Instead of registering an increase, the producer price actually decreased by 14.6 percent in real terms over the period. In the period before that, in 1985, all benefits of improved terms of trade brought about by an increase in producer prices was absorbed by marketing boards and co-operative unions. This was mainly because there was a lack of a full adjustment of the crop producer price relative to input price to reflect exchange rate movements (Gibbon *et al*, 1993). In such a situation efforts to alleviate rural poverty through producer price increases become self-defeating if they are not accompanied with efforts to minimize the unproportionate increases in input prices. Experience in Tanzania indicates that unproportionately high increases in input prices have led producers to stop applying the respective inputs (Lele *et al*, 1989). This has forced peasants to expand the area cultivated in order to at least maintain the same level of earnings even as evidence shows that area expansion encourages soil degradation (Kulindwa and Shechambo, 1995).

A very crucial but forgotten, if not neglected, alternative to the expensive chemical fertilizers is cow dung manure. This discussion is aimed at demonstrating that if, as Bagachwa and Stewart (1990)

have argued, aggregate agricultural rural productivity and income go up, the non-farm output will also increase, something which will in turn lead to a further rise in farm productivity.

The increase in  $Q$ , the lowering of  $S_i$  and the optimal use of  $L$  depend on advances in technology in the country. A higher  $P$  and a minimum  $S_i$  depend partly on the efficiency of the marketing system of both product as well as input markets. Rural markets are considered a critical link for small farmer development in less developed countries; they not only act as primary outlets for agricultural surpluses and local non-farm products but also serve as important sources of consumer goods, farm implements/inputs, and construction materials supplies. In most parts of Africa, Asia, and Latin America, rural markets account for almost two thirds of local trade (FAO/DSE, 1983; Shechambo 1993). Buoyant rural markets would trigger off advances in technological advances, open up new employment opportunities and encourage the creation of new social and economic services to the rural populations. This will contribute towards raising rural incomes and welfare in general.<sup>3</sup> It is therefore important for buyer competition at the primary market level to be broadened as far as conveniently possible.

Agricultural marketing in Tanzania has been liberalized. A number of policy issues still remain to be resolved to facilitate an effective as well as efficient operation of agricultural and rural markets. Experience has shown that the propensity for the government to protect state marketing organizations, including co-operatives, has remained high. Lipumba (1989) has argued that parastatals and co-operatives should establish dominance by proving that they can actually offer better services at lower costs. The World Resource Institute (1992) argues that "the emerging consensus is that the role of governments is not so much to undertake development ventures but to create the a conducive environment or conditions that allow self-reliant development to take place; create a climate and incentives that encourage rural development specifically and economic growth in general. One would therefore conclude that the rise in rural income of necessity depends on the level of commitment and administrative efficiency provided by the government machinery and institutions directly or indirectly involved in rural development.

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<sup>3</sup> As per the World Bank, improvement of the welfare of the rural population has been linked with the greater consumption of food and increased availability of consumer goods rather than by increases in incomes. This type of analysis has been criticized as being problematic and inadequate because it treats peasants as a homogeneous group and it excludes all forms of collective consumption of such as social services, water supply, and education from the welfare function (Gibbon *et al*, 1993).

## 4. RURAL NON-AGRICULTURAL ACTIVITIES

### 4.1. Major Activities

Rural non-farm activities describe all activities outside farming. These include manufacturing; construction; mining; fishing; transport; carpentry; basketry; pottery; woodware and carving; vehicle and other repairs; tailoring; tie and dye activities; shoe-making, mending and shining; beer brewing; home processing of cooking oil; trading and other services. They also include traditional small-scale household activities, and factories using modern technology. Agricultural wages from work on other people's farms also fall under RNAs (Bagachwa and Stewart, 1990; Kiyenze, 1985; Havnevik *et al.*, 1988). This survey has shown that rather little has been done specifically RNAs in Tanzania and therefore very little is known about them.

In Tanzania, like in many less developed countries, agriculture has been the traditional and main, if not the sole, employer of the most of the population. Urban industrialization and expansion of both the governmental service sector and urban activities influenced a movement of people from rural to urban areas. At the same time there has been an emergence of activities which are mostly non-traditional in rural areas. These activities, however, only help to remove income bottlenecks and moderate income differences within the villages. Agriculture is still the main source of rural income (Hopp *et al.*, 1982), and indeed, in most cases, most people and households engage themselves in both agricultural as well as in non-agricultural activities; with fewer people being solely engaged in RNAs. Experience in other developing countries also shows that non-agricultural activities in rural areas complement agricultural productivity and are a pre-requisite to urban industrial export development (Ranis, 1990). Evidence shows, however, that much more amount of household labour in some parts of Africa, say in Nigeria, is devoted to other paid activities outside agriculture to the detrimental effect that there occurs permanent labour shortages in the agricultural sector. Agricultural labour is scarce in an apparently over-populated area (Okafor, 1979 and 1983). In Kenya, the shortage of labour in smallholder agriculture under situations of high unemployment also caused a shortage of labour in the Rural Access Roads Programme (a RNA) and in the plantations (Livingstone, 1989).

Bagachwa and Stewart (1990) concluded that non-agricultural employment in Sub-Saharan Africa including Tanzania, usually improves income distribution and helps reduce poverty. They argue further that through mutual linkages between the agricultural and non-agricultural sectors, a virtuous circle of development may emerge in which each sector contributes to the growth of the other sector in a linked and complementary manner. Such a cycle would offer a more regionally balanced and equitable development. The authors reiterate that to realize such a development cycle, it is necessary to promote small-scale agriculture and provide a rural infrastructure; roads, energy, technology centres and credit, to support developments in both the agriculture and non-agricultural sectors. In some other countries, like China, the non-agricultural sector was the most dynamic sector of the economy since policy reform in the late 1970s up to the later half of the 1980s (Schadler and Vermeer, 1992).

