A. Production

"It is always the relationship of the owners of the conditions of production to the direct producers. . . which reveals the innermost secret, the hidden basis of the entire social structure."²

The mode of production is herein defined as the totality of social relationships and processes which, when combined, characterize the way in which man, or a collectivity of people (i.e. a society) produces the means by which life is sustained (i.e. their subsistence). Marx explains in The German Ideology that the concept is not based on arbitrary extractions, but on real premises, namely individuals, their activities and the material conditions under which they live:

"The way in which men produce their means of subsistence depends first of all on the nature of the actual means of subsistence they find in existence and have to reproduce. This mode of production must not be considered simply as being the reproduction of the physical existence of individuals. Rather it is a definite form of activity of these individuals, a definite mode of life on their part. As individuals express their life, so they are. What they are, therefore, coincides with their production, both with what they produce, and with how they produce. The nature of individuals thus depends on the material conditions determining their production.

This production only makes its appearance with the increase of population. In its turn, this presupposes intercourse of individuals with one another. The form of this intercourse is again determined by production."³

²Karl Marx as quoted in: A. Foster-Carter, "The Modes of Production Controversy," in The New Left Review 107 (1978), pp. 75-76.

³A quote from Karl Marx, "The German Ideology: Part I," in R.C. Tucker (ed.), The Marx-Engels Reader (New York: W.W. Norton and Co. Ltd., 1972), pp. 113-114.

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RULING CLASS STRATEGIES FOR RURAL DEVELOPMENT:
A COMPARATIVE STUDY OF TANZANIA AND THE IVORY COAST

by

Yolanda Kay Banks, B.A.

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A thesis submitted to the Faculty of
Graduate Studies and Research in partial
fulfillment of the requirements of the degree of
Master of Arts
in International Affairs

The Norman Paterson School of International Affairs
Carleton University
Ottawa, Ontario
Canada
(May 1980)

The undersigned recommend to the Faculty of Graduate Studies acceptance of the thesis "Ruling Class Strategies for Rural Development: A Comparative Study of Tanzania and the Ivory Coast" submitted by Yolanda Kay Banks, B.A. Hons., in partial fulfilment of the requirements for the degree of Master of Arts.

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ABSTRACT

This study compares the rural development policies of Tanzania¹ and the Ivory Coast in an attempt to understand how the role played by the national ruling classes (who make these policies) creates and perpetuates inequality in these two societies. In analyzing rural development strategies, the analysis will focus on the nature of the ruling class in each country, their links with international capitalism and the historical penetration of capitalist production in the rural areas, as contributors to the creation and perpetuation of underdevelopment. The study also assesses the impact of rural development policies on certain socio-economic aspects of rural life from independence to 1977.² The study culminates with a summary and conclusions on the findings herein.

¹Tanzania refers to mainland Tanzania, formerly known as Tanganyika until the union with Zanzibar in 1964.

²This time frame has been selected because it denotes when Africans acquired national political autonomy, and the date of the most recent available data.

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THE IVORY COAST

RULING CLASS STRATEGIES FOR RURAL DEVELOPMENT:

A COMPARATIVE STUDY OF TANZANIA AND THE IVORY COAST

A. Statement of the Problem and Objectives of the Study

What is the role of the indigeneous ruling classes in the development of Tanzania and the Ivory Coast? This study addresses itself to this general question.

It is argued that the ruling classes of Tanzania and the Ivory Coast have pursued development policies, specifically in rural and agricultural development, whose ultimate effect has been exploitive of the masses. The policy choices of the ruling classes in question have not necessarily been part of a conscious conspiracy ~~to~~ exploit the masses. Instead, it will be suggested that these policies are a result of ruling class ties with foreign capital, and the development and penetration of the capitalist mode of production into African economies and societies. For historical reasons, these relations with foreign capital were less accommodating to African participation in post-independence Tanzania than in the Ivory Coast.

These differing relations with foreign capital have resulted in divergent rhetoric and ideologies in the Tanzanian and Ivorian ruling classes. It is expected that the study will show that their respective strategies for rural development will diverge accordingly, exhibiting basic differences in emphasis, rate and result in the development process.

- The blatantly exploitive nature of foreign participation in

Tanzanian politics and economics in the early 1960's led Julius Nyerere, president of Tanzania, to reassess his country's future relationship with foreign capital. This factor, combined with Nyerere's personal political philosophy facilitated the birth of the unique genre of socialism for which Tanzania is known. Compared to Felix Houphouet-Boigny, president of the Ivory Coast, Nyerere takes a wary approach towards relations with western states, assuming a politically 'non-aligned' posture and denouncing capitalism in favour of an African variety of socialism (Ujamaa). On the other hand, Houphouet favours close relations with western industrialized states and a 'liberal' economic policy toward foreign and domestic capitalist activity in the Ivory Coast.

In view of this, it is expected that the adoption of a socialist ideology as a guideline for Tanzania's development has resulted in basic improvements in the material well-being of Tanzanians and a fairer distribution of the wealth that exists in that country. Conversely, it is expected that although Ivoriens enjoy higher per capita income, it is not reflective of that country's immense wealth and distribution is heavily skewed in favour of a very small minority.

The thesis firstly,

addresses pertinent questions raised by the general hypothesis (namely, who is the ruling class; from where did it originate; what are its relations to foreign capital, the state and other social classes) on a theoretical level, and defines key concepts; and secondly,

applies these concepts as analytical tools in order to explain existing conditions of inequality in Tanzania and the Ivory Coast.

This provides a neat basis for the comparison of the ruling classes and their respective policies for rural development in each of the country case-studies.

B. The Country Case Studies

Tanzania and the Ivory Coast have been selected as the subjects of this study because of a unique blend of contrasts and similarities between the two countries. Although the two countries differ on a variety of fundamental characteristics (e.g. rhetoric and ideology, land mass, colonial history, demographic composition, population size, etc.), this does not invalidate the comparison. Rather, these differences are recognized and are appropriately accounted for within the study. In fact, it is the combination of similarities and dissimilarities which makes the study interesting:

- 1) a former British east African colony (Tanzania) and a former French west African one (the Ivory Coast);
- 2) opposing-leadership ideologies, e.g. "Ujamaa socialism" versus "economic liberalism";
- 3) both countries are economically reliant on primary product exports (e.g. coffee and cocoa in the Ivory Coast, and coffee, cotton and sisal in Tanzania), yet the level of gross economic prosperity in the Ivory Coast is much higher than in Tanzania (e.g. a per capita income of U.S. \$190 in Tanzania, 1977, and U.S. \$690 in the Ivory Coast, 1977);³
- 4) each country has been politically stable (as compared to the

³World Bank, World Development Report 1979 (Washington, D.C.: World Bank, August 1979), p.126.

political volatility in many Third World states), officially independent for approximately two decades, and under the leadership of one-man, one-party regimes; and

- 5) the development policies are carefully guided by the state in both countries.

C. The Framework for Analysis

The analytical framework used to provide structure and direction to this study is eclectic, drawing heavily from the neo-Marxist approach (the reasons for this will be fully elaborated upon in the first chapter). This rather unconventional approach is viewed as the methodology most capable of explaining the underlying causes of the social processes which contribute to the creation and perpetuation of underdevelopment. By choosing this method, one minimizes the very real hazards of theoretical dogmatism, of which so many political analysts are guilty. The unfortunate result of this is a risk of faulty analysis because the analyst chooses to ignore or degrade the importance of social variables which may not neatly conform to the theory. More will be said on this in the first chapter.

To-day, there are three major schools of thought in development studies which can be arranged on a continuum and

categorized according to the political and economic theories to which they adhere. For simplicity, these three major groupings will be labelled as conservative, liberal and radical.

In the 'conservative' category fall the laissez-faire economists and believers in the supremacy of European politics, economics and culture. Generally they maintain that underdevelopment is a result of the failure of impoverished countries to create and adopt western approaches, which would provide the necessary economic stimulus for the development of sophisticated trade market economies.

The advocate the "trickle-down approach" as a solution to underdevelopment. This entails investing in those sectors of the economy which realize the highest possible returns eg. export trade, and later industry. Eventually, these underdeveloped economies will reach a 'take-off point' from which they will be catapulted along a path of economic development previously followed by the wealthy industrialized states. The benefits from the development of these sectors will 'trickle down' to the masses who lack basic needs such as adequate food.⁴ This conventional framework does not offer a substantive causative explanation for the conditions of underdevelopment ie. reasons why after several decades, less-developed economies have

⁴ For example, see W.W. Rostow, The Stages of Economic Growth (Cambridge: Cambridge University Press, 1960).

not taken off. This approach fails to consider such factors as social class formation, the relation of classes to the means of production, and control over the generation and the distribution of economic surplus by certain dominant social classes. These elements are crucial in explaining why and how underdevelopment persists.

Latin American economist Osvaldo Sunkel criticizes this approach as an inappropriate basis for analysis and recommendations because of the highly unrealistic and restrictive assumptions upon which it is based. Through identification of concepts such as 'economy' and 'country', it is evident that countries are conceived as self-contained economic units which exchange products in the international market. The approach fails to grasp one of the essential characteristics of the international economy i.e. it is basically made up of transnational conglomerates (MNCs), which operate simultaneously in various national markets, thus constituting an international economic system which penetrates and overlaps the national economic system.⁵

Futhermore, the mainstream economists who adhere to the conservative school of thought overlook the glaring fact that all countries do not have a comparative advantage in the production of one or more dynamic items for exchange which would allow them to prosper from the laissez-faire system, yet this is an assumption inherent in the explanations for and solutions to underdevelopment.

⁵0. Sunkel, "Transnational Capitalism and National Disintegration in Latin America", Social and Economic Studies, No. 3, March 1973, p. 136.

Many of those who fall into the liberal school of thought support the Basic Needs (BN) Approach. Paul Streeten defines the BN approach, not as a well articulated strategy for development, but as a supplement or complement to other strategies of development; the objectives of the BN approach are "providing the opportunities for the full physical, mental and social development of the human personality".⁶ The approach concentrates on not only meeting material needs, but also on the need for self-determination, self-reliance, political freedom, security, participation in making decisions which affect their lives, et cetera.⁷ For the successful application of a BN strategy, Streeten recommends, inter alia, that one differentiate between those countries where improvement in aggregate growth is a fundamental necessity to development from those countries where re-distribution of existing wealth would more resourcefully meet the basic needs of the people.⁸

⁶ P. Streeten, "The Distinctive Features of a Basic Needs Approach to Development", International Development Review, No. 3 (1977), p.p. 8-9.

⁷ Ibid. Basic needs are defined by the ILO as: 1) adequate food, clothing and shelter; 2) education and health; 3) basic human rights; 4) employment as a means and an end, and 5) improved quality of employment. (From Ozay Mehment, Economic Planning and Social Justice in Developing Countries. (London: Croom Helm Limited, 1978) p. 36 footnote 42, as taken from ILO, Employment, Growth and Basic Needs: A One World Problem, (Geneva, 1976), p. 32.).

⁸ Streeten, op. cit., p. 16.

However, the BN approach is not a theory; that is to say, it does not explain (nor does it attempt to) the creation and perpetuation of underdevelopment. Nevertheless, it is good as a means of putting development objectives into perspective i.e. do the objectives of a rural development policy address the basic needs of the people?

The principles of these development objectives are also embodied in the five-year economic development plans (FYP) of Tanzania and the Ivory Coast.⁹ For example, the plans for both countries target greater domestic food production, improvements in the educational system, and raising health and nutritional standards, as basic goals. However, to examine the successes of these countries in meeting the criterion of the BN approach is beyond the scope of this study.

The third major school of thought in the development stream is the radical approach. Due to the shortcomings of the aforementioned schools of thought, this study adopts the radical approach as a framework for analysis because it examines those very social processes which underly the perpetuation of underdevelopment.

Proponents of this school of thought emphasize a variety of sub-themes, e.g. dependency economics, the mode of production

⁹For the Ivorien FYP (1976-80), see: K. Kouadio; "Situation et objectif du plan quinquennal Ivorien (1976-1980)", Revue française d'études politiques africaines 159 (continued on next page)

approach, class analysis. For the purposes of this study, they are aggregately referred to as world system analysts. Generally, they believe that:

"...an adequate analytical framework for the study of underdevelopment and development must rest on the notions of process, structure and system. According to an approach of this kind, it is not possible to admit that underdevelopment is a moment in the evolution of a society which is economically, politically and culturally autonomous and isolated. On the contrary, it is postulated that underdevelopment is part and parcel of the historical process of global development of the international system and therefore, that underdevelopment and development are simply the two faces of one single universal process. Furthermore, underdevelopment and development have been, historically, simultaneous processes which have been linked in a functional way, that is, which have interacted and conditioned themselves mutually",¹⁰

As a result, developing economies have been subordinated to the demands of international capitalism. They were relegated to a role as suppliers of primary products to the processing industries located in developed countries. Lately, because of cheap labour, the availability of raw materials and less restrictive government policies vis-à-vis manufacturing, a few developing countries have become suppliers of inexpensive manufactured products to the world market.¹¹

⁹ (March 1979). For Tanzania, see: World Bank, Basic Economic Report: Tanzania (Washington, D. C.: World Bank, 1977).

¹⁰ Sunkel, op. cit., pp. 135-136.

¹¹ John Saul ("The Dialectics of Class and Tribe", Studies in Political Economy 1, Spring 1979, footnote 16, p. 39) makes note of the growing debate on precisely how much of an impediment to development economic dependence actually constitutes, for example, see the critique of underdevelopment literature by Bill Warren referred to by Saul.

Within this world system approach, international capitalists liaise with the national ruling classes of underdeveloped countries. The latter shares economic interests with the former since they both depend upon the subordination of weaker social groups (classes) in order that they can appropriate the fruits of their labour.

Radical theorists perceive the only solution to this 'vicious cycle of poverty' as the greatest possible degree of disengagement from the world economic system, and the pursuit of a 'self-reliant' development strategy. This will reduce the dependence of LDC's on the industrialized world for capital, technology, administrative skills and imports. Economic independence makes a country less vulnerable to exploitation. This objective is best achieved by:

- 1) a drastic alteration of foreign trade, aid and investment relationships to substitute the extractive exploitive character of current linkages for an autocentric orientation toward the international system; to quote Samir Amin:
 "Autocentric accumulation does not mean autarchy. On the contrary, we have seen the decisive role played by external trade. ...However, external trade is here subordinated to the requirements of autocentric accumulation and constitutes a means of achieving this. In other words, autocentric economies impose a type of unequal international specialization for their own benefit".¹²
- 2) mobilization of internal resources to end dependence on external capital, technology and managerial expertise.

¹²Samir Amin, Unequal Development (Sussex: Harvester Press, 1976), p. 191.

Admittedly, these proposals are not easily implemented, however the theory uncovers the mechanisms which create and perpetuate underdevelopment, and the solutions effectively strike at the heart of the problem.

D. The Organization of the Study

Chapter one defines the various theoretical concepts which are central to the analysis of the ruling classes e.g. mode of production, means of production, social classes, exploitation, the ruling class, class consciousness, and how these concepts apply in general to class analysis in Africa.

Chapter two is an historical overview of the colonization of Tanzania and the Ivory Coast and its effects on pre-colonial economic and social systems. This effect was primarily the incorporation of the colonies into the international, capitalistic economic system, their subordination to the demands of that system, the exacerbation of pre-existing social differentiations, and the formation of social classes creating indigenous ruling classes with peculiar relationships of dependence on the colonial power.

Chapters three and four examine rural social differentiation in Tanzania and the Ivory Coast respectively. These chapters analyze the nature of each country's ruling class and the relations

of the ruling class with the state and foreign capital, and the consequences of the character of the ruling classes for rural development strategies.

Chapter five will compare the social origins of each ruling class and the nature of their links with foreign capital and the consequences this has had for their respective development strategies. Lastly, this chapter will examine the repercussions of some of the theoretical concepts set out Chapter one.

E. Problems Encountered

The very nature of this topic, i.e. politico-sociology, makes it a difficult one to study in an objective and scientific manner. Firstly, the analytical concepts are elusive; that is to say they are not only difficult to define, but they are also difficult to operationalize in order to collect appropriate empirical data.

Secondly, definitions of social phenomena are open to inter-

pretation by the various schools of thought as derived from individual interpretations of social reality. Thirdly, the type of analytical concepts that are selected influence the findings of the analysis. For example, a class analysis

→ embodies certain pre-established analytical concepts to the neglect of other concepts. This pre-selection of concepts automatically colours the outcome of the study.

The conceptual and theoretical problems are compounded by difficulties in data collection. Measurements of social trends, such as penetration of capitalist production, appropriation of surplus from rural areas, level of petty capitalist activity among members of the bureaucracy, and assessment of the impact of rural development policies on the rural masses are often difficult to ascertain.

Although the various United Nations organizations and the World Bank have made admirable efforts toward alleviating such data problems, this study concentrates on one particular sector, that is, the rural sector, and often the data is aggregated and does not differentiate rural from urban, as for example, in ^{the} distribution of income. Furthermore, data collection within Tanzania and the Ivory Coast is a relatively new endeavour and not yet a highly systematized process. Where one special phenomenon has been exhaustively analyzed with supporting data in one country, the same phenomenon has barely been mentioned in the literature on the other country.

Often where micro-economic data (e.g. rural income distribution, distribution of land holdings) has been collected, the sample is limited to one particular village or district. To overcome these obstacles, the theoretical concepts to be employed herein are clearly delineated and defined, and the data has been culled from a variety of sources. Given these data limitations, however, it is recognized that the conclusions must remain tenuous and are contingent upon further research.

- CHAPTER ONE -

THE FRAMEWORK FOR ANALYSIS

The study utilizes a class analysis and some of the broad principles and procedures which are embodied in the Marxist methodology. These principles and procedures require that the analyst:

- 1) perceive the social phenomenon within its historical framework;
- 2) consider the subject as one integral part of a wider social system;
- 3) view social processes as being in a state of constant change as opposing forces struggle for control or access to scarce resources; and
- 4) social structures in a given society are most fully explained by examining the social relations of production, i.e. who profits from ownership/control over the means of production and the distribution of surplus, and conversely, who suffers from exclusion to these means.

These simple guidelines steer the analysis away from the temptation of trying to fit a square peg into a round hole, i.e. comparing capitalist production and its consequent class formations in industrialized societies to a similar process in non-industrialized states, where a mutant of the capitalist mode of production has evolved. Because of the 'perverted' character of capitalism in the countries of study (a result of colonialism in Africa), class structures and class conflict diverge from the European model.

For this reason, albeit one that is considered extremely important and fundamental to the study of African production and social formations, the study deviates from a rigid Marxist analysis. The development of African societies has been vastly different from that in Europe; therefore, although social classes can be identified by their relations to the means of production (as prescribed in Marxist theory), these relations do not, as will be shown shortly, clearly pursue the paths that Marx charted, even though the end result of who owns or controls the distribution and the generation of surplus, and conversely who is alienated from it, may be the same.

Briefly, the study argues as follows: the capitalist mode of production dominates productive relations, i.e. the process by which surplus and subsistence are produced in the society, although other capitalist forms of production continue to exist. This dominance has evolved as a result of the 'peasantization' of formerly communal/subsistence-type producers.¹ Thus, African economies became firmly embedded in the international capitalist economic system (see Chapter 2) and are subordinated to the demands of that system, i.e. as suppliers of raw materials (and lately inexpensively manufactured goods) and as providers of absorptive markets. These new economic demands forced the people to alter their old way of producing their subsistence and any surplus. As a consequence, social relationships were drastically changed. The result of this new "mode of production" (varying slightly in every African country) is a class system, wherein certain groups in society control and/or own the new means by which surplus is generated, to the deprivation of the remainder of society

¹ 'Peasantization' is the incorporation of rural Africans into a capitalist mode of production. See Ken Post, "Peasantization in West Africa" as in P. Gutkind and P. Waterman, African Social Studies: A Radical Reader (London: Heinemann Educational Books Ltd., 1977), pp. 241-250. Henry Bernstein, "Notes on Capital and Peasantry," in The Review of African Political Economy (September-December 1977), pp. 60-73, uses a similar concept which he calls commoditization. This is a process of production established and affected by the penetration of the capitalist mode of production. The concept designates a process whereby "the needs of simple reproduction (i.e. subsistence) are satisfied at least in part, through commodity relations: on the one side, the production of commodities as means of exchange to acquire elements of necessary consumption. . . , on the other side, the incorporation of commodities in the cycle of reproduction as items of productive consumption (i.e. tools, seeds, fertilizers) and individual consumption (i.e. food, clothing, building materials, kerosene, domestic utensils)."

from the benefits derived from such control. This study argues that those who monopolize control over the generation and distribution of surplus, through their control over the state and their links with foreign capital, devise rural development policies which ensure their continued dominance.