Despite the significant role non-traditional income sources play in the development process, Rannis and Stewart (1990) have lamented that RNAs have been a much neglected aspect of development as is increasingly recognized. The authors demonstrate the potentially important role of RNAs in the

development process. In the Chinese countryside, the encouragement of RNAs induced the rise in the number of market and small towns which Aubert (1990) has described as the major event of the mid-1980s. In rural Tanzania, the major event could, perhaps, be the movement from periodic to daily markets instead of to the towns.

In Tanzania, the proportion of rural earnings from non-farm activities has increased significantly over time, more than in any other number of activities. Table 1 shows that there was a fall in the proportion of earnings from subsistence and farm activities, in Tanzania, of the magnitude of 7% and 24.5% respectively between 1980-1983. Non-farm earnings increased by 43.5%. Before the 1974/75 crisis 25% of smallholder earnings originated from non-farm activities already (Sahn and Sarris, 1991).

**Table 1: Changes in Income Composition, 1979/80 - 1982/83 (%)**

Income component	Composition in 1980	Composition in 1983	Change in real value* 1980-1983
Subsistence	49.0	44.9	-7.0
Farm sales	23.5	17.5	-24.5
Non-farm earnings	23.1	32.7	+43.5
Remittances	4.3	4.8	+1.4
Total	100.0	100.0	

Source: Bevan *et al*, 1989.

A review by Bagachwa and Stewart (1990) on the role of RNAs in Sub-Saharan Africa demonstrated also that RNAs accounted for a major share of primary rural employment. Specifically, a study by Collier *et al*, (1990) demonstrated that in rural Tanzania, less than 10% of the working people are employed in non-farm activities. In other countries, (Livingstone, 1989) has shown that in 1970, 28% of all rural people were employed in non-farm activities in Kenya and the Philippines. The figures in other countries, with the years brackets, were: Taiwan, 49% (1966); Iran, 33% (1972); Uganda, 20% (1966); Thailand, 18% (1970); and Guatemala, 14% (1964). Bryceson and Howe, (1995) have argued, further, that in Africa there has been a pronounced and persistent shrinkage in the size of the agricultural sector from 79% of the total labour force in 1965 to 67% in 1990-92. Similarly, the proportion of the population resident in rural areas declined from 85% in the 1960 to 69% in 1992. This shows that a significant proportion of the African population is no longer composed of rural farmers. This is what the authors call a de-agrarianization process taking place in Africa. However, the same process is likewise taking place in East Europe (Stambuk, 1991), in the whole of the former Soviet Union, and in many other developing countries.

Many explanations exist as to why the share of agriculture in the GDP is declining. In the case of Indonesia, for example, Warr (1991) demonstrated that capital accumulation has been the principal driving force behind the decline. Relative price movements have played a very minor role in the

declining contribution of the agricultural sector to the total employment. Attempts to reduce the rate of labour movement from rural to urban areas through interventions in the prices of agricultural commodities were largely ineffective. An interesting finding or recommendation is that the continued movement of labour from agricultural to non-agricultural forms of employment does not, as most of us would believe, indicate a failure of the agricultural sector to absorb labour or a failure of agricultural policy. Rather it is a natural consequence of the success of Indonesia's overall economic development strategy, something which should be facilitated rather than resisted. The author further recommends that policies designed to promote the development of RNAs within rural areas can reduce the pressure of migration on the large urban centres.

Since the emphasis of this paper is on aspects related to non-agricultural activities of the agrarian sector, there is need to have a more focused understanding of exactly what it entails.

Agriculture is broadly defined to include not only crop and livestock sectors but also natural resources and fishing (UTAFITI, 1990); such activities as crop production; livestock keeping; fishing; bee-keeping; hunting; collection of charcoal and fuelwood; and tourist related activities are referred to as agricultural in nature be they undertaken for wages or not.

#### 4.2. The Livestock and Dairy Economy

We briefly include this topic because it is a special agricultural activity. Collier *et al*, (1990) conclude that the major assets in the rural areas are, undoubtedly, livestock and land. Livestock play a significant economic role not only in rural areas but also in the general national economy. The gains to the consumers include "samli" for cheese, butter and gee; milk which is an important source of protein and calcium especially for children; meat; dung which is a source of energy for cooking, and a cheap alternative for chemical fertilizers; hides; oxenization which provides draught power as an alternative to human labour power. Various livestock communities exist in the country; semi-nomadic, settled, and those practicing zero grazing.

According to the Ministry of Agriculture, Tanzania has about 13 million heads of cattle, 9 million goats and 3.5 million sheep (URT, KILIMO, 1993). Rural incomes and welfare could increase significantly given an appropriate system for the processing and marketing of livestock and its products. It is unfortunate that the milk plants in the country with a total installed capacity of 325,000 litres per day were operating at 30% capacity in 1993. Some plants like those at Musoma and Utegi were operating at as low as 5.6 percent and 3.3 percent capacities respectively.<sup>4</sup> Data shows that from the mid-1980s the local purchase of milk by the Tanzania Dairies Limited (TDL). Big drops in purchases occurred in 1987/88 (URT, KILIMO, 1993).

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A study by Chikaka (1978) describes physical and economic factors that have prevented expansion of milk production and sales to a level that would permit capacity use of existing plants in Mara region operated by the TDL.

In Botswana, for example, cattle are regarded as:-

- (i) a means of acquiring money;
- (ii) a means to provide the owner with a measure of standing in the community; and
- (iii) a store of wealth upon which owners only reluctantly draw.

This is according to Ansel (1971). Some of the questions that need answers include the following; Do Tanzanian herdsmen also have similar attitudes? What are the trends in these attitudes? To what extent has the government's "destocking" campaign succeeded or failed? Will an increase in consumer goods in the rural areas create an incentive to destock? To what extent is livestock an environmental hazard in rural Tanzania? What are the coping-up mechanisms by herdsmen in case of low rainfall, rainfall failure or diseases outbreak when there is a threat for mass livestock deaths? The status of livestock population distribution in the country; which regions are already overstocked and which ones are yet virtually unexploited? The policy should be to reduce the cattle population in the overstocked areas and to build up the cattle population in those areas where water could be made available but in which livestock have not yet been extensively settled. The problem may lie in the ways and mechanisms to be used to achieve this. The other question is about the extent to which allocation of land titles to herdsmen is desirable, necessary, and beneficial to Tanzania.

It has been shown above that about 33% of the rural earnings in Tanzania in the mid-eighties were from RNAs, and in 1990 fell to 10%. It is, therefore, important to look at the possible sources of income in the rural areas in the country in order to systematically identify the activities which one can call non-agricultural. The proportions of people engaged in any one of these will naturally vary in terms of, for example, numbers, geography, season, or occupation. According to Bagachwa and Stewart (1990) RNAs include both traditional small-scale household activities and factories using modern technology. In an area traditionally producing certain crops, introduction of non-traditional agricultural activities could also play the role of RNAs, provided a market for the new products exists. RNAs may be divided into five main divisions; manufacturing, services provision, sale of labour power or use of the same to produce some commodities, speculation (money lending and land lordship), and lastly, all other remaining sources of income such as remittances, illegal business and activities such as robbery, racketeering, cattle or elephant rustling. We briefly expound each of these.

#### **4.2.1 Provision of services**

There are three major services available. They are commerce and trade; milling; and transportation. In Indonesia petty trade was found provide crucial step in the transformation of the Javanese peasant economy (Evers, 1991). Following the collapse of village shops which had a monopoly position since the mid-1970s, private shops in rural Tanzania started mushrooming especially from the mid-1980s, following trade liberalization. It may take a few years before private rural shops reach the status they had reached in the late 1960s. What one can refer to as "suitcase" type of shops are what have mainly emerged at village level. The re-emergence of periodic rural markets has contributed to the quicker accumulation of capital by a few of the traders in the rural areas. It is at such markets that peasants

also sell their produce, both farm and non-farm, at somewhat competitive prices. These markets are frequented by traders from "district" markets who bring with them commodities such as textiles or come to buy livestock and other items. Subsequently, a group of traders (both male and female) whose occupation is mainly trade in food crops or grains has emerged, parallel with that which trades mainly in mercantile goods; the retailers or hawkers.

A few people own the means of transport such as buses, tractor-trailers and oxen carts. Tractors are hired mainly to till the land while tractor trailer and buses are used to transport farm produce and people. Oxen carts are used or hired essentially to ferry farm products from farms to homesteads and/or from homesteads to the market place. Most villages have one or two grain mills which provide earnings to owners as well as those employed to operate them. Other sources of rural income include the practicing of traditional medicine, mid-housewifery and fish mongering.

#### **4.2.2. Sale or use of labour power**

It should be mentioned right at the outset that employment in agriculturally-related activities does not follow under this category. Two types of groups of non-agricultural activities may be identified in this regard. First, there are people in rural areas who work as employees either in the sector of public services; such as education, health, water, co-operatives and local government, or in the public works' sector such as road construction and government projects. Second, some may be self-employed as blacksmiths, carpenters, masons, craftsmen, tailors, pottery and in the petty repair of such items as bicycles and shoes.

Havnevik (1981) conducted a baseline study of productive RNAs that is, crafts and extractive activities in Rufiji District in 1979. The investigation included 80 villages, a total of 100 economic units and 4 national and local institutions. A significant number of people in rural areas have been or are working in factories, or manufacturing plants most of which are agro-industries based in the rural areas, for example, the sisal plants, sugar companies, and ginneries. There are reports that more people living near such plants are employed as sisal or sugar-cane cutters in these institutions than before when they were called "manamba" workers.

#### **4.2.3. Speculation**

Speculation may be in two forms: money lending or land lordship. The extent to which these are important sources of income to a significant number of rural people requires empirical investigation. The existing scanty literature shows that money lending is scarce in rural Tanzania. There is also evidence, which shows that ROSCAs (Rotating Savings and Credit Associations) are in operation in some (rural) parts of the country (Ndanshau, 1990). It is not known, whether land lordship is a prominent activity from which some people in rural areas earn some income; perhaps this is non-existent.

#### **4.2.4. Other non-agricultural sources of income**

Remittances form a source of income to some people in the rural areas who either have relatives working in the urban areas or are themselves part-time employees in urban areas. Collier and others established that fewer than 20% of the rural population have relatives working in the urban areas, of whom only 8% receive cash or goods. Some people earn their income through illegal activities and businesses. Illegal activities include social vices such as banditry, corruption, robbery, highway banditry, cattle or elephant rustling, and smuggling. Illegal businesses include racketeering of both consumer goods, and food and cash crops rampantly, and especially in the border regions. Illegal businesses, termed by Maliyamkono and Bagachwa (1990) as the second economy, accounted for 31.4% of official GNP in 1986; having increased steadily from the 9.8% official GNP attained in 1978. The percentages for other countries and years in brackets were: Australia, 10% (1978/79); Canada, 14% (1976); Ghana, 32.4% (1982); UK, 7.2 (1979); and USA: 14.3 (1980). Missing in Maliyamkono and Bagachwa's (1990) study, however, is an estimate of the share of the second economy in rural areas. One could ask: does a rural informal sector exist in Tanzania?



**5.1. Policy Options**

Having distinguished between agricultural and non-agricultural activities, it is important now to review some of the issues which are believed to have hindered or which do hinder development or the broadening of the non-agricultural activities in rural areas.