Certain concepts are basic to the analysis, and these are: mode of production, the means of production, economic surplus, social classes, the state, relations of the various social classes to one another and to the state (i.e. class struggle), exploitation, and the ruling class. The remainder of this chapter defines these concepts on a theoretical level. Following this, we will use these basic notions to examine the socio-economic systems of Tanzania (chapter three) and the Ivory Coast (chapter four).

A. Production

"It is always the relationship of the owners of the conditions of production to the direct producers. . . which reveals the innermost secret, the hidden basis of the entire social structure."²

The mode of production is herein defined as the totality of social relationships and processes which, when combined, characterize the way in which man, or a collectivity of people (i.e. a society) produces the means by which life is sustained (i.e. their subsistence). Marx explains in The German Ideology that the concept is not based on arbitrary extractions, but on real premises, namely individuals, their activities and the material conditions under which they live:

"The way in which men produce their means of subsistence depends first of all on the nature of the actual means of subsistence they find in existence and have to reproduce. This mode of production must not be considered simply as being the reproduction of the physical existence of individuals. Rather it is a definite form of activity of these individuals; a definite mode of life on their part. As individuals express their life, so they are. What they are, therefore, coincides with their production, both with what they produce, and with how they produce. The nature of individuals thus depends on the material conditions determining their production.

This production only makes its appearance with the increase of population. In its turn, this presupposes intercourse of individuals with one another. The form of this intercourse is again determined by production."³

²Karl Marx as quoted in: A. Foster-Carter, "The Modes of Production Controversy," in The New Left Review 107 (1978), pp. 75-76.

³A quote from Karl Marx, "The German Ideology: Part I." in R.C. Tucker (ed.), The Marx-Engels Reader (New York: W.W. Norton and Co. Ltd., 1972), pp. 113-114.

As the methods of production become more sophisticated, a greater division and specialization of labour ensues. The level of development of a nation's productive forces is shown by the degree to which the division of labour has been carried.⁴ "The existing stage in the division of labour determines also the relations of individuals to one another with reference to material, instrument and product of labour."⁵

The form of ownership (i.e. tribal, communal, state, corporate, private) determines the social relations between individuals. This, together with the actual method of production and the type of product produced, characterizes the mode of production in a particular society.

This all seems logical enough, but there exists a heated and on-going controversy over the concept of a mode of production.⁶ Marxists cannot agree on firstly, how modes of production change (i.e. do they succeed one another, evolve from one another, transcend the former, or dissolve the former); and secondly, can two or several modes of production co-exist?⁷ These problems are especially relevant to

⁴Ibid., p. 114.

⁵Ibid., p. 115.

⁶A. Foster-Carter thoroughly examines the mode of production debate in his article, "The Modes of Production Controversy," in The New Left Review 107, (1978). Foster-Carter delineates the recent attempts, led by P. Rey, to develop a "modes of production" theory which analyzes social transformation and social formation in terms of the "articulation of modes of production". The work is in such a pioneering stage that even the theorists cannot agree on the meaning of the term "articulation".

⁷Ibid.

developing economies which undergo continuous change. For example, in various regions of Tanzania, the advancement of capitalist forms of production, i.e. production of marketable agricultural crops for profit through the use of hired labourers who are paid less than the market value of the produce and the profits are re-invested into the enterprise; alongside are pre-capitalist forms of production, i.e. communally-owned family-operated plots, where the product is distributed evenly among the workers, is consumed locally and the markets are used only for simple commodity exchange. From this rudimentary example, one can see the difficulty in defining a single mode of production that encompasses these variant forms, if the term is not to be merely residual.⁸

"Contemporary rural social formations and the modes of production in which they are involved are not pure examples of the capitalist mode; but the stalled advance of capitalism does not mean. . . that the production relations are still in their pristine capitalist mode."⁹ On this basis, the label 'peripheral' or 'post-colonial' has been chosen to describe contemporary Ivorian and Tanzanian modes of production.¹⁰

⁸ Ibid., p. 76.

⁹ L. Cliffe, "Rural Political Economy in Africa," in P.C. Gutkind & I. Wallerstein, The Political Economy of Contemporary Africa (London: Sage Publications, 1976), p. 120.

¹⁰ Catherine Coquery-Vidrovitch, "Research on an African Mode of Production," in P. Gutkind & P. Waterman (eds.), op. cit., pp. 77-92, defines an African mode of production, however her analysis deals with pre-colonial Africa and for this reason is not used here.

To label the mode of production in Tanzania and the Ivory Coast as simply 'pre-capitalist' does not adequately portray the importance and extent of penetration of capitalist production. As will be shown in the following chapter, capitalist production consumes a significant amount of time and energy even among those who only contribute minimally to production of commodities for exchange. However, it is important to recognize that these are not dual economies where capitalist production exists apart from pre-capitalist modes. Rather there is a "synthesis of modes."¹¹

Inextricably linked to the 'mode of production' is another concept: the means of production. These means of production are the elements which are necessary to the production of subsistence and economic surplus.¹² Land is the means of production but access to it varies in accordance with the mode of production in a given society. For example, in most areas of pre-colonial Tanzania, subsistence was produced through the cultivation of communally held plots. Any surplus was usually distributed according to labour contributions. Within this communal-type mode of production, the basic means of production were communal

¹¹Cliffe, op. cit.

¹²Surplus is defined as any production beyond that which meets subsistence needs, but in Marxism the concept transcends basic food requirements to include other 'necessities' which vary from society to society. Ken Post ("Peasantization in West Africa," in P.C. Gutkind & P. Waterman, eds., op. cit.) describes the subsistence needs (i.e. basic social minimum requirements) of an African communal cultivator as: 1) the amount of necessary food to keep alive; 2) aid to needy kin; 3) the purchase or renewal of equipment he cannot make himself; and 4) contributions to ceremonial rituals, i.e. weddings, tributes to the spirits of ancestors, etc.

land and access to it was acquired through land rights, the social relations of production. In such a social system, the factors of production (or physical inputs) were primarily: family labour, simple tools, environmentally available seeds, and sometimes animal power.¹³

The concept of the 'means of production' gives rise to another concept: social classes.

¹³In contrast to this are industrial societies where surplus is produced primarily through the manufacture of raw materials into an exchangeable product. These products are sold not only to obtain subsistence requirements, but to accumulate profit. Here the means of production is capital (i.e. the necessary element to obtain the factors of production, which are essentially labour power, machinery, technology, raw materials and property). Capital often takes the form of money. Profits from the sale of these exchangeable manufactured products are re-invested into the enterprise to make ever-increasing amounts of capital. Those engaged in this process are known as 'capitalists'.

B. Social Class Formation

In Marxism, society is comprised of different groups of individuals. What differentiates one group from another is its relation to the means of production. This conceptualization of social classes facilitates a structural analysis and ^{an} historical explanation.¹⁴

Marx's work on this concept ^{of class} (although he never developed an exhaustive definition¹⁵) applies to conditions in capitalist, industrialized societies. The theory perceives society as divided into two basic (although not the only) groups, as determined by their relation to the means of production. These he named the bourgeoisie (i.e. capitalists)--the owners of the means of social production and employers of wage-labour, and the proletariat--the non-owners of the means of production, a class of wage-labourers who, having no means of production of their own, are reduced to selling their labour-power in order to live.¹⁶ This exclusion from access to the means of pro-

¹⁴R. Stavenhagen, Social Classes in Agrarian Societies (Garden City, New York: Anchor Press, Doubleday, 1975), p. 28.

¹⁵Ibid.

¹⁶K. Marx, "Manifesto of the Communist Party," in R. Tucker (ed.), op.cit., p. 335. N.B.: Marx recognized the existence of other social classes, i.e. craftsmen, intellectuals, the petty bourgeoisie, peasants, landlords, etc. However, he theorized that with the advancement of capitalism, these classes, because their diminutive amounts of capital do not suffice to compete with large capitalists, would be forced to join the proletariat. (p. 342). However, this is not necessarily the case in Africa.

duction renders the proletariat subordinate to the bourgeoisie and vulnerable to exploitation by the dominant class.

Exploitation is defined in Marxism as the appropriation from the labourer some part of his labour time as surplus value.¹⁷ This simply means that the worker receives from the capitalist, in exchange for her/his labour power, a sum that is less than the use value of the product of her/his labour. The difference between what she/he is paid and what the capitalist receives from the sale of the product is retained by the capitalist. Thus, the worker is exploited.

Control over the means of production makes the bourgeoisie powerful, not only in the economic sense, but they are also politically dominant. Ralph Miliband describes capitalist enterprise as one of the strongest pressure groups in capitalist society, and it is indeed able to command the attention of the state.¹⁸ Nevertheless, the state operates with a great degree of autonomy, acting on behalf of the ruling class and not at its behest.¹⁹ Thus, the state can act to reform a social system of domination and exploitation. However, when the absolute existence of that system is threatened "from below" (i.e. by the non-owners of the means of production), the members of the

¹⁷L. Cliffe, op. cit., p. 116.

¹⁸R. Miliband, Marxism and Politics (Oxford: Oxford University Press, 1977), p. 72.

¹⁹Ibid.

dominant class intervene, only as a last resort, to preserve the status quo.²⁰

The ruling class is defined in Marxist writings as the class which owns and controls a predominant part of the means of material and 'mental' production; and that it thereby exercises considerable, although not absolute, influence over the state.²¹

Miliband cautions would-be Marxist analysts about confusing state power with class power. For example, Miliband refers to those cases where the dominant economic class did not dominate the political realm.

Social classes do not exist in a vacuum, but are part of a class system. "What define and distinguish the various classes are the specific relations they establish among themselves. Indeed, a social class exists only as a function of others,"²² emerging from the manifestation of a specific mode of production. Defined according to possession or control or the lack thereof over the means of production, each class is in direct opposition to the other. The proletariat struggles against the bourgeoisie for control over the means of production and (some or greater) access to the levers of state control. According to Marxist theory, it is this constant struggle which brings about the transformation of social structures.

Finally, the notion of class consciousness completes the Marxist formulation of the concept of social classes. For all classes,

²⁰ Ibid., pp. 89-90.

²¹ Ibid., p. 67.

²² Miliband, op. cit., p. 29.

a shared relation to the means of production creates a unifying commonality of interest among the members of each class. Class consciousness springs from the participation of class members in political conflicts as organized groups.²³ In doing so, class members become conscious of their common interests. Before reaching this stage of full development, a social class exists merely as a 'class in itself', and not as a 'class for itself'.

In judging the current stage of class development by observing class action, Marx cautions the analyst to distinguish between political action and economic action. Only the former is indicative of genuine class consciousness, whereas the latter exhibits only a 'false consciousness'. Economic actions by workers do not necessarily attempt to alter social relations or structures but are often merely efforts to temporarily relieve exploitation and improve material well-being. In the following passage, Marx beautifully differentiates between political and economic actions on the part of workers:

Every movement in which the working class as such opposes the ruling class and seeks to destroy its power by pressure from without is a political movement. The attempt, for example, to extort a limitation of working time in a single factory or trade and from individual capitalists, by strikes etc., is purely economic movement; but the movement to enforce legislation stipulating an eight hour day etc. is a political movement. And in this manner a political movement grows everywhere out of the isolated economic movements of the workers. ²⁴

²³ Marx, as quoted in Dahrendorf, Class and Class Conflict in Industrial Society (Stanford: Stanford University Press, 1959), p. 25.

²⁴ Ibid., p. 16.

C. Class Analysis in Africa

Functionalists and other anti-class analysts refute the applicability of this approach to African societies.²⁶ They readily point out the absence of an indigenous bourgeoisie which owns the major means of production, and the absence of a true proletariat which relies solely on the sale of labour as a means of subsistence. But these criticisms are the result of a simplistic application of Marx's analysis of industrial societies in eighteenth century Europe to twentieth century post-colonial African societies. These critics fail to use the Marxist methodology, i.e. look for the relations of various social groups to the major means of production in order to determine the basis of the entire social structure and the existence (if any) of social classes. Had they done so, an increasingly differentiated social structure would have been revealed. At the same time, dogmatic Marxist analysts can be faulted for a direct and insensitive transferral of Marxists concepts to the African experience. The case of ownership of the means of production is not so clear-cut in Africa, yet this does not negate the existence of a local class which performs the role of controlling the generation and the distribution of surplus, as would any capitalist class in western industrialized states. Generally speaking, there is an easily identifiable national ruling class which, together with foreign capitalists

²⁶For example, see P.C. Lloyd, The New Elites of Tropical Africa (London: Oxford University Press, 1964), and Arthur Lewis, Politics in West Africa (London: Oxford University Press, 1965).

through the institutions of the state, controls the generation and distribution of the surplus. The economic interests of this class conflict with those of the actual producers (i.e. the workers and the peasants), whose surplus is appropriated through an unequal exchange for their labour or the products of their labour, ostensibly for the sake of national development. Because the ruling class is not a typical western capitalist class which directly owns the means of production, it must be defined differently from that class so that one can grasp the degree of control it exercises in spite of its dependence on and partnership with the foreign capitalist class. More will be said on this, but for the moment let us continue to review and refute the criticisms of the anti-class analysts.

Critics preclude the application of class theory to Africa because they claim these societies do not embrace a capitalist mode of production. However, classes are not exclusive to the capitalist mode of production.

Through colonial conquest and the persistence of similar post-colonial economic relationships, the capitalist mode of production has in fact penetrated the rural economies of both Tanzania and the Ivory Coast, and it has become a major mode of production (see chapter two). In some of the more economically prosperous regions of these countries, it is the dominant mode of production. However, capitalist production exists alongside and interacting with pre-capitalist modes of production.²⁷

Critics also contend that ethnic and tribal ties impede the development of social classes, and tribal loyalties prevent social dichotomization along purely economic lines. Marxists have recently discarded the 'reductionist' approach, whereby tribal and ethnic sentiments were explained away as "false consciousness" on the part of workers and peasants.²⁸ Today, the saliency of ethnicism and tribalism is widely recognized, and class theory incorporates these social phenomena in a number of ways.²⁹ Class consciousness and

²⁷ See L. Cliffe, op. cit., for a thorough examination of the modes of production analysis in rural Africa; also Samir Amin's Le Développement du Capitalisme en Côte d'Ivoire (Paris: Les Editions du Minuit, 1967).

²⁸ J. Saul, "The Dialectics of Class and Tribe," in Studies in Political Economy (Spring 1979), p. 7.

²⁹ Saul (*ibid*, pp. 1-42) outlines three approaches to the dialectics of class and tribe: 1) ethnicity as a response to imperialism; 2) ethnicity as a base for social classes as they emerge from (continued on the next page)

ethnic affiliations are not mutually exclusive. In fact, just as bourgeois political leaders appeal to tribal and ethnic loyalties to secure political control and contain the development of class consciousness, likewise revolutionaries can instrumentalize ethnicity to demonstrate its divisive, superficial nature.³⁰

Critics of an African class analysis have added yet another dimension to their arsenal of criticisms: clientage. Patron-client relationships where politically loyal tribes or ethnic groups are rewarded with funds for local material improvements, ie. roads, schools, clinics, are prevalent in the Ivory Coast. However Cohen traces the gradual decline of 'le miracle ivoirien économique' and the threat of a serious economic crisis.³¹ On this basis, he predicts that clientage will become defunct as the Ivorien state becomes less able to afford

29(cont.) the articulation of modes of production; and 3) ethnicity as a platform for political development and ideological class struggle.

³⁰ Saul uses the example of FRELIMO leaders like Dos Santos and Machel in Mozambique. Nyerere (although the 'revolutionary socialist' character of his leadership is a moot question) used a similar technique in Tanzania. Although ethnicity was not as central to Tanzanian social relations as it was in the Ivory Coast, it was nevertheless a problem with which Nyerere had to deal. On the other hand, the Ivory Coast is an example of a manipulative national bourgeoisie which uses ethnicity and tribalism to further its own politico-economic interests, but which is gradually becoming an obsolete weapon. (This is a major point raised by Michael A. Cohen, Urban Policy and Political Conflict in Africa [Chicago: University of Chicago Press, 1974].)

³¹ Michael A. Cohen, Urban Policy and Political Conflict in Africa.

to extend these favours as repayment for political support.

Who is the African ruling class? This question is problematic because of the nature of the ruling class in Africa. Any good, well trained Marxist would define a ruling class (that class which controls the generation and the distribution of surplus) in terms of its relations to the means of production i.e. which social collectivity owns these means and which one is excluded from access to these means. However in reality, the African situation is a peculiar and unique one. The actual owners of the major means of production are foreigners. This ownership can be direct or more subtle i.e. control over production and the distribution of surplus can be exercised indirectly through agreements for the acquisition of foreign aid, marketing and managing contracts, resource development et cetera. Yet this is not to imply that the local group which appears to manage and protect foreign business and economic interests, whether from the political throne or from the board room, is merely a proxy for the foreign bourgeoisie. The local fraction of the ruling class does indeed exercise control over how production will be carried out and how the surplus will be used. They are not powerless in the face of international economic constraints and national economic needs. They have and do make decisions on production. For example, at one extreme, they can decide to extract themselves from the international trade market and block all bilateral and multilateral business to strive for self-sufficiency as a strategy of develop-

ment, or they can decide the only way to achieve their objectives is through close and congenial relations with foreign businesses. Accordingly, the economic interests of a ruling class are reflected in the development policies which they devise.

Employing this logic and from this perspective, the African ruling class is defined herein as that class which decides how production will be carried out and how surplus will be distributed. As in Marxism, production remains the lynchpin in this framework and relations to the means of production are still the primary means of differentiating and defining social classes. However, membership in the ruling class cannot be determined by simple ownership and non-ownership. If that were so then most Africans could be categorized as members of the ruling class because most own some amount of land which is part of the means of production there. Within a strict ownership-non-ownership framework, it can also be argued to the contrary, that few Africans are members of the ruling class because non control the means of production to the degree that they also determine the entire economic and social structure on a national level. In using the framework designed here as a means of indentifying the ruling class, one is able to determine how production is decided nationally in countries where Africans are not the immediate owners of the means of production. This brings up the issue of the relation of the national ruling class to the state. This relationship varies, but within this framework it is a central feature because control over economic decision-making implies control over the state.

In Tanzania, there is not a significant national bourgeoisie, i.e. an economically dominant class as in Kenya or the Ivory Coast. The social group which controls (although ~~does~~ not directly own) the major means of production is rooted in the institutions of the state - the government and the bureaucracy. In Tanzania, the state is not only an instrument of political domination, but also a source of economic power.³³ Through their control over national economic planning, they thereby exercise a large measure of control over the generation and the distribution of the surplus. The state operates autonomously from the demands of this peculiar ruling class in so far as "the nature and the requirements of the mode of production impose 'structural constraints' which no government can ignore or evade."³⁴ That is to ~~say~~ their powers of surplus generation and distribution are limited by existing rural production systems which are not readily changed. For example, the Tanzanian government has experienced only minimal success in its attempts through various programs (i.e. ujamaaization and villagization) to change the relations of production

³³ Ibid., p. 31.

³⁴ Miliband, op. cit., p. 72. In explaining the nature of ruling class control over the instruments of the state, Miliband suggests the following modes of explanation: 1) character of the state's leading personnel; 2) pressures exercised by the economically dominant class; and 3) the structural constraints imposed by the mode of production. However, he cautions the user not to allow these modes of explanation to obscure the relative autonomy of the state from the ruling class.

in rural Tanzania.³⁵

The character of the Ivorien ruling class is very different. It does have an economic base as derived through the capitalist production of coffee and cocoa, the country's two major exports. Their control over the political apparatus (as will be shown in chapter four) is exercised primarily through the pressures applied by the economically dominant class. That is to say, some members of this class hold positions of political power (i.e. one of, if not the most prosperous Ivorien capitalist farmers is also the president of the Ivory Coast) and they use these positions to support their ability to accumulate capital, as will later be shown.

On the other hand, in Tanzania, partly because of the predilections of Nyerere toward socialism and partly because of nearly total ruling class power, the state appropriates surplus value, which is used to support the 'perks' and generous salaries (relative to those of the masses) of state fonctionnaires. Previous to the Mwongozo (Party Leadership) Guidelines of 1971-72, the ruling class used this capital to further their embourgeoisement, i.e. they bought farms to be operated by paid labourers and administrators, and invested in small capitalist enterprises, i.e. bars, retail stores, real estate, transport, petrol stations, farms.³⁶

In this brief conceptualization of the Tanzanian and the

³⁵A. Coulson, "Agricultural Policies in Mainland Tanzania," in Review of African Political Economy 10 (Sept.-Dec. 1977).

³⁶Shivji, op.cit., p. 70.