Both economic and non-economic factors determine a country's capacity to develop its rural sector, directly or indirectly. In terms of policy options to the tremendous challenge of developing the rural sector in Tanzania, there are at least three components and their relationships on which to reflect based on a study by Adelman and Morris (1968) on seventy-four developing non-communist countries in the late 1950s and early 1960s. These are:

- (i) the extent of leadership commitment to economic development;
- (ii) the degree of modernization of the outlook and attitudes of rural people; and
- (iii) the degree of improvement in agricultural productivity.

While the last one encompasses all aspects related to increasing rural and agricultural production, the first two depend on and influence each other, such that whatever the extent of committed leadership exists for economic development, the rigid attitudes and outlook by the rural population will render efforts by the leadership fruitless. On the other hand, however, a progressive outlook by the rural population could create the demand for a committed leadership, although commitment could also modernize and improve the attitudes. One could, therefore, conclude that productivity depends largely on the attitudes of the peasants and the commitment of the administrators. The commitment of the leadership can be reflected by the structure of the governing institutions in rural areas, and how administratively effective and efficient they are.

**5.2. Leadership Commitment to Rural Development**

According to Luykx (1971) the concept of rural governing<sup>5</sup> institutions includes the complex of all formal and informal or implicit institutionalized organizations, roles and activities which affect the course of public affairs in rural areas. The functioning of rural governing institutions is bound up with the nature of higher level interventions. Therefore, it is important to have an integration between rural governing institutions with their larger setting.

On the role of the government in the rural change process, Thornton (1982) argues that the choice of enlightened policies by national politicians requires a competent supporting bureaucracy. The

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<sup>5</sup> Government is conceptualized as an exercise of a certain kind of power to establish and enforce collective goals.

frequent slowness of rural society to adjust to changing circumstance can be often due to the failure of crucial elements of the bureaucracy to understand and allow for the behaviour of rural people. Coulson (1978) concluded that those who controlled the state in Tanzania consistently misunderstood fundamental aspects of peasant agriculture and over-estimated what the use of state power could achieve in rural development. The author charts a conflict of interest between peasants and bureaucrats: from a bureaucratic point of view the peasants are an important section of the economy which they can not fully control but which they must attempt to manipulate to extract a surplus of food to feed the cities and export crops to extract foreign exchange. This opinion concurs with that by Thornton (1982) that too often, bureaucratic efforts are inefficient and, at worst, prompted chiefly by self-interest.

Perhaps it is not only inefficiency or self-interest alone but also neglect and inaction. Korten and Afonso (1981) have argued that for most human history the plight of the poor has been excluded from the consciousness of those with the power to act. Inaction was justified by elaborate theories that the poor were by nature inferior or happy with their condition or both. Ishumi (1984) has forcefully argued that the neglect of the rural people by the bureaucracy, as manifested in various mal-functionings and failures of established systems, has over time led to a dangerous vicious circle of effects:-

- (i) frustration and apathy;
- (ii) little production and low productivity;
- (iii) reduced income;
- (iv) a diminishing purchasing power;
- (v) economic and social deprivation;
- (vi) degeneration of incentives;
- (vii) less production;
- (viii) less income;
- (ix) growing poverty; and
- (x) frustration and apathy.

According to Thornton (1982) a major portion of the policy towards rural change must be the improvement in the effectiveness and efficiency of the LDC bureaucracy. Examples of some of the changes required include:-

- (i) fair and efficient distribution of government services;
- (ii) encouragement in the self-organization of co-operative action rather than the arbitrary superimposition of forms and rules that are essentially unfamiliar to the beneficiaries;
- (iii) deployment in rural areas of appropriately trained personnel who, because they know the local language, are welcome and able to communicate; and
- (iv) the formation of "nodes" at suitable levels in the hierarchy at which effective co-ordination can be achieved.

To understand the problems currently facing the Tanzanian rural sector, and to know better the dynamics of rural change so as to be able to devise effective ways of modifying the change process for the social good, a number of disciplines have to be involved. New connections between disciplines might turn out to be increasingly important.

### **5.3. Attitudes of the Rural People**

The attitude of the rural people on various issues varies with individuals within a society, and from one society to another. We may wish to repeat the question posed by Bagachwa (1994) for example, that why are certain ethnic communities in Tanzania more enterprising than others? Some societies and people in Tanzania are riddled by what Omari, (1994) calls "*uswahili*", that is, the tendency to be satisfied with very little money or assets.

It has been argued that the development process creates new (positive) values, it attacks old ones and changes the way values are distributed in society and that, as economic development takes place, the outlook of knowledge and skill must grow (Siffin, 1971; Thornton, 1982). Development depends largely on the aspirations of individuals in society, their objectives and what they want to achieve within a specified period as opposed to what the government wants them to achieve. With examples from Tanzania, China, Korea and Taiwan, (Hopper and Green, 1978) conclude that where the labour market is free and where agriculture is part of a national market economy, progress has rested, and will probably continue to rest on the innovative behaviour of individuals. In a study on the problems related to rural development in Sukumaland, (Larsen, 1974) found that development in the area was hampered by:-

- (i) insufficient incentives to make improvement;
- (ii) limited aspirations; and
- (iii) lack of resources and knowledge about improvements.

The author considers the inefficiency of public and semi-public organizations particularly regarding the dissemination of new knowledge and the distribution of new inputs. The reverse of the reasons advanced to hamper development could be used to explain the success of some of the districts or regions in the country like Kilimanjaro Region, which in terms of agricultural, economic and welfare growth, is one of the most successful areas in the country. Its GDP per capita is one of the highest; it also has the highest number of schools and the highest school enrolment (Smith, 1980). The relevant question could perhaps be: To what extent does the "attitudes" variable explain this success?. These arguments show that there has to be a developmental driving force from within the individuals themselves and from within the society itself. The role of the government and NGOs should only be to stimulate and, where necessary, re-direct and re-orient this force. Other factors are similarly important. Barr (1994) has forcefully demonstrated that the rate of growth depends on the size, degree of connection, efficiency, and community spirit of the network of relationships that exists within the economy. The author builds up a model which provides an explanation of why growth rates vary between economies and between different regions, the modern and informal sectors, classes and ethnic groups within an economy. A similar study specifically targeting the Tanzanian rural sector could provide useful insights.

#### **5.4. The Role of Inappropriate Policies**

Experience in Tanzania has shown that an inappropriate rural policy and the resultant underdevelopment between the early '70s and early '80s created a dis-incentive to the rural populations (Bevan *et al*, 1983). Because of the serious lack of consumer goods in the rural areas, whatever could be accrued by the rural people as income disappeared into unproductive expenditure. With less to buy, the need for cash income by peasant households declined and hence less was produced and thus sold. Rural capital formation, thus, remained negative. Econometric tests from 17 regions for the period 1978-1984 has shown that the volume of crop sales was positively and significantly related to the supply of consumer goods (Gibbon *et al*, 1993; World Bank 1994). There is a possibility that increased crop sales were primarily a response to the improved supply of producer goods; these could also reflect the declining remuneration which existed in non-agricultural activities.

#### **5.5. Integrating Traditional and Modern Agricultural Practices**

Most recommendations on innovation in agriculture are based on the premise that modern techniques developed in highly industrialized countries should supersede traditional methods. Some quarters argue that farmers should give up traditional methods and follow modern practices and use modern machinery (Nyerere, 1967). Some have forcefully argued that economic problems in Tanzania can not be solved by totally replacing traditional techniques with modern methods; instead it seems more promising to retain the essentials of the traditional system and improve them wherever possible or necessary by combining them with modern methods (Schonmeier, 1977). According to a World Resource Institute (WRI) report, a growing body of experience suggests that traditional knowledge offers an important contribution to sustainable development in poor countries. One of the central

lessons gained is that technologies and practices already known and accepted by the people have a much higher rate of success than new and unfamiliar technologies. Because they are locale-specific and ecologically rational, traditional practices in activities such as farming, water-use and agro-forestry often provide an important starting point (World Resource Institute, 1992). This implies therefore that to design strategies for increasing productivity in rural areas, Tanzania must build on the knowledge rural peoples already have. To make full use of such knowledge, the World Resource Institute suggests that development agencies should shift from a technical or bureaucratic approach to a participatory one (WRI, 1992).

In Tanzania, there has been a shift in the emphasis in agricultural techniques from both tractor and hoe, to ox cultivation. In the 1970s about 85 percent of the acreage was tilled by hand implements, 10 percent by ox-plough and the remaining 5 percent by tractors. The crisis of 1978-1984 is believed to have brought about a decline in tractor cultivation (Gibbon, P. *et al* 1993).

### 5.6. Lack of Gainful Off-Season Employment

In Tanzania, where the dry season lasts for about six months in most parts of the country, most rural labour power is most likely very much under-utilized during off-season. A reliable and sustainable structure of employment during the dry period is an essential requirement for increasing productivity in non-farm activities and alleviating rural poverty. A study by Lwechungura (1980) showed that non-agricultural economic activities in Bukoba district occupy only 7% of male time and a negligible percentage of females. Social activities and others such as funerals, visiting sick relatives together accounted for about 20% of total labour time. According to Tibajuka (1990), this is partly attributed to by:-

- (i) the high population density;
- (ii) poor transport facilities;
- (iii) badly functioning marketing system; and
- (iv) poor farming methods.

One major constraint often cited for the non-involvement of rural people in income generating activities is lack of capital (Amani *et al*, 1989). Loan conditionalities render almost all the rural people not creditworthy because they lack the conventional securities demanded by money lenders.<sup>6</sup>

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<sup>6</sup> But then we have the feeling that since (i) most of the poor live below the poverty line. (ii) there has been no culture of giving loans to rural people, it is most likely that any scheme to this end will be confronted by enormous problems of repayment. Before any rural credit system is introduced, something which is very much overdue, it must be preceded by a study to ascertain the possibilities and alternatives of loan repayment.

Kashuliza (1993) has argued that due to the negative perceptions, the value of informal rural finance has been neglected both by research and policy planning and making. Projects have been initiated by various organizations to serve special groups in rural areas basing on the non-conventional lending criteria. Results show that the projects were very important in especially reducing rural differentiation. Loans advanced to the poorest (the women) in rural areas raised the standard of living of the recipient households though repayment rates are still low. (Hansel, 1974; Kashuliza, 1992; Kurwijira, 1991). As expected, repayment rates would necessarily be low because when a loan is given to a household which is living below the poverty line, the loan will first and foremost be used to satisfy the minimum requirements. That is why the standard of living improves. Loans will be effectively invested when, and only when, the household earns an income equal or above the poverty line.

The fact that rural people have to buy almost every implement they need in their daily production activities makes them even poorer. Macpherson (1975) argues that millions of people have missed the chance to become self-reliant in mechanization matters in Tanzania because mechanization was brought to them ready made. Village people were encouraged to bring livestock, crops, skins and other raw materials and trade them for imported tools and equipment. Their traditional technology stagnated instead of developing to meet the needs of the community. The problem is that there has been a minimum if not a total absence of initiative by the rural people to make own implements and tools for use in farm and at home from local resources. Tools such as hoes, machetes, wheel-barrows, knives and weapons such as spears and arrows could simply be produced by the village blacksmith (Macpherson, 1975). The lack of village blacksmiths and village "workshops" is a big impediment to the development of non-farm activities. It has been argued that the industrialization of rural areas plays a vital role in ensuring the attainment of rapid economic development in poor countries (Berg *et al*, 1978, and Macpherson, 1975). Berg *et al* (1978) lament that the village industry that used to exist before colonialism was completely destroyed and that it is very difficult to revive it. While Berg and others provide a guide to ways of improving village production, Macpherson provides a rigorous account of how village mechanization can be established step by step from scratch essentially from materials surrounding the farmer. If his ideas could be followed and practiced, the farmer could be self-sufficient in tools, and productivity could tremendously improve. Macpherson has dedicated his book to all determined Tanzanian peasants.