Ivorian ruling classes, it is not suggested that the ruling class is cohesive and united in its struggle to maintain class power. As is revealed in Chapter Three, intra-class relationships are fraught with conflict, i.e. struggles within the Tanzanian ruling class between the party ideologues and bureaucrats who favour a slower, more pragmatic advance toward socialism, favouring technocratic methods of implementing socialist policies with an emphasis on 'expert' (read 'foreign') advice, efficient organization, and qualified manpower.³⁷ Only when 'threatened from below' (i.e. demands from the mass population to radically change the system which presently offers the greatest benefits to the ruling class) does the ruling class set aside internal differences to defend the system, i.e. the put-down of the workers' struggles in Tanzania and subsequent re-enforcement of these perspective in the third FYP which reminds the workers of their responsibilities to the state and not vice versa.³⁸

Although the ruling class (defined as those who control the generation and the distribution of the surplus through ownership or control over the means of production) is comprised of a foreign and an indigenous element, it is the latter group which is the central theme of this study. By no means will the foreign component be ignored. To do so would jeopardize the integrity of the analysis as based on the foregoing framework. A fair treatment of both elements of the ruling class would produce a sprawling analysis. Therefore, the focus is narrowed to concentrate on one segment of the ruling class,

³⁷ Ibid., pp. 96-97.

³⁸ Ibid., pp. 123-145.

while taking the participation of the other into consideration.

Opposing the ruling class are the masses. In this analysis, they are those members of society who have 'nothing to lose but their chains'.³⁹ That is to say, they do not have a vested interest in the maintenance of the current politico-socio-economic system. Generally, they are the poor peasant farmers and manual labourers (agricultural and non-agricultural). This is the sector of society which is consistently called upon to increase its production for the sake of the nation, yet they often receive pittance for their increased efforts that is: their surplus is appropriated by the state through pricing policies and crop purchasing boards.

It is important to recognize that the Tanzanian and Ivorian class structures are certainly more than simply a ruling class and a mass of peasants and manual workers. There are intermediate, supportive classes arising from the immense politico-bureaucratic machinery, and from specialized labour. In this category, one finds middle and lower level civil servants, professionals, middle-class peasant farmers and skilled workers. They are distinguished from the ruling class and the masses because they are alienated from the levers of political and economic power, and yet their privileged position (relative to the masses) hinges upon a continuance of the present socio-economic system.

It will be shown that these systems are exploitive of the majority of members of the societies in question. By restructuring social, political and economic relations, the most

³⁹K. Marx, "The Communist Manifesto," in Tucker (ed.), op.cit., p. 362.

blatant injustices would likely diminish. This process of 'restructuring' is herein called development, the aim of which is to improve the standard of living for the masses. For this reason, it was earlier stated that without a restructuring of the economy, the masses would not benefit significantly from improvements.

The notion of successful development is not measured here by increases in GNP, GDP, the volume of exports and the level of industrialization. Instead, development is assessed according to the degree of progress made toward the creation of a society where all members have an equal share in the country's prosperity which is auto-generated and sustained. This is best achieved through a self-reliant development strategy, which implies breaking out of the subordinate role to which developing countries have been regulated by international capitalism,⁴⁰ as achieved by

⁴⁰NOTE: During the colonial period, Tanzania and the Ivory Coast were used as: 1) dumping grounds for the manufactured goods of the colonizers; and 2) as suppliers of labour (i.e. slaves), and later raw materials to fuel French and British industries. The colonialists did precious little to advance the development of production for the internal markets of these countries. The local elites preferred Western manufactured luxury goods, which compounded the lack of stimulation for domestic production. Conditions degenerated to the point where basic goods which were once locally produced were considered inferior, besides which no one could sacrifice time away from combined cash crop-subsistence farming for the production of these basic goods, i.e. building materials, clothing, shoes, etc.

Consequently, today these countries are caught in the web of production for external markets to increase foreign exchange reserves in order to purchase basic and luxury manufactured goods from the industrialized countries. The result is a metropole-periphery relationship, i.e. the industrialized metropolitan states extract surplus from the periphery, leaving little incentive for development of technology, production for internal markets, little means of capital accumulation or dispersal of the means of production away from the brokers of the foreign capitalists, i.e. the ruling class.

the autocentric approach to development described in the previous chapter.

With these conceptual tools in hand, let us begin to analyze the cause of underdevelopment

by examining the process of the penetration of the capitalist mode of production in Tanzania and the Ivory Coast.

- CHAPTER TWO -

THE CHANGING MODE OF PRODUCTION

This chapter describes the systems of economic production and the social structures in existence before the onslaught of colonialism. Following this, the permeation and the proliferation of capitalist production, with the accompanying social changes, unfolds. The chapter culminates with a brief overview of post-colonial economic production.

A. The Pre-Colonial Period

Generalizing about pre-colonial modes of production in Tanzania and the Ivory Coast is a risky venture because these countries are full of diversities. Modes of production vary depending on geography and the available natural and human resources. In general, in both countries the household (which extends beyond the family) formed the basic unit of production. These units were relatively autonomous and self-sufficient, producing their own food, clothing, furniture, farm tools, etc.¹ Land tenure was highly egalitarian, i.e. communally owned with each village family receiving usufructary rights. Such tenure systems minimized the possibility of the development of an inactive class living exclusively on ground rents.² Land was abundant and rarely were individuals forced to work for others, thus preventing the monopolization of land by a privileged few.

However, labour was the scarce factor in the production process. This led to the creation of a slave market and the exploitation of labour through the enslavement of humans captured during raids on neighbouring tribes. In neither country were slaves treated as chattel. Many were virtually indistinguishable from free men.³ i.e. slaves could

¹C. Coquery-Vidrovitch, "The Political Economy of the African Peasantry and Modes of Production," in P. Gutkind and D. Wallerstein (eds.), The Political Economy of Africa (Beverly Hills: Sage Publications, 1976), p. 102; also see A.E. Hopkins, An Economic History of West Africa (London: Longman Group Ltd., 1973), p. 21.

²Coquery-Vidrovitch, op. cit., p. 103.

³Hopkins, op. cit., p. 23.

marry, cultivate their own land and redeem themselves.⁴

Chiefs were the major slave-owners in Tanzania and the Ivory Coast. Through the use of slave labour, they were able to acquire wealth,⁵ and thus one could observe economic differentiation. In the Ivory Coast, slaves were used to cultivate crops which were then used as exchangeable commodities on the thriving internal, long distance trade markets. Initially in Tanzania, some slaves were used to cultivate food crops and gather ivory for exchange on the market. Others were sold to Arab traders.⁶ Slave trading intensified in Tanzania with the growth of the indigenously controlled slave-operated clove plantations in Zanzibar and with the "ivory-rush" in 1846-1858, when ivory prices increased ten-fold.⁷

This intensification caused drastic economic changes in Tanzania and it altered social relations. Chieftancy became increasingly exploitive as the Arab ivory-hunters penetrated further inland and threatened the chiefs' revenues and undermined their capacity to control men and defend their territories. In response, the chiefs stepped up their slave raids and monopolized the collection of ivory in their territories.⁸

⁴J. Iliffe, A Modern History of Tanganyika (Cambridge: Cambridge University Press, 1979), p. 17.

⁵Hopkins, op.cit., p. 27.

⁶Ivory was also a major commodity exchanged on the internal market.

⁷Iliffe, op.cit., pp. 40-52.

⁸Ibid., p. 49.

In the Ivory Coast as well, internal trade flourished to such a degree that Hopkins compares it to big business in the industrialized states today.⁹ Money, in the form of gold, cowries, strips of cloth, and copper and iron rods could each be used as a medium of exchange. The presence of trade and general-purpose currencies suggests, as studies have proven, the existence of commodity markets.¹⁰ The commercial commodity market served local and inter-regional economic needs, i.e. to supply a wider variety or better quality of food-stuffs, raw materials locally unavailable, livestock and manufactures. It was possible for poorer members of Ivorien society to become indebted to wealthier neighbours, but the extent of local indebtedness is unknown.¹¹ The poor resorted to pawning (i.e. working for the creditor until the debt is paid).¹²

In Tanzania also, capitalism is not strictly a European phenomenon, but flourished in the nineteenth century.¹³ (However, it must be noted that pre-colonial capitalism was less dominant over other modes of production, its scope was geographically limited, and there was relatively little specialization of labour as compared to the advancement of capitalist production under the direction of the

⁹ Hopkins, op. cit., pp. 65-67.

¹⁰ Ibid., p. 70.

¹¹ Ibid., pp. 70-71.

¹² Ibid., p. 71

¹³ J. Iliffe, Agricultural Change in Modern Tanganyika (Tanzania: East African Publishing House, 1971), p. 9.

colonialists).

Commercial agricultural production was introduced through "the establishment in Zanzibar in the early nineteenth century, of a slave plantation economy producing cloves for the world market and acting as a focus of a long-distance trading system which gradually penetrated the mainland."¹⁴ The agricultural systems of the surrounding population on the mainland were profoundly altered. They were drawn into commercial production of agricultural produce for the plantations. Although this new mode of production primarily affected the coastal areas where transport was easiest, it extended to the interior. For example, the Muheza of the northern hinterland grew rice solely for export to Zanzibar; Usambara sold sorghum to the coastal peoples. Further inland, the same pattern developed: previously subsistence farmers turned to commercial agriculture to supply the trading caravans which sometimes contained as many as a thousand men. Many Nuamyembe families of central Unyamwezi employed men or bought slaves to assist in grain production, so that they would benefit from soaring prices.¹⁵ Long distance trade also stimulated further specialization and exchange among African societies.¹⁶ This stimulated the emergence of a group of entrepreneurial African farmers on the one hand, while on the other hand, there were others who actively resisted the new trading system.¹⁷

¹⁴ Ibid., pp. 9-10.

¹⁵ Ibid.

¹⁶ Ibid., p. 11.

¹⁷ Iliffe, A Modern History, p. 42.

At this juncture, one not only witnesses the beginning of the process of 'peasantization' and capitalist production, but also 'proletarianization'. The growing monopolization of the ivory trade by Arabs forced African traders out of the export business. They became suppliers of food to the caravans or porters of the cargo. John Iliffe writes: "It was through portage that capitalist relations, appropriated *d* labour by economic means, first entered Tanganyika."¹⁸

Also, the introduction of new agricultural crops (i.e., maize and rice) in nineteenth century Tanganyika produced profound changes in the agricultural systems.¹⁹ Not only were crops beginning to be produced in the capitalist mode in certain regions, but new crops also led to population growth, the settlement of new land, and immigration from poorer areas.

In the Ivory Coast also, economic and social systems began to change with the introduction of new crops such as maize, cassava, groundnuts, tobacco and cocoa, which had been imported by the Europeans as early as the 15th century.²⁰ The most immediate changes were things such as a longer planting season, new cultivation techniques

¹⁸ Ibid., p. 45. N.B.: As noted previously, capitalist relations, i.e. the appropriation of labour through economic means, occurred earlier, but not the the intense degree Iliffe refers to in his example of the poor growth in porters' wages from the 1880's to 1935.

¹⁹ Iliffe, Agricultural Change, pp. 8-9.

²⁰ Hopkins, op. cit., p. 30. Note that some of these crops later became the major export commodities in the 20th century.

and occupational changes, i.e. more women became involved in agricultural production.²¹ The most important effects were:

- 1) a larger population due to better nutrition and the reduced risk of famine; and
- 2) the beginnings of production for export.²²

Nevertheless, the impact of large scale European slave trading produced the greatest change in traditional modes of production in both east and west Africa. African merchants and chiefs formerly engaged in intra-African trade now expended their energies toward capturing Africans for the abominable slave markets.²³ This form of commerce exported the healthiest and strongest members of African societies, causing the ruination of traditional African economies by reducing productivity.²⁴

The effects of the slave trade overshadow the contemporary political economies of Tanzania and the Ivory Coast. The slave trade marks the beginning of the era of underdevelopment and subordination within the international capitalist economic system. The primary effects of the slave trade were:

- 1) subordination of intra-African trade (and its eventual elimination)

²¹ Ibid., p. 31.

²² Ibid.

²³ S. Langdon and L. Mytelka, "Shaping the African Economy," in C. Legum et al., Africa in the 1980's (New York: McGraw Hill Book Co. for the American Council on Foreign Relations Inc., 1979), pp. 129-131.

²⁴ J. Rweyemamy, Underdevelopment and Industrialization in Tanzania (London: Oxford University Press, 1972), p. 9. Also African populations were ravaged by disease introduced into their environment by Europeans.

to the export of a single, unprocessed commodity destined for European markets, relegating African economies to subservience to the needs of powerful industrialized states; such economic structures lead to a lack of backward and forward linkages, creating a disincentive for indigenous entrepreneurship and technological development, and thus reinforce dependence on primary commodities;

- 2) the benefactors of the slave trade were a small, concentrated elite whose preferences for European manufactured goods led to the bankruptcy of domestic non-agricultural industries;
- 3) the dependence of this elite upon European trading interests for their wealth and power made them vulnerable to manipulation by Europeans when the colonization drive was started; and
- 4) the growth centres shifted from inland areas to the coastal regions--the nucleus of an import-export dominated economy. ²⁵

²⁵Extracted from Langdon & Mytelka, op.cit., pp. 130-131.

NOTE: In reference to point four, growth centres in Tanzania were widely dispersed until the mid-1940's when cash crop production secured a firm and dominant grip upon the economy. Since this time, the port city of Dar es Salaam has become the focus of economic and political activity, expenditure and growth. The government is in the process of moving the capital to Dodoma in order to better distribute the wealth evidenced in Dar.

B. The Colonial Period

When slavery lost its importance to European economies, the Europeans did not vacate Africa, but utilized their foothold to extract raw materials, the steady supply of which was as crucial to European economic prosperity as slavery had been. Tanzania was to be a supplier of sisal and cotton, while the Ivory Coast was to supply palm oil and timber. The process of extraction was best carried out through total conquest of the people through colonization. It was not enough to get chiefs to simply force their subordinates into commercial agriculture because under such an arrangement the acquisition of raw materials and markets (the first objective of any new colonial capitalist system)²⁶ would remain, at best, tenuous, i.e. accessible only through bargaining with traditional leaders. The incorporation of Ivoriens and Tanzanians into cash crop production (by introducing or exacerbating the need for money through the imposition of a variety of taxes)²⁷ virtually guaranteed a steady supply of exports and the establishment of absorptive markets.

In the late 1880's, the German colonization of Tanzania, and that of the French in the Ivory Coast, was relatively smooth as facilitated by their weapon superiority and the assistance of African elites whose loyalty was cultivated during the slave trade, and who

²⁶ Stavenhagen, op. cit., p. 53; also see S. Amin, "Underdevelopment and Dependence in Black Africa," In Social and Economic Studies 3 (March 1973), p. 189.

²⁷ Stavenhagen, op. cit.

were eager to re-establish the lucrative flow of profits they earned in service to earlier European economic demands. In Tanzania, the agents of the colonialists were traditional chiefs, educated Christians and merchants, whose powers were institutionalized by the British in a colonial organization called the Native Authorities.²⁸ Their equivalent in the Ivory Coast was a combination of loyal chiefs (many of whom were once notorious slave traders), interpreters, and war veterans.

In the early stages, the process of the penetration and the proliferation of capitalist production ran parallel in each country. To the French in the Ivory Coast (circa 1920's) and the Germans in Tanganyika (early 1900's), indigenous cash crop production was not of great concern. Rather, the colonialists sponsored the settlement of whites as a major means of export-commodity production. Thus, European-owned sisal plantations in Tanzania and cocoa plantations in the Ivory Coast sprang up and were the central focus of colonial economic policy and investment.

The acquisition of labour differed in each case. In Tanzania, the Germans appropriated the best lands. The displaced peasants were left with no alternative means of earning a living, except to work as plantation labourers. To further ensure an adequate supply of labour to the sisal plantations, a repressive tax system was imposed. To pay their taxes, Africans intermittently sold their labour to European plantation owners. This constitutes only one aspect of the

²⁸ H. Bienen, Tanzania: Party Transformation and Economic Development (Princeton: Princeton University Press, 1970), pp. 37-38.

process of incorporation of the rural population into the money economy and international capitalism: 'proletarianization', or the creation of a wage labour force. At this point, one witnesses "the creation of conditions for the emergence of free labour that was alienated from the means of production, facing the capitalist who owned and controlled the means of production."²⁹

In the Ivory Coast, the French used a system of forced labour which proved to be more successful than the German, and later British, attempt to secure a dependable labour supply by offering wages.³⁰ A steady supply of labour caused the Ivorien plantation sector to flourish. Precisely because of the failure to acquire a regular labour supply, the British were forced to mechanize sisal production. This required large amounts of capital and excluded any future possibility of Africans competing in this sector of production.³¹

Quickly succeeding the process of 'proletarianization' of the Africans was a deliberate colonial effort at what is herein called 'peasantization' or 'commoditization',³² i.e. the incorporation of a significant number of rural inhabitants into an economic system of cash crop production (i.e., cotton and coffee in Tanzania, and cocoa and coffee in the Ivory Coast). Before stringent colonial efforts to

²⁹ J. Rweyemamu, op. cit., p. 7.

³⁰ The wage scales offered in Tanganyika were not sufficiently high to coax Africans away from subsistence farming.

³¹ Refer to Chapter One, Footnote 1 for fuller definitions of these concepts.

³² See next page.

draw Africans into cash cropping, a few Africans were already engaged in this form of production, notably those who were previously engaged in commerce with the Europeans (i.e. slave trading chiefs and merchants). This fact is of extreme importance because here one finds the launching pad for many of those Africans who later became leaders of the movements for national independence, subsequent leaders of officially independent Tanzania and the Ivory Coast, and those responsible for the development policies now pursued in these countries.

Concentrated in the most fertile regions of Tanzania (another necessary factor for commercial production), i.e. the Kilimanjaro foothills, the shores of Lake Victoria and the Usambaras, these 'entrepreneurial farmers'³³ used capital acquired from trade with the Europeans in slaves and ivory to finance their entrance into the production of palm oil, coffee and cotton. Also, some chiefs earned formidable incomes from the colonial government in remuneration for enforcing colonial policies in their districts. In later years, new entrants into large-scale commercial farming drew their capital from urban

³²See Rweyemamu, *op. cit.*, pp. 14-25, for a fuller explanation of this failure to obtain wage labour for the plantations and the consequential capitalization of sisal production.

³³An entrepreneurial farmer is defined by John Iliffe (*Agricultural Change*, p. 21) as one who innovates, who makes changes in existing methods of production to produce things for which he sees a demand. To do so, he must be capable of seeing the chance of advantage and breaking with the old production methods customary in the society. He must possess or be able to acquire the necessary resources to put his innovations into practice.

trade, salaried employment, wage labour on estates, small scale commercial farming (i.e. onion growing, coffee), and animal husbandry.³⁴

In the Ivory Coast, these 'entrepreneurial farmers',³⁵ came from similar slave-trading backgrounds to divert into the production of palm oil, palm kernels and groundnuts. For example, in the 1910's, the Dioula from north of the forest and the Baoulé (Houphouët's tribe of origin) from the savanna migrated south to initiate and expand cocoa farming using funds accumulated from pre-colonial trading activities; some were rich enough to buy land outright, and also to hire labourers.³⁶ The Baoulé started with fewer resources and often had to begin as abusa labourers, i.e. men who harvested the crop in return for one-third share of it.³⁷ They soon outstripped the crop yields of the Europeans because of their familiarity with tropical agriculture. These farmers quickly became capitalists, i.e. hiring labour, profiting from crop sales, re-investment of profits for greater accumulation of capital.

For the remaining (and great majority of) Africans in both countries, it was the growing need for money which brought about widespread peasantization. Money was needed to:

- 1) pay taxes;^{37a}

³⁴ Iliffe, Agricultural Change, pp. 23-26.

³⁵ The definition given earlier by Iliffe (see note 33) applies equally as well in the Ivorian case.

³⁶ Hopkins, op. cit., p. 218.

³⁷ Ibid. ^{37a} The various forms of direct taxation eg. taxes on land, head tax, hut tax, and indirect taxation eg. excise taxes on exports, introduced the tradition of financing the administration (colonial and later national). Also, taxes were used for building the infrastructure vital to the export economies. In essence, the peasants were forced to pay for their own underdevelopment.

- 2) purchase manufactured imports which were flooding African markets; and
- 3) obtain an education for one's children; this was seen as the main vehicle of socio-economic mobility.

Because of the export-oriented nature of the colonial economies, commercial farming was the principal means of meeting the growing demand for cash. Gradually, subsistence farmers were drawn into some degree of cash cropping for the export market. The domestic market was virtually ignored because the economies of Tanzania and the Ivory Coast offered few incentives for production for the internal market. The colonial authorities intended to keep the African markets as their exclusive preserve. The domestic market was small to start with because:

- 1) many inhabitants were producing to fulfill their own needs;
- 2) they had only a limited disposable income; and
- 3) consumers preferred European manufactures over locally produced items.

Other discriminatory policies were enacted to prevent African crops from rivalling those grown by white settlers. Lastly, local initiatives into commerce or technological development were stifled or abandoned in order that African labour would remain free for plantation employment.