The importance of establishing rural industries in Tanzania has also been high in the agenda of organizations such as UNIDO. The feeling was to strengthen the links between the small-scale sector and the rural economy, and to set up intensive projects in rural areas based on local human and capital resources, and on the local needs. The objective was to convert the present purely agricultural communities into agro-industrial communities and to attain an even spread of industries throughout the countryside with a significant stress on non-farm opportunities (UNIDO, 1977). Of the reported successes is the use of low cost technologies in the ram press. Hyman (1993) discusses the impact of the press in Tanzania and lessons learnt in the technology dissemination strategy. The ram press is a low cost manual technology for extracting edible oil and the by-product animal feed from oilseeds. The author argues that this durable press can be made in workshops belonging to the

informal rural sector and does not require additional pre-pressing equipment. About 800 of these presses have been produced in the country on a commercial basis. Press owners have reported sizeable income gains and rural consumers have benefited from the increased availability of cooking oil.

## **5.7. The Economic and Social Infrastructure**

The importance and or necessity of an improved economic and social infrastructure in bringing about a rapid development of the rural areas has been strongly stressed (Teszler, 1985). It has been established that in Tanzania, poverty is severe in regions with, among others, poor infrastructural development and poor access to markets. Such regions include Dodoma, Lindi, Kigoma, Singida, Rukwa, and Ruvuma (Bagachwa, 1994). Abramovitz (1986) has argued that a country's potential for rapid growth is strong not when it is backward without qualification, but rather when it is technologically backward but socially advanced. Bagachwa and Stewart (1990) have named the provision of the rural infrastructure (roads, energy, technology centres, and credit) as a necessary condition for supporting the development of both the agricultural and non-agricultural sectors in rural areas. One point should be stressed here. For a country as geographically extensive as Tanzania, (Tanzania is almost 3 times as large as Uganda, it is a very big burden for the state to fund all the necessary infrastructure. Not all important roads for example, can be simultaneously constructed and made passable in all weather conditions. A critical sense of priority has to be developed to decide on the crucial infrastructure which, if provided, could accelerate rural development in general.

## **5.8. The Economic Infrastructure**

### **5.8.1. Roads**

The role of the smooth flow of goods, people and information to and from the rural areas is unquestionably significant in promoting rural development. The process of the development of the nation in general and of the rural areas specifically call for an adequate flow of information (Dawit, 1977). The World Bank concludes that identifying high return investments rural roads in poor areas is a key to poverty reduction (World Bank, 1993). Roads passable all year round have the following advantages:-

- (i) most of rural produce will easily find a market. By improving access to markets, roads affect the prices farmers pay for inputs and receive for outputs, which implies that;
- (ii) time spent on travelling from one point to another will be reduced;
- (iii) public transport operators will be encouraged to send their vehicles even to remote areas;
- (iv) rural income will supposedly increase;

- (v) rural people will be encouraged to buy more efficient means of transport; and
- (vi) more social services can be provided especially by the private sector.

### **5.8.2. Electricity**

With rural electrification, all advantages related to the availability and use of electric power will accrue not only to the rural areas but also to the nation as a whole. When people in rural areas could be provided with cheap or rather affordable electricity, the deforestation rate will be reduced. It will also encourage the development of new avenues for improvements in rural productivity and the general welfare.

## **5.9. The Social Infrastructure**

### **5.9.1. Education for rural development**

Educating rural people in order to broaden their knowledge and analytical capacities is a big challenge. Education creates knowledge which can be used as an input in decision making. Education can transform attitudes so that people are better equipped to confront daily challenges. Collier *et al*, (1990) have argued that education and literacy may raise the peasants' incomes by making them more productive.

Because most rural people cannot easily obtain a formal education, the government has attempted to educate the farmer through various mechanisms such as the:-

- (i) National Literacy Campaign initiated in 1977;
- (ii) establishment of Folk Development Centres (FDCs) in 1976 (Kassam 1979);
- (iii) introduction of the "outreach" system by MATI-Ukiriguru (Lugeye, 1989); and
- (iv) the allocation of extension staff ("*mabwana shamba*") to every village.

The way extension workers have been used to approach farmers in Tanzania has been sharply criticized by De-Vries (1977, 1978, 1980, and 1981). The author has argued that the extension system cannot be ideologically neutral; it must be used for the country to achieve the desired societal objectives. Villagers react favourably to the dialogue approach; and research in farming systems fits well with the basic principles of agricultural extension. In line with De-Vries's criticism, Mati-Ukiriguru introduced the so-called "outreach" type of extension in which 2-6 students worked with 10 farmers. The major strategy of the approach included having village demonstration plots; the establishment of contacts with the farmers; arranging visits to villages by students; and inviting the villagers to visit the research stations, other villages and MATI farms.



In order to improve the social and economic conditions of the vast rural majority both qualitatively and quantitatively, the government established the so-called Folk Development Colleges in 1975/1976. By 1978, there were a total of 47 FDCs under the Ministry of Education; one was to be established in each of the 85 districts in the whole country. The FDCs taught courses such as agriculture, livestock-keeping, leadership and political education (Kassam, 1978). If FDCs could maintain their functioning to the expectations, they could be an important instrument of shaping rural peoples' attitudes. Information is lacking on the performance of FDCs in Tanzania since inception in terms of the successes, bottlenecks and prospects. Due to the lack of a sustainable mechanism for financing the operations and activities of FDCs, it is most unlikely that they will be able to sustain themselves. Due to the significant role FDCs and other related social infrastructures can play in transforming rural societies, a study into their status and the alternative uses into which these institutions could be put is urgently needed.