For example, British colonial policies discriminated against the African traders who responded to the incentives of this new economic system.^{38a}

Africans were discouraged from getting trading licences and there was a regulation prohibiting wholesalers from giving an African trader goods worth more than Shs 600 on credit.³⁸

The influx of manufactured consumer and capital goods

³⁸ Shivji, Class Struggles in Tanzania (New York: Monthly Review Press, 1976), p. 42.

^{38a} As a consequence, the Asians were able to monopolize commerce, becoming the commercial bourgeoisie, and blocking the potential development of an African commercial class. The case was similar with the Syro-Lebanese in the Ivory Coast.

destroyed the indigenous crafts industry and technology. Riding into the interior on the 'iron horse' before the First World War, the Germans ruined the Zinza iron smelters who had produced the iron for hoes which caravans used as currency; by 1914, domestic weaving and iron smelting were increasingly rare, their technological skills reduced to "incomprehensible magic".³⁹

Conditions were not dissimilar in the Ivory Coast. Here the French carried out systematic discrimination, undertaken to give the Europeans a competitive edge. Firstly, there was forced labour, the 'bete-noire' of the period, which ensured the white planters of a crucial production factor: labour. This forced African farmers to rely primarily upon family labour. Occasionally, when this proved inadequate, they abandoned their farms and took up wage labour. Secondly, European farmers were paid preferential prices for their crops. Thirdly, a higher tax was levied against African exports.

In both countries, the penetration of ^{commercial} agricultural production has been uneven. It has advanced with ferocity in the northern export-producing regions of Tanzania and in its southern Ivorian counterpart. These areas are commonly characterized by:

- 1) high soil fertility and population density;
- 2) proximity to white settlers; and
- 3) easy access to transportation facilities, i.e. the steamship industry on the southern Ivorian coast, and the Uganda Railway to Lake Victoria in northern Tanzania.

The remaining areas could be categorized as:

³⁹ Iliffe, A Modern History, pp. 137-138.

- 1) regions which supplied the export-producing areas with food and other services; and
- 2) the peripheral regions which either supplied migrant labour or which stagnated in near isolation from the territorial economy.⁴⁰

Commercial farming and this regional division of labour was firmly entrenched in both countries by the 1950's.

In Tanzania, the biggest gains were made in the inter-war period. For example, the Haya, traditional coffee growers for internal consumption and export to Uganda, cultivated 1,138 tons of coffee for export in 1918, reaching a peak of 10,881 tons in 1935.⁴¹ The next region to develop a significant export market was Kilimanjaro, where production rose from 32 tons of coffee in 1923-24 to 2,141 tons in 1939-40.⁴² Production in Sukumaland and the Musoma grew steadily under the British, averaging 34,681 bales of cotton per year between 1934 and 1939. High world market prices in the 1920's stimulated the proliferation of cash cropping.⁴³ By the 1930's and 1940's, these areas fell victim to soil exhaustion and overcrowding. Families migrated to new areas and cash cropping spread. In the 1950's, export production rapidly expanded again because of economic recovery in the industrial nations, political

⁴⁰ Iliffe, Agricultural Change, p. 30. This regional characterization is also applicable to the Ivory Coast where the West, Centre West and Eastern regions supply the export-producing southern regions, and the barren north is a 'labour reserve'.

⁴¹ Ibid., p. 19.

⁴² Ibid.

⁴³ Ibid. However in the 1930's, Tanganyika suffered from the world-wide economic depression and crop prices plummeted. The rise in output during the 1930's is a response to poor crop prices in an effort to maintain their income levels.

crises such as the Korean War, and government efforts to induce commercial farming among Africans, i.e. the Groundnuts Scheme, and assistance to 'progressive' farmers in Tanzania.⁴⁴

In the Ivory Coast, cash cropping did not become widespread until the abolition of forced labour in 1946. This enabled smaller African farmers to profitably enter into commercial farming because they could now devote more labour to their own farms. Wealthy African planteurs were able to dramatically increase their farm profits because wage labour was readily available to put previously fallow land into production. For example, in 1944 there were approximately 40,000 cocoa and coffee farmers in the Ivory Coast; 120,000 in 1956; and 200,000 in 1959; of these, Europeans produced 55% of the coffee and 8% of the cocoa in 1942, but by 1952, they produced only 6% of the coffee and 4% of the cocoa.⁴⁵ Since 1947, Africans produced 90% or more of the coffee and cocoa exports.⁴⁶ These gains were made in spite of discriminatory colonial pricing policies against Africans, and in response to the potential to accumulate substantial amounts of capital, and in response to the tax burden.

• The changes in production brought about certain social changes. Capitalist production offered new opportunities for social inequality. Patterns of communal land tenure shifted to ownership of private

⁴⁴Ibid., p. 39.

⁴⁵B. Campbell, "Social Change and Class Formation in a French West African State," in Canadian Journal of African Studies, 8:2, 1974, p. 296.

⁴⁶Ibid.

property. For example, in the Bukoba region of Tanzania, the inter-war years of capitalist expansion became known as otandibatira: the years of "do not tread on (my land or my coffee)". Inequality was evident everywhere cash crops were grown.⁴⁷ For example, a survey of coffee growers in Kilimanjaro in 1933 revealed one taxpayer in three grew coffee; of those coffee-growers in one area of the Machame chiefdom, 84% owned less than one acre of coffee, while 4% (some 30 people) owned over two acres and probably needed to employ wage labour.⁴⁸ Among Songea tobacco growers in 1940, 76% produced less than 100 kgs., while 2% (N=158) produced over 250 kgs.⁴⁹ Four-fifths of the total Matengo coffee crop in 1937 was produced by four of 230 growers.⁵⁰

The trend was similar in the Ivory Coast: a mass of small growers from among whom emerged a few large producers who operated their farms primarily with hired labour. For example, by 1965, there had emerged a group of about 20,000 wealthy planters, a landless proletariat of about 120,000 plantation workers, and about 200,000 small or medium plantation owners; the wealthy group represented 10% of the cash crop producers, controlled about one-quarter of the cultivated land, employed two-thirds of salaried labour and averaged 40,000 francs CFA yearly income--'a veritable bourgeoisie de planteurs'.⁵¹

⁴⁷ Iliffe, Agricultural Change, p. 26.

⁴⁸ Ibid.

⁴⁹ Ibid

⁵⁰ Ibid.

⁵¹ See next page.

John Iliffe provides data on the extent of proletarianization among Africans, but his data does not distinguish between a landless proletariat and those farmers who supplement their farm incomes with periodic migrations into wage labour. Nevertheless, the data is indicative of the growth of economic differentiation, i.e. in 1926 some Hangaza and Rundi labourers were employed each year by the Haya coffee growers; and a 1944 survey of Mbozi suggests 45% of all Nyika coffee growers employed labour for wages.⁵² Plantation labour grew from 20,000 men in 1906 to 91,892 in 1912, and by 1913 the total in paid employment of all kinds was 172,000.

In sum, the vagaries of colonialism locked Tanzania and the Ivory Coast into positions of structural underdevelopment, i.e. "the evolution of certain economic and social structures which are characteristic of underdeveloped areas and which tend to be self-perpetuating. Underdevelopment in this sense refers to the economic structure of a country rather than its total level of wealth, although a country whose economy is structurally underdeveloped is unlikely to be able to achieve rapid and sustained economic growth."⁵³ These structures inevitably create 'dependent' economies, as earlier defined in the introduction, once the colonies attain sovereignty. That is to say, they can generate neither self-reliant nor self-sustained economic growth, and the result

⁵¹ B. Campbell, "The Ivory Coast," in J. Dunn (ed.), West African States: Failure and Promise (Cambridge: Cambridge University Press, 1978), p. 73.

⁵² Iliffe, Agricultural Change, pp. 19 and 26-27.

⁵³ Ibid., p. 28.

is underdevelopment.

Briefly, the effects of colonialism in both cases were:

- 1) creation of a primary-product export-oriented economy dependent on European markets;
- 2) necessary inputs to industrial production were externally derived, so that profits from investments flowed out of the country and back to the source;
- 3) the reinforcement of extensive agricultural production techniques;
- 4) the absence of creative incentives to encourage the development of indigenous technology and markets; and
- 5) the displacement of pre-colonial modes of production, thereby creating conditions for social differentiation along class lines.
- 6) impoverishment of the masses who were reduced to subsistence by the process of peasantization, while there emerged a domestic bourgeoisie enriched by the enclave/export-trade and dependent on colonial authority.

In conclusion, these were the conditions which were to prevail throughout the histories to these countries.

C. The Post-Colonial Period

In Tanzania and the Ivory Coast, cash crop production co-exists with production of the communal/subsistence type. However, the former dominates the latter. In both countries, primary product exports comprise the largest single contributor to national revenues. Virtually every rural inhabitant contributes to cash crop production in one way or another, with few being totally immune from it.

Wealthy capitalist farmers are numerically few, but they account for a large proportion of production. (See the data given earlier for Ivorian farmers in 1965). Their comparatively large incomes permitted luxury consumption, or urban investment in real estate, trucks or taxis, etc.⁵⁴ Such national aggregate data is not available for Tanzania, but surveys of various regions suggest similar trends, e.g. Awiti's sample of four villages in Ismani shows capitalists own from 40 to greater than 350 acres of land, have 53% of the total available land under cultivation, and receive 76% of the total income.⁵⁵ There are middle and poor peasants engaged in cash cropping, in combination with subsistence farming and food crop production to supply the domestic market. Also, the northern reaches of the Ivory Coast, like the southern areas of Tanzania, and the peripheral countries (i.e.

⁵⁴B. Campbell, "The Ivory Coast," in J. Dunn (ed.), West African States: Failure or Promise (Cambridge: Cambridge University Press, 1978), p. 73.

⁵⁵A. Awiti, "Ismani and the Rise of Capitalism," in L. Cliffe et al., (eds.), Rural Co-operation in Tanzania (Dar es Salaam: Tanzanian Publishing House, 1975), pp. 62-64.

Ivory Coast:
 Table 2.1: Volume of Agricultural Production--Main Food Crops
1965-85 (thousand tons)

<u>Main Food Crops</u>	<u>1965</u>	<u>1970</u>	<u>1975</u>	<u>1980*</u>	<u>1985**</u>
Paddy	250	316	400	740	700
Maize	200	231	280	360	NA
Sorghum & Millet	45	43	50	NA	NA
Yam	1,300	1,551	1,750	2,170	NA
Cassava	500	540	650	750	NA
Plantain	600	650	780	900	NA
Taro & Sweet Potato	180	203	240	275	NA
Groundnuts	28	42.5	45	60	NA

* planned target

** World Bank forecast

NA not available

Source: World Bank, Ivory Coast: The Challenge of Success
 (Baltimore: John Hopkins University Press, 1978), p. 406.

Upper Volta and Dahomey for the Ivory Coast, and Rwanda and Burundi for Tanzania) supply migrant labourers for commercial agriculture.

Despite the emphasis on production for export (ostensibly to fill the national coffers with foreign exchange which is needed to launch development projects), food production is satisfactory in the Ivory Coast. Table 2.1 shows the impressive increases in food crop production, which increased by 5.2% in 1975 while the population growth rate was around 3.8%. In Tanzania, food crop production has progressively deteriorated (see Table 2.2).

A World Bank economic survey of the Ivory Coast in 1975 reports a lessening dependency on food imports in spite of rapid urbanization and an increase in per capita incomes.⁵⁶ Domestic food crop production has increased considerably over the past ten years.⁵⁷ Food imports per urban inhabitant declined from 200 kgs. in 1965 to 115 kgs. in 1974.⁵⁸ The Ivory Coast suffered only marginally from the 1972-73 drought. Food production has since recovered, and has kept pace with economic plan forecasts.⁵⁹

Tanzania suffered severely from a drought in 1973-74. Disregarding this, the country still exhibits a poor food production

⁵⁶World Bank, B.A. den Tuinder (co-ordinator), Ivory Coast: The Challenge of Success (Baltimore: Johns Hopkins University Press, 1978), p. 199.

⁵⁷Ibid.

⁵⁸Ibid.

⁵⁹Ibid., p. 33.

Table 2.2: Tanzanian Performance in Efforts to Attain Food Self-Sufficiency (Self-Sufficiency in Basic Needs Production)
(Millions of Shillings)

Year	Total Imports	Imports of Food, Beverages, & Tobacco	Imports of Food, Beverages & Tobacco as A Percentage of Total Imports	GDP	Imports of Food, Beverages & Tobacco as A Percentage of GDP
1964	948.3	57.2	6.0%	5,594	1.0%
1965	1,076.6	68.2	7.2%	5,671	1.2%
1966	1,366.9	83.6	8.8%	6,514	1.3%
1967	1,361.4	72.6	5.3%	6,735	1.1%
1968	1,531.7	57.0	3.7%	7,182	0.8%
1969	1,418.8	63.6	4.5%	7,460	0.9%
1970	1,939.2	64.0	3.3%	8,215	0.8%
1971	2,414.4	83.9	3.5%	8,845	0.9%
1972	2,546.3	176.0	6.9%	10,130	1.7%
1973	3,139.5	129.2	4.1%	11,558	1.1%
1974	4,957.9	1,013.3	20.4%	13,749	7.4%
1975	5,303.4	1,008.4	19.0%	15,981	6.3%
1976	4,680.6	427.7	9.4%	16,812	2.5%

Source: Thomas Biersteker, "Self Reliance in Theory and in Practice," a paper presented at the 20th annual convention of the International Studies Association, 21-24 March 1979, p. 24.

position⁶⁰ (see Table 2.2). The government has been unable to raise agricultural productivity, let alone achieve one of its primary goals: self-sufficiency in food production.⁶¹ The rate of food output has barely kept pace with the rate of population growth.

Lastly, the post-colonial period ushered in a push toward industrialization in both countries. Centralized in the urban centres, of an import-substituting nature, owned and/or managed by foreign firms, the Ivorian and Tanzanian industrial sectors contribute minimally to GDP, but yet this sector is the focus of economic development plans in both countries. Thus far, the rural sector has little input into the industrialization process, although each country manufactures cotton into cloth and does some domestic food processing. However, it is the revenue earned by agricultural exports which is used as domestic finance, in addition to foreign investment, for industrial enterprise.

In review of the process of change in the economic production systems in Tanzania and the Ivory Coast, there were many pre-colonial similarities. In both countries, the people were involved in subsistence production. Land was communally owned, and usufructary rights were assigned by traditional leaders. The villagers engaged in petty trade with neighbouring villages. In both countries, long-distance trade was a lucrative business, however it was primarily the commercial preserve of the chieftancy. In long distance trade, one witnesses a mild

⁶⁰ World Bank, Tanzania: Basic Economic Report: Annex VI, Agricultural and Rural Development (December 1977), p. 8.

⁶¹ Ibid.

form of capitalism, i.e. commodity production for market exchange with the use of currency. Also in Tanzania, the clove plantations, run with slave labour, producing for the export market and the transformation of nearby areas into suppliers of food is indicative of the commercialization of agriculture in pre-colonial Africa.

Furthermore, according to the earlier established criteria for social classes, an embryonic social class system existed. Firstly, although no one was deprived of the major means of production, i.e. land (even slaves had usufructary rights), some social members had access to better lands than others. Thus inequality existed. Secondly, there was exploitation of labour, but only of slaves by their owners. However, slaves were usually obtained outside the society, and the entire economic system did not operate on the basis of the appropriation of labour. The social structure which did exist can be conceptualized as follows:

The European slave trade and colonialism drastically altered the African economic system and social structure. The penetration and eventual pre-dominance of the capitalist mode of production created a more clearly defined social class system and greater social inequality. The appropriation of labour gradually became an integral part of the economic system.

The difference between these processes in Tanzania and the Ivory Coast was that the Ivoriens were allowed to participate in the

production of a cash crop where they could compete with European producers, and even excel, once discriminatory labour-supply policies were abolished. However, this was not the case in Tanzania. The colonial government sought to limit the number of commercial farmers because freely available wage labour was needed to run the all-important sisal plantations. This was not an area where Africans could successfully compete against Europeans. Therefore, cash crop production was not a profitable enterprise. Even the colonial government's 'plant-more-crops' campaign during the 1930's and early 1940's failed because the economic returns on cash crop production were not enough to induce widespread commercial farming. It was not until the late 1940's and 1950's when the sisal market declined, the coffee market boomed and taxes were raised that Africans began entering into capitalist production at increasing rates. At this time, the government began to invest in indigenous commercial farming.

The dominance of Africans in the colony's most important economic sector, coffee and cocoa production, afforded the Ivoriens the opportunity to become an economically significant group at an early stage, and thus establish a strategic economic base for themselves. This was not an advantage known to the colonized Tanzanians. Here, sisal production was economically crucial to the colonial economy until the 1960's, and its production was virtually an exclusive preserve of the British. This economic disincentive combined with colonial neglect for indigenous commercial farming prevented the Tanzanians from acquiring an economic base and evolving into a national bourgeoisie controlling the major means of production, as the Ivoriens had done.

Thus, the nature of what would eventually become the ruling class in each country would differ considerably.

Let us look more closely at the emergence of social classes in each of these countries, and this latter group in particular.

- CHAPTER THREE -

RURAL SOCIAL DIFFERENTIATION IN TANZANIA

Thus far, we have witnessed the germination of a social class system in Tanzania and the Ivory Coast as a result of the change in the mode of production. No longer does every member of society have equal access to the means by which that society sustains its population and produces its wealth. The mode of production in each country evolved from an earlier system dominated by a commercial-subsistence mode of production. Now, the production system is dominated by capitalism co-existing with traditional subsistence production. In both countries, by the 1950's in the rural areas, there was a clearly observable, but small, stratum of farmers carrying out production in a capitalist mode, i.e. farming large acreages (relative to the cultivated landholdings of most rural inhabitants) of cash crops, using hired labour in conjunction with some degree of mechanization, and reaping substantial incomes. It has not yet been empirically shown to what degree these farmers exploit the labourers they hire, and how much surplus gained from labour exploitation is re-invested back into the farm enterprise. These are factors which can be used to empirically differentiate between rural social classes. In toto, the concrete criteria which will be used to distinguish one class of farmers from another are:

- (1) size of landholdings;
- (2) use of hired labour;
- (3) level of re-investment of surplus (as indicated by use of modern technology, e.g. machinery); and

(4) income and production levels.

Based on these criteria, the following model¹ conceptually outlines rural class structures in Tanzania and the Ivory Coast:

It is necessary to emphasize at the outset the futility of assigning quantitative limits to variables such as size of landholdings

¹This model has been culled from L. Cliffe, "The Method of Political Economy and Socialist Practice in Rural Tanzania," in L. Cliffe et al. (eds.), Rural Co-operation in Tanzania (Dar es Salaam: Tanzanian Publishing House, 1975), pp. 180-199.

and income, as a means of determining class membership. For example, in Tanzania, a farmer who owns two hectares of land and earns U.S. \$200 per year² may be regarded as a wealthy petty capitalist farmer. On the other hand, his Ivorien counterpart does not necessarily share the same class membership simply because of a similar economic profile. It must be remembered that the existence of social classes is determined by the presence of certain social processes in a given society, e.g. exploitation of labour, privileged access to the major means of production, re-investment of capital into the enterprise. Therefore, class membership is determined by a farmer's level of participation in these social processes, and not by his income and property holdings. Size of landholdings, level of incomes, level of re-investment, number of labourers hired are indicators of social relations of production, e.g. who, if anyone, is exploited in the production process, how and by whom?

The next two chapters will show the emergence of the Tanzanian and Ivorien rural capitalist classes and how members of these classes used their wealth and social powers to capture political positions and further advance their class interests. Herein, the relations between foreign capital and the state and the effects of these relationships on the nature of the respective ruling classes will also be examined.

²Imaginary estimates.

A. Capitalist and Petty Capitalist Farmers

A capitalist farmer is one who hires labour and exploits it by extracting surplus labour, i.e. labour over and above the amount needed to pay for the subsistence of the individual labourer. This is accomplished by paying the labourer a wage that is below the marketed value of the product of his labour. The surplus (the difference between what is paid to the worker and what is received from the sale of his product) is available to the capitalist for re-investment into the farm enterprise by expanding the land surface under cultivation, or by raising productivity through better organization of labour, land improvement and technological innovations.

In Tanzania, it is extremely difficult to differentiate between big capitalist farmers and petty capitalist farmers (also known as rich peasants or 'kulaks') because the social relations of production described above apply to both groups. In essence, they are two strata within one class, and what differentiates one stratum from the other is basically a matter of degree. However, as mentioned in the introduction to this chapter, it is not useful to construct arbitrary quantitative limits. This analysis borrows Philip Raikes' distinction between the two groups:

I make no strong distinction between rich peasant and African capitalist farmers, since even the largest of the latter (with up to 1,000 acres or even more) follow a diversified and short-term profit-oriented investment pattern, imposed . . . by the fragility of legal property relations and the high profits to be made in a number of agency, mediatory and other interstitial transactions. Both rich peasants and capitalist farmers are assumed to be accumulators, without this necessarily implying any 'classical' pattern of productive accumulation confined to agriculture. Middle peasants,

by contrast, are taken to be those who maintain living standards without recourse to outside labour but without accumulating, even though they may in some cases hire labour. ³

i. Landholdings

By the end of the 1940's, the capitalist farmers in Tanzania were primarily foreigners who operated estates and plantations. They controlled 1% of the total land surface, which is a significant amount seeing that only 8-10% of Tanzania's total land surface is under cultivation at any one time. In effect, this 1% amounted to 10% of the cultivated area, with their production accounting for 40% of the total marketed agricultural production. ⁴

In the decade prior to independence, there had emerged an embryonic class of African capitalist farmers concentrated in Tanzania's traditionally wealthy areas of Kilimanjaro, Ismani, Lake Victoria. These farmers had used the co-operative movement as a means of furthering their economic interests. African marketing co-operatives were established as an alternative to selling cash crops to corrupt Asian traders who monopolized the marketing system. Therefore, the establishment of co-operatives had nothing to do with co-operative farming or socialism; it was basically a venture undertaken by entrepreneurial African farmers who sought to avoid being cheated out of a fair price for their produce.

The colonial government disliked dealing with the Asian traders

³ P. Raikes, "Rural Differentiation and Class Formation in Tanzania," Journal of Peasant Studies 5 (No. 3, April 1978), pp. 319-320, footnote 7.

⁴ Ibid., p. 288.

principally because they could not control them.⁵ Crop by crop, the colonial government, and later the independent government, made native co-operatives the only legal purchasers of specific crops.⁶ This gave the African co-operative movement an unprecedented boost and the co-operatives, e.g. the Kilimanjaro Native Planters Association (KNPA, 1925) and the Victoria Federation of Co-operative Unions (VFCU, 1950) to name only the two most famous, rapidly became one of the biggest African-controlled commercial organizations on the whole Continent.⁷

These co-operatives not only received monopolies over the marketing of certain crops, but their wealthier members⁸ were targets for

⁵Andrew Coulson, "Agricultural Policies in Mainland Tanzania" in Review of African Political Economy 10 (Sept.-Dec. 1977), p. 83.

⁶Ibid., p. 84.

⁷Ibid., p. 82.

⁸The wealthy members of co-operatives were those farmers who had accumulated enough capital from other employment, e.g. salaried civil servants, traders, hired labourers, to enter into relatively large-scale commercial farming. It must be noted that chiefs did not play a great role in the co-operative movement. In fact, they opposed it because they viewed co-operative societies, and rightly so, as a forerunner for opposition to their power and privileges. Those peasants who used the co-operative movement to catapult themselves into pre-independence positions of native power and privilege are referred to by Samoff and Samoff (1976) as a "counter-elite", with a clear interest in opposing the chiefs. Nevertheless, as mentioned in Chapter Two, the chiefs were significantly engaged in commercial farming, and by exploiting both slave and captive labour, they were the first beneficiaries of cash cropping. Joel and Rachel Samoff, "The Local Politics of Underdevelopment" in The African Review 6 (No. 1, 1976), p. 76; see also J. Iliffe, "The Age of Improvement and Differentiation (1907-45)" in D.N. Kimambo and A.J. Temu (eds.) A History of Tanzania (Nairobi: East African Publishing House, 1969), pp. 134-138.

colonial and national government strategies of rural development. Both administrations supplied them with credit, extension services, farm implements and other vital agricultural inputs because they were perceived as "progressive", and therefore most likely to adopt and successfully implement new agricultural methods and technologies. Also, the British administrators felt it would be to their advantage to encourage the emergence of a class of wealthy African farmers in place of a peasantry because they believed:

" . . . the emergence of such relatively wealthy individuals in the community will provide a stabilising factor of immense importance to the future of this country."⁹

Also, it would make good economic sense to grant independence to a colony which had a social stratum with a vested economic interest in maintaining ties with the world economy. In pursuit of this objective, the colonial government attempted to replace the customary native land tenure system with a 'freehold' system, i.e. individual ownership. However, TANU successfully opposed this manoeuvre because it foresaw the creation of a landed bourgeoisie where, if Africans were allowed to buy and sell land, 'only a few rich and clever Tanganyikans would possess the land and all the others would be peasants'.¹⁰

The 'right of occupancy' granted under the Land Ordinance 1923 and extended to Africans in 1928 is still the main form of tenure in

⁹ J. Iliffe, Agricultural Change in Modern Tanganyika (Nairobi: East African Publishing House, 1971), p. 37.

¹⁰ G.M. Fimbo, "Land, Socialism and the Law in Tanzania" in Gabriel Ruhumbika (ed.), Towards Ujamaa (Nairobi: East African Literature Bureau, 1974), p. 243.

the country.¹¹ This means "a title to the use and occupation of land" provided the land is used and occupied in accordance with African law and customs and documentary title is not necessary¹². The land is allocated by customary means, e.g. inheritance, tributes paid to ~~the~~ chief, but whoever uses the land holds de facto title over it. The Land Regulations of 1948 also provide that the right of occupancy cannot be disposed of without the approval of the Commissioner for Lands. Approval would not be given if the land has not been developed. Once the landholder had developed the land, he was free to transfer it, to sell it on the market and to appropriate the difference between the cost price and the selling price.¹³ Thus, the right of occupancy is a form of private property and 'public land has little meaning and the Prime Minister's pronouncement that the selling of land is illegal has had no legal backing'.¹⁴ Contrary to Shivji's contention that very little land was privately owned,¹⁵ the distinction between de jure private ownership and de facto ownership reveals that Tanzanian peasants, although lacking legal ownership, did control the land over which they had usufructary rights as private landowners. (The aspect of private property as it relates to landlordism will be discussed shortly.)

¹¹ Ibid., p. 245.

¹² Rude James, Land Tenure and Policy in Tanzania (Toronto: University of Toronto Press, 1971), pp. 93-112.

¹³ Fimbo, op.cit., p. 245.

¹⁴ Ibid., p. 246.

¹⁵ Issa Shivji, Class Struggles in Tanzania (New York: Monthly Review Press, 1974), p. 50.

Also, there were those peasants who were de jure private landowners. Individual freehold land ownership became the norm in the heavily populated, fertile regions of Tanzania and spread to other areas as cash cropping advanced. For example, enclosure of common lands for private farming was virtually complete on Kilimanjaro, was proceeding apace in Meru and Rungwe, and was beginning even in remote Buha and Mara once commercial crops became common.¹⁶ Thus, those indigenous farmers with capital, earned from other ventures, e.g. salaried or wage employment, traders, etc. (see footnote 8) were afforded the opportunity to expand and consolidate their landholdings.

These farmers were the object of the 1963 land nationalizations when the government implemented legislation to convert freehold title into government leases, i.e. the state assumed title to the land and leased it to the former freeholder for a nominal sum, e.g. rent for a landholding not exceeding 999 acres for Shs 20/- per year over a period of up to 99 years. As in the case of rights of occupancy, land could not be disposed of without the consent of the Commissioner of Lands and this was granted only if the land was developed. Thus land was still very much a commodity.¹⁷

It is difficult to gauge the size of the pre-independence African 'big capitalist' class. There are sketchy reports of African farmers who owned thousands of acres of farmlands.¹⁸ It is doubtless

¹⁶ John Iliffe, A History of Tanganyika (Cambridge: Cambridge University Press, 1972), p. 459.

¹⁷ Fimbo, op.cit., p. 245.

¹⁸ Ibid., p. 458.

that such farmers were a national rarity, confined to Tanzania's more prosperous areas with a history of cash-cropping.¹⁹ Also, large per capita landholdings do not indicate that a coinciding and comparable scale of capitalist farming is necessarily being carried out. Therefore, it will be assumed that at independence, the indigenous segment of 'big capitalist' farmers was numerically small, limited to certain geographical areas, and their impact on Tanzanian society was isolated. They are not our primary concern here.²⁰

On the other hand, 'kulaks' or petty capitalists were more common during the 1950's and 1960's. They also were concentrated in the most arable and densely populated regions of Tanzania. For example, Iliffe writes that by 1959, some 270 Africans in the Northern Province of Mbulu were each farming more than 50 acres of wheat; plots of 25 acres were noted in the densely populated lake plains of Rungwe in the mid-1950's, where the average holding was 1½-2 acres per family.²¹

Because of colonial rights of occupancy extended to Africans in 1928 which allowed pioneers to own whatever unsettled land they cleared, tractor-owning farmers were able to carve out large, privately

¹⁹ A. Awiti, "Ismani and the Rise of Capitalism," in J. Iliffe et al. (eds.), op.cit., pp. 62-63, 67, 70, 72 & 75.

²⁰ It is likely that this group is among those Africans who took advantage of the colonial government's provisions for land alienation. In 1960, the total area of lands alienated to Africans under long term rights was 17,226 acres divided between only 35 African landholdings. (James, op.cit., p. 98).

²¹ Iliffe, Agricultural Change, p. 40.

owned landholdings.²² Private land ownership varied directly with cash cropping, which in turn varied directly with land fertility. This move toward the privatization of land ownership did not simply develop as a spontaneous response by farmers to a capitalist mode of production. The colonial government and early pre-independence government policies actively promoted private land tenure because security of land tenure was perceived as conducive to raising agricultural productivity through long term investment in the land.²³ Land became a marketable commodity. Rounce et al. report land sales "of classroom" size plots in 1959 in Ukara, Lake Victoria for Shs 400-800 each.²⁴

It is imperative to note that there is an abundance of available land in Tanzania, but good land is scarce. Therefore, the concern here is not with absolute land scarcity, but relative land scarcity.

In areas which are densely populated, e.g. Kilimanjaro, the Lake Regions, the trend is toward severe fragmentation of landholdings, a few people own the best land, use intensive farming techniques with lower levels of mechanization. In newly settled areas, there is a wide divergence in the size of landholdings. A few individuals own large amounts of land, while the majority own comparatively little. They employ a larger labour force with greater regularity, using extensive, highly

²² Iliffe, A History, p. 455.

²³ D.D. Yonge, "Land Tenure Reform," in Hadley E. Smith (ed.), Agricultural Development in Tanzania (London: Oxford University Press, 1965), p. 61.

²⁴ Hans Ruthenberg, Agricultural Development in Tanganyika (New York: Springer-Verlag, 1964), p. 32.

mechanized farming techniques.

To illustrate the former case, in one Lambhya village (south central Tanzania, Rungwe District) in the 1960's, 34% of the peasants were not able to obtain any of the highly fertile river land, while 10% of the total number of households owned 45% of the total acreage of river land.²⁵ This is undoubtedly the result of a process which began well before independence. In the Western Usambara Mountains in northern Tanzania, where land distribution is highly fragmented and the population was reported to be worse off in 1965/66 than it was seventy years previous, a study of smallholder farming in the area showed that approximately one-third of the families owned two-thirds of the land, and this is without regard to the quality of that land.²⁶

²⁵P.M. Van Hekken and H.U.E. Thoden Van Velzen, *Land Scarcity and Rural Inequality in Tanzania: Some Case Studies from Rungwe District* (The Hague: Mouton & Co., 1972), pp. 20-21. This trend held true in several other Rungwe District villages surveyed by the authors.

²⁶M. Attems, "Permanent Cropping in the Usambara Mountains," in H. Ruthenberg (ed.), *Smallholder Farming and Smallholder Development in Tanzania* (London: C. Hurst & Co., 1968), pp. 141-142. Attems's data is analyzed by I. Cliffe, W. Tuttrell, and J. Moore (see I. Cliffe et al., eds., *Rural Co-operation*, pp. 166-171). Their analysis suggests that although some students of peasant society feel the eternal flux of the peasant family cycle accounts for this difference in the size of landholdings (i.e. larger families have larger landholdings), there are nevertheless families who have more than their share of subsistence acreage per adult. Consequently, there are occasional cases of landlessness, a significant minority of poor peasants who must sell their labour to subsist, the great majority are "middle peasants", about 10% are rich peasants who hire labour and are engaged in small businesses or salaried employment, and a few score are capitalist farmers, e.g. overseas companies owning plantations, estate owners, etc.

Ismani exemplifies the second case of a newly settled region where the size of individual landholdings are widely divergent. For example, in 1957 over 60% of Ismani farmers had less than 10 acres and this was still the case in 1969.²⁷ This 60% lived side-by-side with large capitalist farmers who used advanced technology (e.g. tractors and ox ploughs), cultivated large acreages of maize for cash, e.g. over 100 acres, and hired labourers and other services.²⁸ What must be emphasized here is not so much the disparity in land distribution, but the possession by a few farmers of the necessary capital to bring their land into profitable production.

The practice of 'landlordism', i.e. land rental, became common in areas such as Ismani where there was no longer a reserve of unclaimed arable land. ~~In the Ismani area, land was freely allocated by the Village Development Officer to immigrant farmers who came, at the government's urging, to develop commercial maize production. Therefore, capital was not needed to obtain large expanses of land. However, many large landholders later discovered they lacked the capital inputs to bring their~~ holdings into production. They then resorted to renting land to capitalist farmers who did not necessarily live in the area, but used land

²⁷ R. Feldman, "Ismani," in F.G. Bailey (ed.), Debate and Compromise: The Politics of Innovation (Oxford: Basil Blackwell, 1973), p. 282.

²⁸ Ibid.; see also A. Awiti, op.cit., pp. 54-55. P. Gulliver's 1955 study of the Nyakyusa of the Lake Region notes that chiefs, their relatives (because of their social status) and a few commoners (who perceived the future value of land when it was freely available) farmed large acreages of rice paddy, e.g. 25-30 acres, as compared to the rest of the region's farmers who cultivated plots with an average size of 1-2 acres. (P.H. Gulliver, Land Tenure and Social Change Among the Nyakyusa London: [King and Jarret Ltd., 1958], pp. 14-17.)

to cultivate maize for sale.²⁹ Another method used allowed capitalist, tractor/ox-plough owning farmers to cultivate a portion of their holdings in return for ploughing the 'landlord's' fields also. Therefore, in some areas of Tanzania, landholdings do not always correlate with other economic indicators of capitalist farming, but the size of land under cultivation is a more accurate indicator. This is substantiated in columns 2 and 3 of Table 3.1, which show Ismani capitalist and petty capitalist farmers to have the most acres under cultivation irregardless of who holds title to the land. Finally, land use supercedes ownership because of the independent government's disdain for all the trappings of capitalism, and private ownership of land is considered a major one. Consequently, they abandoned their earlier support of individual land tenure as a means of promoting agricultural development, in favour of traditional African systems of communal land tenure.³⁰

Rayah Feldman's study of Ismani in the mid- and late-1960's shows that approximately one-quarter of the population of Kikengeji Ismani cultivated rented land.³¹ Manuel Gottlieb would not agree that

²⁹ A similar trend was observable in the wheat farming area of the Northern Region; Hans Ruttenberg, Agricultural Development, pp. 28-29.

³⁰ R. Feldman, "Custom and Capitalism: Changes in the Basis of Land Tenure in Ismani, Tanzania," in Journal of Development Studies 10 (No. 3, April-July, 1974), pp. 305-320.

³¹ R. Feldman, "Rural Social Differentiation and Political Goals in Tanzania," in I. Oxaal, T. Barnett and D. Booth (eds.), Beyond the Sociology of Development (London: Routledge & Kegan Paul Ltd., 1975), pp. 162-163.

Table 3.1: General Data on the Class Structure of Ismani (Summarised Characteristics of Four Sample Villages--Mkungugu, Kihorogota, Igula and Mangawe).

Classes and strata		1 No. of households	2 Acres under crop cultiv.	3 Av. acres under crop cultivation	4 Total No. of labour force in household	5 Av. labour force per household	6 Total Population	7 Av. No. persons per household	8 Number of Wives	9 Total No. of Adults Males/Fem.	10 Children over 14 years	11 Children under 14 yrs at Wazee (persons over 60 years)
Poor Farmers	I. Cultivating 1-5.9 acres	155	586	3.8	391	2.5	650	4.2	142	297	94	259
	II. Cultivating acres 6-14.9	84	848	10.0	274	3.2	472	5.6	99	183	91	198
	Sub-total	239	1434	6.0	665	2.8	1122	4.7	241	480	185	457
Petty Capitalist	III. Cultivating 15-24.9 acres	49	995	20.3	197	4.0	330	6.7	72	121	76	133
	IV. Cultivating 25-39.9	31	995	32.0	149	4.8	262	8.4	48	79	70	113
	Sub-total	80	1990	24.9	346	4.3	592	7.4	120	200	146	246
Capitalist (Rich Farmers)	V. Cultivating 40-99.9 acres	19	940	49.4	111	5.8	257	13.5	55	74	37	146
	VI. Cultivating 100-349.9 acres	9	1360	151.7	37	4.1	70	7.7	15	24	13	33
	VII. Cultivating 350 acres and over	2	1500	750.0	16	8.0	24	12.0	4	6	10	8
	Sub-total	30	3806	126.9	164	5.5	351	11.7	74	104	60	187
	TOTAL	349	7230	20.7	1175	3.4	2065	5.9	435	784	391	890

Table 3.1
(cont.)

Classes and Strata		% of Total Households	% of Total acres under crop cultivation	% of Total Labour Force	% of Total Population	% of Total Number of Wives	% of Total number of children over 14 yrs
Poor Farmers	I. Cultivating 1-5.9 acres	44%	8%	33%	31%	33%	24%
	II. Cultivating 6-14.9 acres	24%	12%	23%	23%	23%	23%
	Sub-total	68%	20%	56%	54%	56%	47%
Petty Capitalist	III. Cultivating 15-24.9 acres	14%	14%	17%	16%	17%	19%
	IV. Cultivating 25-39.9 acres	9%	14%	13%	13%	11%	18%
	Sub-total	23%	28%	30%	29%	28%	37%
Capitalist (Rich Farmers)	V. Cultivating 40-99.9 acres	5%	13%	9%	12%	13%	9%
	VI. Cultivating 100-349.9	3%	19%	3%	3%	3%	3%
	VII. Cultivating 350 acres and more	1%	21%	1%	1%	1%	3%
	Sub-total	9%	53%	13%	16%	17%	15%
	TOTAL	100%	100%	100%	100%	100%	100%

Source: A. Awiti, *op.cit.*, p. 62.

this case study is exemplary of similar, if somewhat lesser, trends elsewhere in Tanzania.³² Gottlieb's data do not even indicate that land rental is quite common in Ismani! However, his conclusions are based upon a superficial analysis of Tanzanian rural social processes, probably the result of a strict adherence ^{to} quantitative methodology. For example, he looks at variables such as rental income, rental ~~pay-~~ ^{and}ments (cash [^] in kind) and owner-occupied dwellings. Unfortunately, he overlooks the fact that the socialist Tanzanian government frowns upon land rentals and sales. Therefore, when responding to a survey questionnaire, it is extremely unlikely that farmers will admit to inter alia engaging in such illegal, albeit widespread, practices. Thus, it would be logical to assume that in areas like Ismani, where landholdings and cultivation techniques are extensive, rather than intensive as in Kilimanjaro, the rental of land is likely to be a common phenomenon.³³

Also, the reverse process of land rental was going on in those regions where the inequality of land distribution was most severe. Awiti's study of Ismani shows poor farmers hold 20% of the total acres

³² M. Gottlieb, "The Extent and Character of Differentiation in Tanzanian Agricultural and Rural Society, 1967-1969," in African Review 3 (No. 2, 1973), pp. 241-261.

³³ Raikes comes to a similar conclusion in his study of wheat farming in North Iraq. He notes that the renting of land is technically illegal. To get around this, poorer farmers who lack capital to buy the necessary farm machinery or to rent it, 'lends' his land to those farmers who possess the capital to bring the land into production. In return, the poor farmer receives a share of the crop; see P. Raikes, "Wheat Production and the Development of Capitalism in North Iraq," in L. Cliffe et al (eds.), op. cit., p. 83.

under crop cultivation, petty capitalists hold 28%, and capitalist farmers hold 53% (see Table 3.1).³⁴ In this case, the income derived from farming an average holding of 1-5.9 acres was insufficient to meet the basic necessities of a family of four. Therefore, poorer farmers resorted to renting land from petty capitalists who lacked the farming equipment to bring the land into production. The poor farmers paid Shs 20/- per acre without any consideration as to the quality of the land. Of a total 255 acres of land under rent, the stratum of poorer farmers occupied 94%.³⁵ The poor farmers also sold their labour as a means of income. This will be discussed more fully in the next section.