A gap seems to be existing on knowledge about and integration among the activities performed by different NGOs, both local and foreign; churches; and government institutions such as prisons, National Service Camps etc. These institutions have been in existence for quite some time<sup>7</sup> but the extent to which their activities are contributing to capacity building in rural areas is not clear. Whether interrelationships exist among them, which could facilitate passage of experience gained by one voluntary agency to others, is also not known. The Britain-Tanzania Society, through its Tanzania Development Trust, has funded the following projects in the country<sup>8</sup>:-

- (i) Suguti Village Irrigation Project, Mara region;
- (ii) Mkomaindo Hospital, Ruvuma region;
- (iii) Ileje Village Transport Project, Mbeya region;
- (iv) Masasi School for the Blind, Mtwara region;
- (v) Lukobe Village Water Project, Morogoro region;
- (vi) Boko Village Women's Project, Coast region;
- (vii) Shinyanga Low Cost Housing Project, Shinyanga region; and

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\*. As testified by Rev. Trevor Huddleson, who is currently the President of the Britain-Tanzania Society, an NGO, that " Just as we (the church) have been rooted in the soil much longer than British or even German colonialism, we belong in the villages and small towns as part of the whole community. We therefore have a special duty in respect to all that is meant by development" (Makerere University College, 1969).

°. Sourced from Tanzania Development Trust of the Britain-Tanzania Society: Eighteenth Annual Report and Accounts for the period 1 July 1993 to 30 June 1994.

Despite such positive contributions of NGOs, (Thornton, 1982) is of the opinion that there is no prospect that these institutions will ever eliminate real poverty in the LDC's. The author even doubts how far the contribution of government policies and NGOs aid can keep the growth of poverty in check.

### **5.9.2. Health and water services**

Health and water services are related such that when people drink or use non-safe water it is most likely that they will be infected with water-borne diseases. It has been demonstrated by an epidemiological survey in rural Tanzania, for example, that the rate of trachoma (an eye infection) was elevated in children whose faces were unclean. The study aimed at aiding the design of a programme on health education to increase face washing. It determined the water use patterns, attitudes towards face washing, and responsibility for child hygiene. Various efforts have been made by the government to extend primary health care and water supply coverage (McCanley, West and Lynch 1992).

Until recently, water and health services were provided free of charge. The scarcity of economic resources, however, impedes the implementation of many health programmes (Karungula, 1992; Therkildsen and Semboja, 1992). The current trends show that rural people will have to contribute monetarily in order to be provided with water and to pay for health services. Private dispensaries and pharmacies are being established in the rural areas. Given the fact that most rural people are poor, it is most likely that many will not be able to afford health services every time they fall sick. Even before liberalization, evidence showed that the improved availability of health facilities in the rural areas did not lead to a substantial increase in the use of these facilities, which were apparently free of charge (Collier *et al*, 1990). With the introduction of user fees, it is most likely that most rural public health facilities will remain unutilized and redundant. Therefore health services insecurity seems to be increasing. Therkildsen and Semboja (1992), have in fact recommended that short term external assistance is necessary to avoid the further deterioration of basic services in rural areas. If this does not happen, one would expect that more people in rural areas will resort to traditional medicine and traditional midwife services which are relatively much cheaper. For killer diseases more people will simply die. The policy, therefore, should be to ensure an extension of rural health services in ways that will more effectively meet the needs of the rural poor.

## 6. CONCLUSION: THE RELEVANT RESEARCH AGENDA

This review has shown that Tanzania in general and the agricultural sector in particular has been over-researched, especially up to the year 1990. A rich literature exists on almost all facets of agricultural development and there is a rich catalogue of recommendations as to what should be done at policy level. What seems to be missing, perhaps, is a consensus between policy makers and researchers as to which recommendations could be adopted as policies. What lacks is a procedure or tradition of consensus building on major policy issues on a scientific basis. The second gap is the lack of communication among researchers, policy makers and peasants. A dialogue among the three is rather scanty if not virtually non-existent. This deficiency could be reflected by the massive failure or non-sustainability of most policies and strategies initiated by the government. The literature is very clear on the inefficiency and ineffectiveness of the bureaucracy. The bureaucracy in Tanzania has failed to deliver and it seems to be the major source of most failures and frustrations (Ishumi, 1984). A consensus seems to have existed not only among intellectuals but also among laymen, that the general problems of this country are all well known. Anybody will tell you what is and where the problem lies. What is crucially needed is for the bureaucracy to be brought down to earth; so that it change its tactics and becomes seriously concerned with the burning problems of this country in general and those of the rural peasants in particular.

Rather than undertaking additional research, especially on agriculturally-related aspects, it is important to dwell on institutional and governance matters having something to do with policy formulation, implementation and evaluation. A review of the findings of various researches and their recommendations is preferable and could be more beneficial. Based on this, objective research could be directed on issues considered as crucial and urgent.