In conclusion, by independence there was an observable stratum of farmers who farmed large acreages of land, whether they held title to the land or not. Land ownership is not as important as access to cultivable land for example, through rental. Many people owned large holdings, but they were forced to rent it out because they themselves lacked the capital to bring the land into production. The sale of land was not an attractive option because of the low social status assigned to landless peasants. In densely populated areas, the number of acres under cultivation is less a differentiating factor among the rural people than is access to or ownership of the most fertile land. It was shown that a small number of farmers in heavily populated regions

³⁴Awiti was able to obtain this data whereas Gottlieb was not is due to the respective methodologies of each researcher. Awiti collected his data through direct observation of the community in question, whereas Gottlieb obtained his from the government's 1967 Census and the 1969 Household Budget Survey.

³⁵Awiti, op.cit., pp. 66 & 69.

monopolize the best lands. These farmers were sometimes chiefs who used their social powers to acquire land, but mostly they were traders or commoners who had earned capital in other endeavours and invested it in agriculture. They formed marketing co-operatives in order that they might receive fairer prices for their cash crops, and when the government threw its weight behind the co-operative movement, it only served to exacerbate a trend of inequitable landholdings which had already begun.

ii. Labour-hiring

Labour-hiring practices also vary widely within Tanzania depending on the nature of the crop, population density, degree of mechanization, the availability of labour, etc. Hiring practices are not comparable to those in highly industrialized countries. Although labour-hiring was quite common in Tanzania, those who hired labourers cannot automatically be considered capitalist. Many farmers who combined commercial and subsistence farming only hired labourers on an occasional basis, and at times were labourers themselves. On the other hand, there were farmers who depended upon hired labour for the successful operation of their enterprise.

Often the amount of land a farmer cultivated indicates the degree of dependence on hired labour because large farms usually exceed the resources of family labour. For example, in the densely populated regions where landholdings are highly fragmented, farms were run largely with the use of family labour. Iliffe refers to this as "the paradox of rural capitalism: the factors which cause land scarcity and freehold~~ership~~ also made it possible to use family rather than hired labour, thereby revitalizing the pre-capitalist lineage mode of operation."³⁶

In 1967, farms run on hired labour were concentrated in the cotton, maize, coffee or tea and tobacco growing regions, e.g. the Lake Victoria Regions, Kilimanjaro and Tabora.³⁷ Most peasant employers

³⁶ Iliffe, A History, p. 463.

³⁷ Gottlieb, op.cit., p. 247.

were small-scale, hired less than three labourers at a time, and in 1967, they employed only 44% of hired labourers. On the other hand, 3.5% of the total number of farm households reported employment of 11 or more labourers, accounting for an estimated 31,000 labourers (14%)--a significant volume of capitalist employment.³⁸

In both types of farming systems (i.e. densely populated, highly fragmented areas with a history of involuted cash cropping, or newly settled areas characterized by extensive, mechanized farm techniques), labour-hiring was common; however, in the latter system, the practice was more pronounced.³⁹ For example, in the over-populated Ukerewe, in 1963, the average grower spent only Shs 4,040/- per year in wages.⁴⁰ Iliffe quotes a writer describing cashew farms in Uzaramo:

"Anyone who can afford it hires labourers. . . . A man can be a good farmer only if he is in a position to hire labourers." ⁴¹

Iliffe quotes the rules of the Nguu Coffee Growers' Society as bluntly stating:

"It must be understood that the aim of this Society is to enable members to own farms without working on them themselves."⁴²

Labour-hiring was common in many other areas as well.⁴³ In

³⁸ Ibid., pp. 248-249.

³⁹ Iliffe, A History, pp. 462-463.

⁴⁰ Ibid., p. 463.

⁴¹ Ibid.

⁴² Iliffe, Agricultural Change, p. 40.

⁴³ See next page.

some areas, large landholdings exceed the capacity of family labour, thus creating a group of farmers for whom hired labour is important to production. However, this does not mean hired labourers are exploited, i.e. not given full and fair compensation for their labour time as determined by the marketed value of the products of their labour. It is difficult to assess non-estate agricultural wages because a wage rate does not account for intervening factors such as the cost of living, the level of unemployment, free food and housing, the magnitude of the task, time spent away from family fields and time spent walking to distant fields belonging to the employer. Besides, it is difficult to obtain accurate data on what agricultural workers were being paid by African farmers, especially when payment was often made in kind rather than in cash.

One means of measuring labour exploitation is by comparing the rise in farm incomes to the rise in agricultural wages. The post-World War II economic recovery along with political crises such as the Korean War caused a boom for commercial farmers. Between 1948 and 1954 the price of Kilimanjaro coffee rose from £130 to £591 per ton (355%), and in Sukuma, cotton prices rose from 25 cents per pound of seed cotton in 1950 to 60 cents in 1954 (140%).⁴⁴ The U.N. Visiting Mission to Tanganyika calculated a rise in agricultural wages between 1957 and 1958

⁴³ Labour-hiring is also widespread on the cotton farms in Sukumaland, the wheat farms in the Northern Region, and the coffee estates in Kilimanjaro; see Hans Ruthenberg, Agricultural Development, pp. 23-33.

⁴⁴ Iliffe, Agricultural Change, p. 39.

2

of only 7.5%, and the Tanganyikan Federation of Labour informed the Mission that it believed wages were below the proper subsistence level.⁴⁵

Awiti's findings from his study of Ismani approximately ten years later (1967) support the hypothesis that African capitalist and petty capitalist farmers exploit African labour. Awiti makes a clear, quantitative distinction between petty capitalist farmers and capitalist farmers, and his class of petty capitalists is further divided into poor petty capitalists.

His description of the poorer petty capitalists closely resembles what is herein referred to as middle-income peasants, e.g. middle range incomes, some income derived from petty trade, but they generally do not sell their labour to wealthier farmers, occasional difficulties in covering their daily necessities, farms run primarily on family labour.⁴⁶ However, the concern here lies with the wealthier stratum of petty capitalists and with the capitalists.

Awiti describes those who sell their labour as "mercilessly exploited by the owners of capital."⁴⁷ Because they owned only 4% of the total land purchased, and rented 94% of the land under lease, the poor Ismani farmers did not have enough land at their disposal to productively utilize the entire family labour force. Awiti calculates that this stratum would require 1,895 additional acres of land to

⁴⁵A. Skeffington, Tanganyika in Transition (London: Fabian Commonwealth Bureau, 1960), p. 26.

⁴⁶Awiti, op.cit., p. 65.

⁴⁷Ibid., p. 73.

absorb their surplus labour.⁴⁸ The social relations of production negated any possibility of land re-distribution through purchase in their favour. Therefore, they were forced to work for the petty capitalist and capitalist farmers at an abysmal wage of Shs 1.33/- per day,⁴⁹ (if the payment was made in kind they would receive foodstuffs) and under poor conditions. Columns 5 and 6 of Table 3.2 give a good assessment of the degree to which each class depends upon the exploitation of labour for the operation of the agricultural enterprise. It is clearly evident from this data that in some regions of pre-Arusha Tanzania, there existed a labour-exploiting capitalist class of farmers.

⁴⁸ Ibid., pp. 72-73.

⁴⁹ A comparatively high wage was considered to be Shs 1.90/- per day; see Ruthenberg, Smallholder Farming, p. 156.

Table 3.2: Labour Requirements

		1	2	3	4	5	6
Classes and Strata		Number of Households	Number of Labour Force	Acres Total	Labour Force requirements of each stratum and classes*	Labour surplus or deficit per household (col. 2 - col. 4)**	Labour surplus or deficit, Total (col. 2 - col. 4)
Poor Farmers	I. Cultivating 1—5.9 acres	155	391	58	117	1.8	274
	II. Cultivating 6—14.9 acres	84	274	848	169	1.3	105
	Sub-total	239	665	1,434	286	1.6	379
Petty Capitalists	III. Cultivating 15—24.9 acres	49	197	995	199	-0.4	-2
	IV. Cultivating 25—39.9 acres	31	149	995	199	-1.6	-50
	Sub-total	80	346	1,990	398	-0.7	-52
Capitalists	V. Cultivating 40—99.9 acres*	19	111	940	188	-4.1	-77
	VI. Cultivating 100—349.9 acres	9	37	1,366	273	-26.2	-236
	VII. Cultivating 350 acres and over	2	16	1,500	300	-142.0	-284
	Sub-total	30	164	3,806	761	-19.9	-597
TOTAL		349	1,175	7,230	1,445	-0.8	-270***

*Assuming 3 acres can be wooded per labourer each agricultural season under the techniques prevailing in Ismani.

**Deficits (indicated by "-") must be made up by an equivalent amount of hired labour, largely from the surplus strata.

***The theoretical *minimum* number of labourers which must be imported from beyond the four villages.

Source: Awiti, op.cit., p. 72.

iii. Incomes

The acquisition of the best and/or larger holdings of land, combined with a high degree of commercial cultivation using exploited labour, enabled the capitalist farmers to accrue predictably higher incomes than the majority of rural Tanzanians. These commercial farmers were the leaders of the co-operative movement, and membership in a co-operative also provided opportunities for increased incomes. This particular source of income will be discussed more fully in the next section.

Table 3.3 shows Awiti's income data on Ismani farmers. The data deal with the post-independence, pre-Arusha period, but nevertheless the figures are indicative of a trend that was probably well underway prior to independence. His data show that capitalist farmers account for 69% of all the maize produced and sold in Ismani, and in return, they reap 76% of the income. Compared to the petty capitalists and the poor farmers, they are the only class whose percentage of total income exceeds its percentage of production. This would suggest the capitalists are getting a better price for their maize. Awiti does not offer prospective reasons for this differential, and yet the figure does not include income earned from other means of production which they owned such as transporters, buses, milling machines and tractors-for-hire.⁵⁰ Possibly this higher farm income was derived from their access to marketing facilities, or production of a better quality of maize.

⁵⁰ Awiti, op.cit., p. 76.

Table 3.3: Estimated Production and Income

Classes and Strata		1 Total Acres	2(a) Maize Produce- tion (kg)	2(b) % of total maize produce & sold	3(a) Total Gross income	3(b) % of total income received	4 Number of House- holds	5 Average Gross Income per House- hold
Poor Farmers	I. Cultivating 1—5.9 acres	586	210,960	5%	54,850	4%	155	354
	II. Cultivating 6—14.9 acres	848	305,280	8%	79,372	6%	84	945
	Sub-total	1,434	516,240	13%	134,222	10%	239	562
Petty Capitalists	III. Cultivating 15—24.9 acres	995	358,200	9%	93,132	7%	49	1,901
	IV. Cultivating acres 25—39.9	995	358,200	9%	93,132	7%	31	3,004
	Sub-total	1,990	716,400	18%	186,264	14%	80	2,328
Capitalists	V. Cultivating 40—99.9 acres	940	676,800	17%	236,880	19%	19	12,467
	VI. Cultivating 100—349.9 acres	1,366	983,520	25%	344,232	27%	9	38,248
	VII. Cultivating 350 acres and over	1,500	1,080,000	27%	378,000	30%	2	189,000
	Sub-total	3,806	2,740,320	69%	959,112	76%	30	31,970
	TOTAL	7,230	3,972,960	100%	1,279,598	100%	349	3,666

Source: Awiti, op.cit., p. 72.

iv. Re-investment

Another indicator of the presence of an embryonic capitalist class in pre-independence Tanzania is the purchase of tractors, the true symbol of a 'progressive' farmer. Tractors were often purchased by the marketing co-operative in a particular area, and then rented out to the co-operative members.⁵¹ However, Iliffe reports that collective purchases were exceptional. Normally substantial savings were accumulated by individual farmers from other ventures, such as cash-cropping and primarily through trade as shopkeepers or cattle-dealers⁵² for the purchase of machinery--a capitalist investment afforded only by a few farmers. By 1958, there were 10 tractors in the Southern Province and 71 on Kilimanjaro; in 1961 in Mbulu District, 40 Africans possessed tractors, and there were smaller numbers elsewhere; and by 1958, some 50 Africans in Arusha District owned tractors, while two possessed combine-harvesters.⁵³

Private tractor-owners engaged in the lucrative business of tractor-rental. For example, in the 1966-67 season, a private tractor-owner paid a tractor driver Shs 5/- per acre ploughed (which amounts

⁵¹ At this juncture, the opportunity for corruption by those wealthy farmers who founded and operated the co-operative presented itself, e.g. using the tractors to farm their own land without reimbursing the co-operative, or pocketing the money received from other farmers who legitimately rent tractor services.

⁵² Iliffe, A History, pp. 456-457.

⁵³ Ibid., p. 455.

to 10% of the total rental income per acre) and drivers reported ploughing 10 acres per 10 hour day.⁵⁴ One private contractor claimed earnings of Shs 13,500/- per month during the ploughing season.⁵⁵ Although these data were collected 6-7 years after independence, it is nevertheless illustrative of pre-independence trends.

⁵⁴S.E. Migot-Adholla, op.cit., pp. 233-234.

⁵⁵Ibid., p. 234.

v. The Role of the Co-operative Movement

Co-operatives were a vehicle for the enhancement of the capitalist farmers. Firstly, the founders of the co-operative unions were not typical peasants, but were young, ambitious Tanzanians who perceived the co-operative movement as a way to success in African business.⁵⁶ For example, Joseph Merinyo who began the KNPA in Moshi in 1925 was the son of a Moshi war leader and a civil servant.⁵⁷ Paul Bomani, founder of the VFCU, was the son of a mission-educated Sukuma and he was the treasurer-accountant of the Mwanza African Traders Co-operative Society.⁵⁸

Secondly, co-operative unions, the intermediate level units in the organizational structure of the co-operative movement,⁵⁹ are comprised of several local-level primary societies, each with its own administrative committee. At all levels of administration, the co-operatives were invariably dominated by rich peasants. This invaluable position permitted them to divert co-operative (and later government) resources to their own enterprises. Tanzanian co-operatives were once

⁵⁶ Coulson, op.cit., p. 82.

⁵⁷ J. Iliffe, "The Age of Improvement and Differentiation (1907-45)," in D.N. Kimambo and A.J. Temu (eds.), op.cit., p. 136.

⁵⁸ Ibid.; see also G.A. Maguire, Toward Uhuru in Tanzania: The Politics of Participation (Cambridge: Cambridge University Press, 1969), pp. 84-85.

⁵⁹ S.E. Migot-Adholla, "The Politics of a Growers' Co-operative Organization," in L. Cliffe et al. (eds.), op.cit., p. 227.

renowned for their notorious corruption and inefficiency. The rich peasants who managed the co-operatives' funds and equipment, e.g. tractors, were using them for their own personal gain without reimbursing the co-operative. For example, the co-operative unions were responsible for a variety of agricultural services such as credit extension, transportation of produce to markets, the distribution and supply of insecticides, fertilizers, machinery and seeds and the organization of extension services. Migot-Adholla's study shows that co-operative committeemen ensured their own access to these benefits. Also, they were paid for their administrative duties. For example, each committeeman could expect at least Shs 150/- per year simply for being on duty in the co-operative office, regardless of his actual presence on the society's premises, and so they often stayed home and tended their own farms; they each received about Shs 30/- a year for supervision of the tractor rental service; they voted themselves a 'gift' each year out of the profits of the society; and inter alia, they were paid nearly Shs 700/- per year for just attending the committee meetings.⁶⁰

Although membership on the co-operative committee was a lucrative business in itself, the official or legal earnings constituted only a small part of a committeeman's emoluments from the co-operative society.⁶¹ For example, Migot-Adholla found that they used the

⁶⁰ Migot-Adholla, op.cit., pp. 236-239; see also J. Saul, "Marketing Co-operatives in Tanzania," in J. Cliffe & J. Saul (eds.) Socialism in Tanzania: Volume Two (Nairobi: East African Publishing House, 1972), pp. 146-148, for further description of the abuses of the co-operatives by the administrators.

⁶¹ Ibid., p. 238.

co-operative's tractors for their own farms, and made unreported and unscheduled stops to plough a farmer's field in exchange for immediate cash payment which was pocketed.

Members of the co-operative societies were also cheated through the pricing mechanism. For example, in the drier cereal-growing areas, cereals could be purchased from and sold to the co-operatives. The differential between the prices widened to the extent that the consumers' price rose by 50% in the period 1964-69, while the producers' price remained constant.⁶² In 1968, copra, the major market crop for Marungu Ward, Tanga District, was bought from the farmer by the co-operative society for Shs 6/60 to Shs 7/- per bag, and was sold by the co-operative for Shs 21/-.⁶³

Credit extension was another advantage these capitalist farmers were able to enjoy through their membership in a co-operative. The co-operatives themselves were booming financial enterprises, that is, until corruption and inefficiency began eroding profits. Poul Westergaard's description of the KNCU in 1961 is illustrative of the impressive positions of the KNCU and other co-operatives and the capital they are capable of generating.⁶⁴ e.g. the KNCU had built first-class coffee factories

⁶²Coulson, *op.cit.*, p. 85.

⁶³Clyde Ingle, From Village to State in Tanzania: The Politics of Rural Development (London: Cornell University Press, 1972), p.

⁶⁴P. Westergaard, "Co-operatives in Tanzania as Economic and Democratic Institutions," in Carl G. Widstrand (ed.), Co-operatives and Rural Development in East Africa (Uppsala: The Scandinavian Institute of African Studies, 1970), p. 127.

and offices, its own College of Commerce, and it enabled the Chagga people to achieve a high standard of living. The magnitude of these projects indicates that the co-operatives had the funds for credit extension. However, the unions were only willing to lend to those farmers whose mortgageable assets covered the amount borrowed should the borrower's project fail.⁶⁵ Inevitably, this meant that small farmers were only able to obtain small amounts of credit, if any at all. Collinson calculates that the amount a co-operative earns from a loan made to a small farmer would barely cover the postage on correspondence for the loan. Frankly, small farmers were not a good credit risk.

The independent government realized that existing credit facilities were not meeting the needs of the middle-income and poor peasant farmers, so they created the Agricultural Credit Agency (ACA) which took over the activities of the Land Bank and various African Loan Funds administered by the government. The ACA was to promote the extension of small loans to small farmers through loans made to co-operative unions. Unfortunately, they failed to penetrate to the ordinary farmer primarily because there was no control by the Agency over the administrative procedures between the co-operative union and the co-operative societies or the societies and their members.⁶⁶ The co-operatives still maintained control over the distribution of loan funds, therefore, farmers continued to be judged by their ability to

⁶⁵M. Collinson, "Tanzania's Co-operative Movement and Farmer Credit in the 1960's," in J. Cliffe *et al.* (eds.), *op.cit.*, p. 255.

⁶⁶Collinson, *op.cit.*, p. 258.

to repay. This implies that the credit received depends on the degree of commercialized farming. The most disadvantaged are the poor peasant farmers and the few landless labourers and migrant workers who cultivate minimal amounts, if any, of cash crops.

vi. Role in Politics

Before independence, African participation in politics in the rural areas was confined mostly to the co-operative unions and societies.⁶⁷ It has already been shown that the co-operative leadership was dominated by the wealthier, capitalist farmers. However, after independence, an intriguing relationship developed between (1) local political leaders, (2) representatives of the bureaucracy, and (3) the rural African capitalists and petty capitalists.

In many cases, the wealthy capitalist peasants were the local political leaders. H.U.E. Thoden Van Velzen⁶⁸ has done a most penetrating examination of the liaison between "the penetrators" (i.e. the government staff) and Kulaks. His case study of the Bulambia Division in the Rungwe District found a "dominant coalition" between these two groups. The government staff, e.g. agricultural extension officers, medical dispensers, village, community and divisional executive officers (local administrators), teachers, police officers, etc. use a strategy of "betting on the strong" in carrying out superior orders. In other words, they concentrate their developmental efforts on the 'progressive'

⁶⁷ There was also political participation at the local level through the Native Authorities which were district colonial institutions dominated by chiefs who were given the responsibility of carrying out colonial government policy at the local level.

⁶⁸ H.U.E. Thoden Van Velzen, "Staff, Kulaks and Peasants: A Study of a Political Field," in L. Cliffe and J. Saul (eds.), op.cit., pp. 153-179.

farmers whom they feel are more likely to adopt and implement new innovations. This group is identified by its success in agriculture--the most successful farmers are also Kulaks. Consequently, the poorer peasants are not considered viable targets of development. As targets of development, Kulaks receive from staff members access to material resources such as: agricultural extension advice and expertise, farm implements, seeds, transport, medicine and medical services, and employment in government service in unskilled positions, e.g. as a messenger. The staff legitimately control arenas such as the local court, police investigations, and special enquiries. They also exert indirect influence over the Village Development Committee. Therefore, they are able to offer Kulaks the strength of their support in legal disputes and their influence in helping them obtain official positions.

These favours do not go unrewarded. In return, Kulaks offer desirable resources such as loans of fertile plots of land for the production of cash crops, gifts of food, and valuable information on community affairs. Thus the bond is formed and the dominant coalition is a mutually profitable one which excludes the mass of the peasantry from a number of privileges and positions of power.⁶⁹

In the arena of elected political offices (e.g. TANU, Village Development Committee), the Kulaks are again dominant. In a survey of

⁶⁹ It must be noted that Thoden Van Velzen does not consider the dominant coalition to be a permanent one. Occasionally, the poor and wealthy peasants united against the staff, but these alliances are usually short-lived and do not change the power profile. Also he predicts that with the government's growing emphasis on the poorest peasants, the staff will be forced to change their strategy to one of betting on the weak.

Table 3.4a: Official Functions occupied by the Wealthiest 20% of Peasant Households, Itumba

<u>Official Functions</u>	<u>Total Number Available</u>	<u>Occupied by the Wealthiest 20%</u>
1. Branch chairman TANU	1	1
2. Secretary TANU	1	-
3. Chairman VDC 1967	1	1
4. Secretary VDC 1967	1	1
5. Chairman self-help committee	1	1
6. Chairman Parents committee	1	1
7. Members VDC resident in Itumba	6	3
8. Recruited as wage labourers in Government Services	8	5
9. Assessors Primary Court	3	3
10. Chairman TANU cell	15	9
11. Representative District Council (Diwani)	1	1
	39	26

N.B. function 3 (vide supra). V.D.C.: Village Development Committee; this is the "small scale" V.D.C. which existed up to 1967 when they were merged into greater units to coalesce with the TANU Branch.

function 5: In 1966 an ad hoc committee was formed to speed up the construction of additional classrooms for Itumba Primary School. This was a self-help project.

function 7: Although the V.D.C. during the first part of 1967 was considerably smaller than nowadays, it nevertheless consisted of more than one village. In this case only six of the 18 ordinary members of the Village Development Committee came from the village of Itumba.

function 8: In 1968 eight citizens of Itumba were employed in different governmental services: one as messenger in the Primary Court, one as sweeper in the dispensary, three at the divisional headquarters as messengers, three as constables.

function 1: A total of six assessors assisted the three magistrates who presided over Itumba Primary Court during the period of my field work. Three of these were peasants from Itumba.

Membership of the parents committee and the self-help committee has not been listed here as an official function. The reason is that these are relatively unimportant functions.

Table 3.4b: Official Functions Occupied by the Wealthiest 20% and 25% of Peasant Households in Ibala

<u>Official Function</u>	<u>Total Number Available</u>	<u>Occupied by</u>	
		<u>20%</u>	<u>15%</u>
1. Chairman TANU cell	7	3	5
2. Representative to co-op 1967	1	1	1
3. Representative to co-op 1968	1	0	1
4. Sweeper dispensary	1	1	1
5. Member of TANU's Branch Executive Committee	1	0	1
Total	11	5	9

Table 3.4c: Official Functions Occupied by the Wealthiest 20% of Peasant Households (Ngamanga)

<u>Official Function</u>	<u>Total Number Available</u>	<u>Occupied by the Wealthiest 10%</u>
1. VDC members 1967	3	3
2. After 1967: members of TANU'S Branch Executive Committee	2	2
3. Committee Paddy Co-op	1	1
4. Chairman Secretary (Assistant) TANU cell	22	11
Total	28	17

Table 3.4d: Official Functions Occupied by the Wealthiest 20% of Peasant Households (Buloma)

<u>Official Function</u>	<u>Total Number Available</u>	<u>Occupied by the Wealthiest 20%</u>
1. VDC members 1967	17	8
2. Chairmen VDC 1967	2	2
3. Chairmen TANU cell	31	7
Total	50	17

Source: Thoden Van Velzen, op.cit., pp. 165-167.

Table 3.4e: Official Functions Occupied by the Wealthiest 20% of Peasant Households (Jerusalem)

<u>Official Function</u>	<u>Total Number Available</u>	<u>Occupied by the Wealthiest 20%</u>
1. VDC members 1967	6	4
2. Chairman VDC after 1967	1	-
3. Chairmen "ten house group"	8	3
Total	15	7

Source: Thoden Van Velzen, op.cit., pp. 165-167.

five Rungwe villages, the wealthiest 20% of the peasantry occupied the majority of the available offices (see Tables 3.4a-3.4e). Since these officials are chosen democratically, why does the poorer segment of the peasantry persist in electing into political office those who exploit them? Thoden Van Velzen observes that government authorities influence the choice of the peasantry in many ways, e.g. outright praise and verbal support for the preferred candidate and repeated visits to this candidate. If these subtle techniques fail, they will even go so far as to demand a re-election, or allow only one man to stand as the candidate for a certain village, while this restriction is not placed on other villages. Also, once a government official has made it clear which candidate he supports, the people are inclined to elect that person instead of someone who is less popular with the authorities, because they know it will be easier to obtain government funds and assistance for the whole village or ward.

B. The Emergence of a National Tanzanian Ruling Class

With the achievement of national independence, the doors to the Tanzanian civil service and the Bunge (legislative assembly) were thrown open to African participation. Before independence, there were only 24 civil administrative positions occupied by Africans, and 23 of these served as assistant district officers --the lowest administrative post.⁷¹ Table 3.5 provides data on the Africanization of the upper echelons of the Tanzanian administration,⁷² and Table 3.6 illustrates the rapid Africanization of the Bunge.

⁷¹ Raymond F. Hopkins, Political Roles in a New State: Tanzania's First Decade (New Haven: Yale University Press, 1971), p. 65.

⁷² Hopkins defines senior level administrators as a small corps of officials who head government departments and are responsible for the organization and the management of the civil service. Although these figures include provincial and regional administrators, they do not include the bevy of junior-level administrators and clerks who gained access to white-collar jobs previously closed to them.

Table 3.5: Composition of Administrative Posts, 1956-1965

<u>Year</u>	<u>European</u>	<u>African</u>	<u>Others</u>	<u>Total</u>	<u>Percent Local</u>
1956	244	24 ^a	5	273	11
1959	267	55 ^b	5	327	18
1961	287	96 ^c	4	387	26
1963	78	185	4	267	71
1965	20	275	4	299	93

a. From among this group of 24 have come the head of EACSO, two regional commissioners (both appointed from high civil service jobs), two principal secretaries, one acting principal secretary, three holding the second position either in a ministry or para-statal body, four administrative secretaries, the only Tanzanian judge among the nine full judges in the country, and two lower magistrates (one a "district" and the other a "senior" magistrate). The remaining eight had either died or retired by 1966.

b. Whereas in 1956 only one man was in the upper ranks of administration, in 1959 there were five. Of the 32 who joined between 1956 and 1959, two became ministers, two principal secretaries, three administrative secretaries, ten are principal assistant secretaries, and three became foreign service officers, including one ambassador.

c. The new appointees between 1959 and 1961 included by 1966 the head of the National Bank, two principal secretaries, the ambassador to the U.N., the chief education officer, six principal assistant secretaries, two administrative secretaries, plus a number of officials who, though entering at the same level, have not advanced very far.

Source: Staff List (Dar es Salaam: Government Printer, 1956, 1959, 1961, 1963, 1965). Figures include all officers in provincial administration (1956-61) or regional administration (1963-65), and those in establishments.

Source: Hopkins, op.cit., p. 65.

Table 3.6: Evolution of the Tanzanian National Assembly

<u>Year</u>	<u>Racial Divisions</u>		
	<u>Europeans</u>	<u>Asians</u>	<u>Africans</u>
1926	5	2	-
1935	7	3	-
1945	7	3	2
1947	7	3	3
1954	7	3	4
1955	10	10	10
1957	11	11	11
1961	14	12	54
1965	3	4	177

These figures are for "Unofficials". Official members were all European prior to 1959.

Sources: The figures for 1926-59 are from J.P. Moffett, ed., Handbook of Tanganyika (Dar es Salaam: Government Printer, 1961) as cited in Friedland, "The Evolution of Tanganyika's Political System" (Program of East African Studies, Syracuse University, Occasional Paper No. 10), p. 48.

Source: Hopkins, op.cit., p. 68.

Combining the senior and middle grades, the number of 'citizen' civil servants rose from just over 1,000 in 1961 to 6,200 in 1968.⁷³ Prior to occupying senior administrative and elected offices, these urban Africans were (in order of importance): students, local level civil servants, teachers, service workers and traders.⁷⁴ Although the McGowan-Bolland study shows that the Tanzanian elite originated primarily from administration/education (39%) and lower level public and private sector clerical (35.7%) categories, both studies reveal the middle-income bureaucratic origins of the group which acquired control over the state. Also evident in this latter study is the lack of representation by those whose first occupation is agriculture (only 2.3%).⁷⁵

Along with upward occupational mobility came increased salaries. By 1968, the number of Tanzanians earning over Shs 200/- per month had gone up almost six times since 1960 to over 10,000 and the number in the income bracket earning over Shs 1,000/- was doubling almost every year.⁷⁶ The World Bank estimates that between 1962 and 1967, the average real

⁷³I.N. Kimambo and A.J. Temu (eds.), A History of Tanzania (Nairobi: East African Publishing House, 1969), p. 254.

⁷⁴Hopkins, op.cit., p. 75.

⁷⁵Patrick J. McGowan and Patrick Bolland, The Political and Social Elite of Tanzania: An Analysis of Social Background Factors (Syracuse, N.Y.: Maxwell School of Citizenship and Public Affairs, Program of East African Studies, Syracuse University, 1971), p. 81.

⁷⁶Ibid. For the last statistic, the authors do not specify whether the Shs 1,000/- income is monthly or per annum.

earnings of the entire wage-salariat increased about 60%.⁷⁷ Thus, a formerly civil servant African elite was transformed into a state or politico-administrative class whose economic power is derived solely from control over the institutions of the state.⁷⁸

This extra income enabled the embryonic state-based social class to accumulate the necessary capital to go into commerce if they so chose, but it was insufficient for "investing in commerce in a big way and in sectors with a relatively long gestation period."⁷⁹ Therefore, they were restricted to investment in petty capitalist enterprises such as real estate, bars, transport, gas stations, small retail businesses, commercial farms, etc.⁸⁰ Real estate provides a representative example of the efforts by some members of the state bourgeoisie to transform themselves into capitalists (a petty bourgeois class). The Acquisition of Buildings Act (1971) was aimed at dislodging the commercial bourgeoisie⁸¹

⁷⁷World Bank, Basic Economic Report: Summary and Conclusions, December/77, p. 4.

⁷⁸Authors such as Shivji refer to this class as a bureaucratic bourgeoisie. However, 'state' or 'politico-administrative' are more precise labels because they reflect not only the bureaucratic (administrative) base, but also the political base, of this embryonic ruling class.

⁷⁹I. Shivji, op.cit., p. 70.

⁸⁰Ibid. Shivji does not give concrete data in support of this observation. The World Bank study entitled The Development of African Private Enterprise (10 Dec. 71) looks at the state of African private enterprise in Tanzania and remarked on the outdated, incomprehensive nature of the data, e.g. the most recent industrial census, previous to 1971, was taken in 1966, but it only covered industries employing ten or more people. Industry is not an area where Africans are likely to invest and especially if ten or more employees are required.

⁸¹G. Fimbo, op.cit., p. 257.

which, according to Shivji, was almost exclusively Asian.⁸² The Act did however affect an insignificant number of buildings owned by the petty bourgeoisie, e.g. they owned 97 out of a total of 2908 of the appropriated buildings.⁸³ Among the 97, 19.5% were owned by members of the "bureaucratic bourgeoisie".⁸⁴ McGowan and Bolland's data show a clearly observable and significant trend among this class which they have labelled the Tanzanian "elites": ^{an increase in} membership on the boards of directors of private enterprises between 1963/64-1967/68 (see Table 3.7). Also, they observed that the "elite" was heavily involved (about 10.5%) in co-operative societies and they were most heavily involved in the wealthiest co-operatives, e.g. the KNCU (see Table 3.8a and 3.8b).⁸⁵ Knowing that only 2.2% of the "elite" are engaged in agriculture as their first occupation, this would suggest that about 8.3% of the state class have investments in commercial agriculture--a vehicle for transformation into a class of petty capitalists.

The ideological commitment of the statefunctionnaires to socialism as a national goal was dubious. Hopkins' attitudinal study of the Tanzanian political "elite" in 1966 revealed that although most legislators (40%) and administrators (44%) agreed that the government's major

⁸² Shivji, op.cit., p. 45.

⁸³ Fimbo, op.cit., p. 274, Appendix II.

⁸⁴ Ibid.

⁸⁵ McGowan and Bolland, op.cit., pp. 89-90.

Table 3.7: Trends in Membership on the Boards of Directors of Private Enterprises, Parastatal Corporations and Government Regulatory Boards Among Tanzania Elites^a

<u>Board</u>	<u>1963/64</u>	<u>1965/66</u>	<u>1967/68</u>	<u>Totals</u>
Chagga General Trading Co.	1	2	2	2
Tanganyika Coffee Curing Co.	2	4	4	4
Cercom Ltd.	2	2	2	2
Tanganyika Packers Ltd.	2	2	2	2
Other Private Enterprises ^b	6	9	9	10
Private Enterprise (Unspecified)	2	2	2	3
(Sub-total)	(15)	(21)	(21)	(23)
Total number surveyed, N=	495	594	618	105

^aTable lists first and second Board Membership of individuals where this is known.

^bThis category groups Boards with only one known member among the elite.

goal should be the creation of economic equality among people, a sizeable minority (26% legislators and 36% bureaucrats) flatly disagreed with this goal (see Table 3.9).

What became worrisome for President Nyerere, who envisaged a socialist society in Tanzania, was the access to political influence and control enjoyed by urban petty capitalists. Outside the urban areas, their 'kulak' counterparts occupied rural positions of political control. The transformation of the state bourgeoisie into a petty capitalist class had been proceeding at a slow, but steady, pace for only five to six years. Already, the more socialist-minded faction of Tanzania's state class realized that timely measures were needed to arrest, if not reverse, this process, or their vision of a socialist Tanzania would never materialize.

Table 3.8a: Trends in Memberships in Co-operative Societies
among Tanzanian Elites

# of	1963/64		1965/66		1967/68		Totals	
	N	%	N	%	N	%	N	%
0	455	(91.9)	531	(89.9)	548	(88.7)	631	(89.5)
1	27	(5.5)	37	(6.2)	42	(6.8)	45	(6.4)
2	9	(1.8)	19	(3.2)	21	(3.4)	22	(3.1)
3	2	(0.4)	4	(0.7)	4	(0.6)	4	(0.6)
4	2	(0.4)	2	(0.3)	2	(0.3)	2	(0.3)
5								
6								
7								
8			1	(0.2)	1	(0.2)	1	(0.1)
9								
<hr/>								
Total Elites Holding Co-op Membership (%)	8.1		10.6		11.3		10.5	
Totals	495	(100.0)	594	(100.0)	618	(100.0)	705	(100.0)
Mean #	0.119		0.173		0.181		0.166	
Standard Deviation	0.463		0.619		0.621		0.591	

Source: McGowan and Bolland, op.cit., p. 159.

Table 3.8b: Trends in Co-operative Society Memberships Among Tanzanian Elites^a

Co-operative	1963/64	1965/66	1967/68	Totals
K.N.C.U.	10	10	10	12
Ufijisa Produce Assn.	-	2	2	2
Rungwe African Co-op Union	3	4	4	4
Victoria Federation of Co-op Unions	5	5	6	6
Mwanga African Traders Union	4	4	5	5
Bukoba Co-op Union (BNCU)	4	7	7	7
Kasono Co-op Society	1	1	2	2
Bariro Growers' Co-op	-	1	2	2
Ilaga Farmers' Union	3	4	4	4
Igembesabo Co-op Union	1	1	2	2
West Lake Transporters' Co-op	1	2	2	2
Morogoro Growers' Co-op Union	-	3	3	3
Kitumba Co-op Society	1	2	2	2
Ikumbo Growers' Co-op	1	2	2	2
New Mwiki East Co-op Society	2	2	1	2
Katengele Coffee Growers' Co-op	-	1	2	2
Kipondo Farmers' Co-op Assn.	-	2	2	2
Dar es Salaam Consumers' Co-op	-	1	2	2
Co-op Union of Tanganyika	3	5	5	5
Co-op Member (Unspecified)	2	2	-	2
Other Co-ops ^b	13	30	35	35
(Sub-total)	(54)	(91)	(100)	(105)
Not Applicable	453	528	545	628
Unknown	0	3	3	3
Totals ^c	507	622	648	736

^a Table lists first and second Co-op memberships of individuals where this is known.

^b This category groups Co-op Societies with only one known member among the elite.

^c Because of double counting, see note (a), totals do not sum to their usual amounts.

Source: Ibid., p. 160

Table 3.9: Elite Views on Economic Questions (in percentages)

<u>Question</u>	<u>Answer</u>	<u>Adminis- trators</u> (N=50)	<u>Legis- lators</u> (N=57)	<u>Students</u> (N=120)
Above all else, the government must create econ- omic equality among people.	Agree	44	40	71.
	Qualified agree /uncertain	20	33	3
	Disagree*	36	26	26

Source: Hopkins, op.cit., p. 96.

i. The Development Strategy

Nyerere's solution to this dilemma was the Arusha Declaration of 1967, which enunciates Tanzania's re-oriented strategy for development. Previously, Nyerere had been willing to use traditional methods of development, i.e. maintenance of economic ties with the former colonizer (Britain) and other traditional trading partners and a welcoming attitude toward multinational and foreign investment. However, Tanzania's leaders began losing control over internal political affairs in return for economic favours from western governments. For example, West Germany threatened to withdraw a commitment of aid to Tanzania if the country recognized East Germany; Tanzania suspended its relations with Great Britain when that country failed to ensure the implementation of majority rule in Rhodesia (now Zimbabwe); Tanzania expelled two American diplomats for meddling in internal leadership conflicts; and Tanzania vehemently disagreed with American foreign policy on Vietnam. All of these international rifts cost Tanzania dearly in terms of financial aid, e.g. the loss of a £7.5 million British loan.⁸⁶ In addition, Tanzania's First Five Year Plan depended heavily on an expected influx of foreign capital (aid and investments). This did not materialize because western sources of capital were skeptical about the security of their loans and investments in view of Tanzania's independent-mindedness and determination to minimize foreign influence on the country's development.

⁸⁶ A.J.M. van de Laar, "Tanzania's Second Five Year Plan," in Cliffe and Saul (eds.), op.cit., p. 73.

This rude awakening to Tanzania's economic dependence on (and therefore vulnerability to) forces beyond its control, i.e. the international market economy and the demands of foreign financial partners, led to the Declaration's emphasis on the achievement of economic self-reliance. To implement this strategy, the government, inter alia, nationalized foreign businesses, e.g. industries, the banking sector, and import and export commercial houses. On the domestic scene, the rapidity at which urban and rural social class differentiation was advancing motivated an equivalent emphasis on the pursuit of socialism. In implementing measures to achieve this latter goal, certain restrictions were placed on the accumulation of capital and the entrepreneurial activities of Tanzanian politicians and bureaucrats; for example, the artificially high salaries of government employees, including the President's, were cut by 10-20%; no civil servant, elected official or TANU office holder (or their spouses) could rent property, own more than one home, hire labour (except for seasonal agricultural workers), receive more than one salary, or hold any interests (directorships or shares) in private enterprise.⁸⁷ These measures were reinforced in 1971 with the issuance of the Mwongozo (Leadership Guidelines), which prescribed appropriate behaviour for political leaders in a country like Tanzania which is in the process of 'building socialism'.⁸⁸

These new restrictions created a furor within the Tanzanian ruling class. The content of the ensuing Parliamentary debate in April

⁸⁷ Kimambo & Temu (eds.), op.cit., p. 255.

⁸⁸ Julius Nyerere, *Freedom and Socialism* (London: Oxford University Press, 1968), p.1.

1967 on the Declaration is indicative of the concerns of the M.P.'s over their economic holdings. Nyerere later wrote: "Unfortunately, almost all of the questions received related to just one section of the Arusha Declaration--that on qualifications for leadership. (That is, restrictions on leaders.) There was not even one question on Socialism and Self-Reliance."⁸⁹ Opposition to the Declaration was evident at all levels of government and some senior officials even resigned, e.g. a junior minister,⁹⁰ Oscar Kambona, who was a founder of TANU, the Party's Secretary-General, a leading parliamentarian and a Cabinet minister.⁹¹ Many of those who were opposed to the Arusha Declaration, but who did not resign their seats, were expelled by the National Executive Committee (NEC) of TANU. At the NEC meeting in October 1968, nine M.P.'s were expelled from the party. The reason given was opposition to "the Party line" and they were unfit to be political leaders.⁹² What they opposed and why they were considered unfit was never expanded upon, but it would not be far-fetched to assume that they objected to "toeing" the Party's socialist line.

One would expect that as a result of these restrictions, those remaining in the bureaucracy and the Bunge would be self-sacrificing

⁸⁹ Henry Bienen, Tanzania: Party Transformation and Economic Development (New Jersey: Princeton University Press, 1970), p. 433.

⁹⁰ Ibid.