As far as research is concerned, what seems to be seriously lacking is research on the non-agricultural sub-sector in rural areas. We have seen that an insignificant proportion of the rural people derive their incomes from non-agricultural activities and little is known about this. This review has raised a number of questions which need urgent answers if productivity levels are to be raised and rural poverty alleviated. Presented below is a list of areas which we feel need further investigation, or which could form the basis for further research:-

- (1) A survey of non-agricultural activities (RNAs) and employment in rural areas to provide a broad review of RNAs in the country. Specifically studies to establish the types, character, extent, nature, structure, status, problems, constraints, prospects, and levels of productivity in the country are lacking;
- (2) Research on policy options. There is a lack of a consistent and well tailored and transparent policy geared towards development of the agrarian sector in Tanzania. Most of the policies and projects are initiated in an ad-hoc manner without exhausting all possible scenarios in order to maximize the gain from specific policy recommendations;
- (3) New information and insights might be needed regarding the current status in both sending and receiving areas: where and why migration streams are large and small; to establish (long term) outcomes of different policies and to find out not only how big the benefits are but also

who benefits. A lot is already known about why people (in rural areas) migrate (to urban areas). It is also important to establish whether rural-rural migration exists in the country as is the case, for example, Kenya (Johnston 1980). It is important to answer the question why where rural-rural migration does and does not occur;

- (4) Rural under-development and the reasons for the persistence and growth of the rural-urban gap. A more careful examination of the forces which intensify this gap; the nature of education and extension programmes, and the structure and conduct of government and private-sector organizations is needed. Recent findings show that the gap between urban and rural areas has increased in most African countries including Tanzania. Migration of adults from rural to urban areas has caused a greater increase in dependency ratios in rural areas where those remaining have to work harder due to increase in desertification, drought, and fall in the international market prices for agricultural goods. Therefore, raising productivity in agricultural and non-agricultural activities in the rural areas contributes greatly to the reduction in rural poverty (The World Bank, 1994);
- (5) Research on individual rural families and the behaviour of small groups in Tanzania and the mechanisms of poverty in its economic, physiological and sociological aspects. Too little is known about individual rural family and small group behaviour in Tanzania and there is very little documented on why some "prosper" and some "fail". There is very little on the mechanisms of poverty in its economic, physiological and sociological aspects;
- (6) How livestock wealth could effectively be used to improve rural welfare;
- (7) There is a need to review the developments related to the extent that the government has succeeded in creating the enabling environment for the private sector's involvement in the agricultural sector, what bottlenecks have been encountered, what successes have been achieved and what remains to be done. This is important in view of the fact that the government has liberalized crop production and marketing, and was creating an environment conducive to private sector involvement in the sector;
- (8) To investigate on the nature of competition in rural markets in general in an effort to identify some of the stubborn constraints towards a smooth, dynamic and progressive functioning of rural markets and activities;
- (9) To explore the extent to which the government in Tanzania has facilitated the existence of "unfair competition" in important businesses and transactions related to rural development. There is also a need to explore what bottlenecks exist and why;
- (10) To investigate the extent to which the government machinery and the governing structure in Tanzania is administratively efficient and effective in aspects related to rural development; in what areas has the government succeeded; and in which ones not. The reasons for these successes/failures;

- (11) A study to ascertain, characterize, and establish the trend in the levels of use and the sources of farm and non-farm implements (hand-hoes; ox-ploughs; and tractors) by various categories of farmers in various locations in the country. This will establish the extent to which rural people produce their own farm and non-farm implements and tools from local resources, or, alternatively to establish the extent to which peasants depend on the market to obtain tools and implements they need and use on and off the farm. At the same time there was a need for a study to investigate the possibilities for reviving the traditional skills, trades and activities of village blacksmiths and others who could start producing local farms, tools and equipment. Macpherson (1975), believes that some people with the potential are still to be found in the villages. With some assistance, they can take rapid steps specifically towards establishing independent and sustainable village mechanization;
- (12) A study on the status of FDCs in the country and the use to which they could be put into within the current framework of economic-political set up, could be obtained as part of a wider study on rural development. By 1978, a total of 47 Folk Development Colleges (FDCs) had been established all over the country and one was to be established in each district;
- (13) NGO work suggests that successful development of projects requires a high level of participation from the beneficiaries (Coninck *et al.*, 1992). A workshop that brings together all NGOs and churches in the country could be an crucial eye opener. The objectives of such a conference, the funds for which could be solicited a number of donors including the HIMA Project (DANIDA); TACOSODE, The Netherlands Development Organization (SNV), UNICEF; The Red Cross; CARITAS; WORLD VISION; DANIDA; Churches; The ESRF; The World Bank could be:-
- to bring to wider notice the experience gained by voluntary agencies in rural development (projects);
  - to provide a meeting place where this experience can be discussed and any general principles of approach or organization can be discerned;
  - to explore possible new approaches to rural development in the light of existing experience;
  - to pass to the government information about what voluntary agencies are doing; and
  - to improve co-ordination between voluntary agencies and government ministries concerned with rural development.
- (14) An inquiry into the reasons and factors which have contributed to a diminishing non-farm subsector which lacks employment opportunities in the country. What could be done to reverse this trend?. There is a need to establish the relationship between the rate of growth of employment in agriculture and the rural sector and that of the agricultural labour force;

- (15) To examine how indigenous private and public capital formation can be accelerated. Research on Rural savings, credit and rural financial institutions is one of the most underdeveloped research areas in African agriculture (Carl Eicher, 1986);
- (16) To study the performance of the Co-operative and Rural Development Bank and evaluate the extent to which it has operated to its expectations; and the extent to which it has contributed to the diversification in rural non-agricultural activities;
- (17) To establish the respective roles and contributions of children, youth, women, household heads or household size to household development/under-development;
- (18) It was shown in this review that in Tanzania the share of non-farm earnings, in rural incomes increased by 43% in only four years from 1980 to 1983. In 1995, ten years later, it would be interesting to establish the share of the non-farm earnings in the total rural incomes. Following from this, it would be imperative to establish the regional distribution of non-agricultural activities and employment in the country;
- (19) Evaluating the role, structure, and efficacy of local governments in enhancing rural development in Tanzania; and
- (20) A study to establish whether a rural informal sector exists in Tanzania and estimate its proportion; and if it does not exist why this is so.

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