⁹¹ Andre de la Rue, "Ujamaa on the March," Cliffe and Saul (eds.), op.cit., p. 51.

⁹² Ibid., pp. 436-439.

individuals with a distaste for materialism and social inequality.

This has not been the case. In the public sector wage and salary group, the maximum gross income differential for citizens is about 13 to 1 (Shs 60,000 to Shs 4,560) in cash terms and 15 to 1 including fringe benefits.⁹³ The government was successful in slowing down the rise of salaries earned by government employees, but the salaries of the Tanzanian ruling class are still relatively high. More importantly, they benefit from such perks (i.e. official and unofficial fringe benefits) as subsidized housing and transportation, travel abroad, access to credit, availability of superior social services, and educational facilities. What the Arusha Declaration did in fact accomplish was the arrestation of the transformation of Tanzania's state class into a class of petty capitalists. That is to say, the opportunity for capital accumulation on the part of the 'nizers'⁹⁴ was removed. This has had a profound effect on the process of class formation, the character of the ruling class, and the nature of the state in Tanzania.

⁹³R. Green, "Income Distribution and the Eradication of Poverty in Tanzania," in L. Horowitz (ed.), *Equity, Income and Policy* (New York: Praeger Publishers, 1977), p. 222. The World Bank reports that urban wages and salaries rose by 13% from 1969 to 1975; the gap between rural and urban incomes continued to widen in spite of the rising cost of urban living. The gap stagnated in 1974/75 as urban costs continued to rise while agricultural prices rose also. (World Bank, *Basic Economic Report, Annex VII, Rural and Agricultural Development*, pp. 22-26).

⁹⁴This is a term used by von Freyhold to refer to those Africans who assumed the positions of the colonial masters after independence; see her article entitled "The Post-Colonial State and Its Tanzanian Version," *Review of African Political Economy*, 8 (Jan.-April 1977), p. 86.

C. The Ruling Class, the State and Relations with Foreign Capital

These restrictive measures (combined with widespread nationalization of large industries and commercial houses) have vested in the state, and in those who control it, an incredible amount of economic power. The ruling class coalition of senior bureaucrats and politicians have the power to decide economic policy, and the policies they make will influence the progression or regression of social differentiation.

This is not meant to imply that the Tanzanian ruling class is an omnipotent national force. There are major constraints on their economic and political policy-making abilities. Firstly, Tanzania's economy is locked into the international economic system and the country remains heavily dependent on the export of a few primary products for its revenues. In spite of post-Arusha trade, aid and other economic policies designed to re-structure Tanzania's economic relations with developed market economies, Tanzania has not been very successful in (1) breaking its dependence on the export of a few primary products to a few major trading partners; (2) raising the level of industrial production and its contribution to gross national revenues; nor (3) achieving food self-sufficiency. For example, Tables 3.10a, 3.10b and 3.10c indicate that although the volume of trade has decreased, the developed market economies still account for the greatest share (63.7%) of Tanzania's total trade, namely, the United Kingdom, West Germany, Japan and the United States. Moreover, Tanzania's major exports continue to be coffee and cotton, with manufactured products accounting for only 5.7% in 1976 (see Table 3.11). As can be expected, agricultural production

Table 3.10: Tanzanian Trade with Developed, Developing and Centrally Planned Economies

3.10a: Total Trade

	<u>1961</u>	<u>1964</u>	<u>1967</u>	<u>1970</u>	<u>1973</u>	<u>1976</u>
Developed Market Economies	78.7	76.8	67.9	65.0	58.0	63.7
Developing Market Economies	16.9	15.1	21.4	23.3	23.2	28.1
Centrally Planned Economies	0.3	4.2	7.1	10.7	17.5	6.8
Not Distributed	1.2	1.1	1.1	1.0	1.3	1.4
Total Trade (Millions of Tanzanian Shs.)	1606	2282	2849	3555	5359	7147

3.10b: Imports

	<u>1961</u>	<u>1964</u>	<u>1967</u>	<u>1970</u>	<u>1973</u>	<u>1976</u>
Developed Market Economies	74.8	78.1	73.5	68.2	57.7	63.7
Developing Market Economies	20.0	15.0	15.0	15.0	16.0	27.3
Centrally Planned Economies	0.7	2.3	7.8	15.4	24.9	8.3
Not Distributed	3.0	2.9	2.1	1.3	1.4	0.6
Total Imports (Millions of Tanzanian Shs.)	633	879	1300	1900	3132	3959

3.10c: Exports

	<u>1961</u>	<u>1964</u>	<u>1967</u>	<u>1970</u>	<u>1973</u>	<u>1976</u>
Developed Market Economies	81.2	76.0	63.1	61.1	58.4	63.8
Developing Market Economies	14.8	15.2	26.8	32.9	33.5	29.2
Centrally Planned Economies	0.1	5.4	6.6	5.3	7.1	4.8
Not Distributed	--	--	0.3	0.7	1.1	2.2
Total Exports (Millions of Tanzanian Shs.)	973	1402	1549	1655	2227	3188

Source: United Nations, Department of Economic and Social Affairs, Statistical Office, Yearbook of International Trade Statistics (various years), as in Thomas Biersteker, "Self-Reliance in Theory and in Practice: Transforming Tanzanian Trade Relations," a paper presented at the 20th annual convention of the International Studies Association, Toronto, 21-24 March, 1972, p. 32.

Table 3.11: External Exports by Commodity, as Percent of Total Exports

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
Cotton	13.1	18.0	19.5	14.7	17.4	14.2	15.0	13.7	15.4	13.8	17.9	11.5	15.9
Coffee	14.7	12.6	16.8	13.9	16.3	15.6	18.9	12.7	17.6	20.5	14.2	18.7	33.3
Sisal	29.0	21.0	13.1	11.7	9.7	9.7	10.8	7.5	6.6	9.2	17.5	11.7	6.2
Cloves	2.9	3.4	4.1	5.6	3.7	9.2	6.6	10.0	11.0	9.7	3.3	12.4	6.8
Cashew-Nuts	4.4	6.1	5.6	5.4	6.8	8.3	8.3	8.3	7.9	7.2	9.2	8.5	5.4
Petroleum Products	--	--	0.3	7.7	10.0	6.4	6.8	8.0	9.9	3.6	4.9	5.4	4.5
Minerals	11.1	13.2	11.7	14.4	9.2	9.2	6.9	7.5	6.0	7.1	4.9	7.2	4.5
Manufactured Products	6.0	7.3	7.5	8.3	7.7	8.4	7.4	7.6	7.9	8.0	10.9	9.0	5.7
Other	16.2	16.0	15.1	16.1	16.7	17.9	18.3	17.2	12.3	13.7	13.7	14.2	16.7
Total (Shs. Million)	1506.5	1358.6	1797.1	1715.8	1628.1	1652.1	1649.5	1792.2	2179.5	2410.8	2643.2	2589.3	3852.9

Source: United Nations, Department of Economic and Social Affairs, Statistical Office, Yearbook of International Trade Statistics (various years) as in Biersteker, op.cit., p. 40.

is the highest contributor to GDP, accounting for approximately 40%.⁹⁵

In the area of foreign financing, Tanzania has not managed to decrease this dependency. To the contrary, the country has become even more embedded in the quagmire of foreign loans and grants (see Table 3.12). Even after discounting the increased borrowing necessitated by the 1972/73 drought, foreign financing has been steadily on the rise.⁹⁶

Lastly, success has eluded the government in its immediate objective of food self-sufficiency. Table 3.12 indicates that the necessity to import food, beverages and tobacco has decreased only slightly since 1964, and Table 3.14 shows a steady increase in the importation of major foodgrains between 1965/66 and 1975/76. This trend was evident even before the 1972/73 drought and remains true even after discounting the grain imports necessitated by a decrease in food production as caused by the drought. Imports of food have been necessary because of a decelerating growth rate of agricultural productivity. Early in the 1960's, there was rapid growth in commercial/monetized, agricultural production due to the production of export crops. However,

⁹⁵World Bank, *op.cit.*, p. XL.

⁹⁶Although Tanzania has been very successful at obtaining soft terms on loans, e.g. grace period, long repayment period, low interest rates, high grant portion, these loans do not come without strings. Many loans are tied to the purchase of inputs of raw materials and capital goods from the donor, at uncompetitive prices. In loans for specific projects, the donor is permitted to advise and administrate the project. Thus, the state loses control over how funds are spent (see Peter Neersø, "Tanzania's Policies on Private Foreign Investment," in Carl Widstrand (ed.), *Multinational Firms in Africa* (Uppsala, Sweden: Scandinavian Institute for African Studies, 1975), p. 189.

Table 3.12: Foreign Financing--Budget Accounts and Public Debt
(Shs million)

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
Foreign grants received	.1	37.8	62.4	214.4	377.3	468.7	831.6
External loans received	269.7	347.4	455.9	466.9	661.3	563.9	972.4

Source: World Bank, op.cit.

Table 3.13: Tanzania's Performance in Efforts to Attain Food -
Self-Sufficiency (Self-Sufficiency in Basic Needs Production)

Imports of food, beverages and tobacco as:

	<u>% of Total Imports</u>	<u>% of GDP</u>
1964	6	1.0
1965	7.2	1.2
1966	8.8	1.3
1967	5.3	1.1
1968	3.7	.8
1969	4.5	.9
1970	3.3	.8
1971	3.5	.9
1972	6.9	1.7
1973	4.1	1.1
1974	20.4	7.4
1975	19.0	6.3
1976	9.4	2.5

NOTE: 1974-75 were the years when drought eroded agricultural productivity and led to a general economic depression in Tanzania, necessitating greater imports of food. The remarkable recovery in 1976 is probably not a sustainable trend in view of the exceptionally good weather in 1976.

Source: Thomas Biersteker, "Self-Reliance in Theory and Practice: Transforming Tanzanian Trade Relations," a paper presented to a panel on A Comparative Analysis of Self-Reliance Strategies, 20th Annual Convention of the International Studies Association, Toronto, 21-24 March 1979, p. 24.

in the 1970's, this trend has reversed and the share of monetized production in total agricultural output is lower in 1975 than it was in 1964 (see Table 3.15).

Furthermore, the government permitted the multinational corporations (MNC's) to remain behind after the nationalizations as managers and technical advisors for fear that production would plummet if management was left in the hands of a less experienced indigenous corps. These management agreements (to be explained shortly) allow the foreigners much control over how production is carried out and where the profits will go.⁹⁷ For example, (1) they collect fees for their services regardless of the success of the investment; (2) MNC's may require that equipment be purchased from a certain supplier (often the parent company) whose prices are not competitive; (3) local capital is used to jointly finance investments and this facilitates the denationalization of capital as it is then taken out of the country in the form of profits made by the MNC.

Beneath the socialist rhetoric emanating from the Tanzanian ruling class, the economy remains tightly bound to international capitalism. Although the country has managed to admirably expand its circle of trading partners and aid donors, the economic structures and relationships with developed countries have been changed little by the objectives of socialism and self-reliance as embodied in the Arusha Declaration.

⁹⁷ Shivji gives an excellent account of the extractive nature of managerial agreements between Tanzanian parastatal organization and the MNC's; see *op.cit.*, pp. 165-171; see Chapter One, Footnote 32, which emphasizes the paramountcy of entrepreneurial control over ownership of the enterprise.

This is not necessarily an indictment of Tanzania's ruling class for failing to achieve its goals because the question of whether any country, which lacks the resources of a remarkably and exceptionally well-endowed country like the Peoples Republic of China, can ever extract itself from the system of international capitalism to become almost totally self-sufficient is a moot point. The question that must be asked instead is: has the ruling class (in Tanzania or elsewhere) done all it can, given national economic constraints, to subjugate the vagaries of international capitalism to Tanzania's need, and have the benefits of this action been used to benefit the widest segment of the population in a self-sustaining way? The verdict will be given at the conclusion of this study when all of the evidence is in.

Internally, the post-Arusha economic re-structuring has had a social effect. The Declaration pre-empted the rise of an indigenous urban petty capitalist class. Instead, the Tanzanian ruling class is strictly politico-administrative in nature. That is to say, economic

Table 3.14: Net Trade in Food Grains (Exports minus Imports)

	1965- 1966	1966- 1967	1967- 1968	1968- 1969	1969- 1970	1970- 1971	1971- 1972	1972- 1973	1973- 1974	1974- 1975	1975- 1976
Maize	8.8	7.9	(0.3)	(51.8)	46.9	(53.4)	92.3	78.9	183.6	317.2	42.3
Wheat & Flour	21.6	32.1	13.6	36.7	35.7	11.6	49.5	8.2	35.8	109.6	31.2
Rice (Paddy)	11.4	6.5	3.8	--	--	--	(4.2)	(10.2)	23.0	63.0	20.6
Total Net Imports	41.8	46.5	13.3	15.1	82.6	41.8	137.6	76.9	242.4	489.8	94.1

NOTE: Exports are shown in brackets; heavy imports of sorghum in recent years.

Source: World Bank, Basic Economic Report: Tanzania, Annex VI, Washington, D.C.: World Bank, p. 9.

Table 3.15: Annual Growth Rates of Agricultural Production (in Percentages)

	<u>1964- 1967</u>	<u>1967- 1970</u>	<u>1970- 1973</u>	<u>1964- 1973</u>	<u>1974</u>	<u>1975</u>
Subsistence Production	5.2	0.2	4.5	3.3	-2.2	10.5
Monetary Production	2.7	5.6	0.5	2.9	-4.6	2.0
Total	4.0	2.7	2.6	3.1	-3.3	6.6

Source: World Bank, Main Report, op.cit., pp. 27-28.

power and political control is derived from relations to the state. Those who control the state have become the ^{class} which enjoins the peasants and the workers to produce more for the cash economy so that Tanzania may have the funds with which to develop. Traders have become obsolete, and now all industrial and agricultural produce is sold to state institutions, i.e. parastatal marketing boards. The state controls the prices paid to the farmers and the workers, receives the profits earned from the sale of commodities on international markets, and it controls the distribution of the profits. The government will argue that the surplus is being spent on the economic development of the rural areas. However, when looking at the distribution of Tanzania's development budget for the Third Five Year Plan, agriculture and livestock combined account for only 13.54% of the total development budget (see Table 3.16). This table shows the government's continued commitment to industrial development as a path for growth despite the rhetoric about agriculture being the only means by which Tanzania can hope to develop.⁹⁸ A brief pause to look at Tanzania's industrial development policies is illustrative of the perpetuation of underdevelopment because of the ruling class's commitment to foreign participation in the economy as a strategy of development. Tanzania's National Development Corporation (NDC), an umbrella state corporation responsible for development investment in all sectors of the economy, aims at the creation of heavy industry which will meet the more complex requirements of the next stage of

⁹⁸ Julius Nyerere, "Socialism and Rural Development," in Martin Minogue and Judith Molloy (eds.), African Aims and Attitudes (London: Cambridge University Press, 1974), pp. 86-92.

Table 3.16: Planned Government Development Budget Expenditures
by Sector--Third Five Year Plan (1976-1981)

	<u>Amount (000 Shs)</u>	<u>% of Total</u>
Agriculture	2,446,506	11.50
Livestock	434,527	2.04
Natural Resources	414,401	1.35
Mining	748,796	3.54
Industry	5,147,248	24.20
Commerce & Tourism	262,064	1.23
Water	1,448,777	6.82
Building & Construction	2,110,792	9.92
Power	1,007,528	4.74
Communication & Transportation	1,545,047	7.26
Education	1,687,947	7.94
Health	738,168	3.47
Administration & Other	<u>3,279,335</u>	<u>15.42</u>
Total	21,271,136	100.00

Source: United Republic of Tanzania, Third Five Year Plan for Economic
and Social Development, 01 July 76-30 June 81, p. 11.

development,⁹⁹ e.g. construction of an iron and steel mill and a cement processing plant. Other priority industrial projects are sugar processing, textiles (cotton), pulp and paper, shoes and leather goods, beverages (breweries), tobacco (cigarettes), cashew processing, chemicals, a gemstone industry. Even though these projects make use of local raw materials produced by the peasantry, they continue to be foreign controlled through the management ~~agents~~ between Tanzania and the MNC. This remains true even though the state simultaneously holds an admirable record for nationalizing foreign businesses, which they have continuously carried out from the immediate post-Arusha period right up to the 1979-80 nationalization of the Lonrho investments. For those MNCs which are allowed to operate in Tanzania, these contractual agreements permit the MNCs to repatriate the profits of these industries through payments which they receive from the state for the supply of capital goods, finance, technology and managerial staff. Deliveries of capital goods, raw materials, services, etc. can be sold above the world market price, i.e. manipulation of transfer prices.¹⁰⁰ Furthermore, the company can demand payment as a lump sum, as part of the turnover of the project, as part of the profits of the project, or a combination of two or three of these factors.¹⁰¹ In most cases the NDC and the managing agent agree on a management fee calculated on

⁹⁹ Jenga 10 (1971), p. 16.

¹⁰⁰ Peter Neerso, "Tanzania's Policies on Private Foreign Investment," in Carl Widstrand (ed.), Multinational Firms in Africa (Uppsala, Sweden: Scandinavian Institute for African Studies, 1975), pp. 187 & 193. Also note that most inputs are imported duty free.

¹⁰¹ Ibid., p. 186.

the basis of more than one factor, e.g. a lump sum plus part of the profits, and in some cases, the agent also holds a part of the equity making the foreign partner more interested in the profitability of the company.¹⁰²

¹⁰² ibid.

Thus the partner is unlikely to be willing to sacrifice productivity to implement any measure of socialist production or workers' control of the enterprise. Due to the repatriation of profits by foreigners, the state does not have control over the surplus generated in this sector for investment in other sectors.¹⁰³

However, it cannot be said that the state does not attempt to exercise some measure of control over the foreign drain of economic surplus. For example, Tanzania does not offer tax holidays to foreign companies in order to attract investors; the state levies a 45% corporate income tax on profits, "withholding tax" of 15% on profits remitted to foreign countries, a 20% tax on management and licence fees; products are subject to price controls; specified companies whose profits exceed a pre-determined ceiling can be required to invest in government securities; etc. These and other controls are a step in the right direction, but the reluctance of the state to deal harshly enough with foreign companies have made these measures ineffective.¹⁰⁴

Returning to the state's defensive arguments that they are 'building socialism' in Tanzania and the actual distribution of public investment, data indicate that the rural-urban gap in supply of services and incomes is narrowing primarily due to the decentralization of government spending¹⁰⁵ and the rise in the urban cost of living. In terms

¹⁰³W. Edmund Clark, Socialist Development and Public Investment in Tanzania 1964-73 (Toronto: University of Toronto Press, 1978), pp. 186-187.

¹⁰⁴See Peter Neerso's documentation on how MNC's by-pass these restrictions; op.cit., pp. 193-195.

¹⁰⁵Clark, op.cit., p. 97.

of index numbers for public education and rural health, redistribution of public expenditure has been in favour of the low-income rural areas, but the high-income regions still receive the lion's share of this investment (see Tables 3.17a and 3.17b), e.g. in 1975, high-income regions received 124 as compared to 100 (index numbers only) received by low-income regions.

Table 3.16 also shows the significant chunk of the development budget which is consumed by administrative costs (15.42%). In spite of the campaign to decentralize the government and give greater and more direct decision-making powers to the peasants, the state has succeeded in strengthening its bureaucratic-top-down style of socialism

With decentralization, up to 40% of the development budget was relegated directly to the regions, ostensibly for expenditure in any sector of the peasants' choosing.¹⁰⁶ As it worked out, the villagers needed the direct approval of the Prime Minister's Office. This delayed implementation of proposals for several months and even years. Secondly, the PMO tended to reject many of the villagers' proposals which were predominantly requests for social services. The administration favoured infra-structural projects because these were: within the government's administrative capacity; easily identifiable; did not require complicated judgements; and could be carried out without popular support or assistance.¹⁰⁷

¹⁰⁶ Jan Lundquist, "Tanzanian Development: An Example of Socialist Ideology Administered by the Bureaucracy for the People," an unpublished paper (Department of Geography, University of Bergen, June 1978), p. 10.

¹⁰⁷ Ibid., pp. 11-12.

Distribution of Public Expenditure in
Provision of Rural Social Services

Table 3.17a: Total Social Services (index numbers, low income regions = 100)

	<u>1969</u>	<u>1975</u>
High Income Regions	144	124
Medium Income Regions	114	108
Low Income Regions	100	100

Table 3.17b: Real Public Expenditure per Smallholder Household in 1975
(index numbers, 1969 = 100)

	<u>Public Education</u>	<u>Rural Health</u>	<u>Total</u>
All Regions	195	150	164
High Income Regions	174	169	144
Medium Income Regions	193	155	164
Low Income Regions	216	136	175

Source: World Bank, op.cit., p. 21.

Q

Furthermore, the government was receiving advice from one of the world's most capitalistic business consulting firms, Mc Kinsey of New York, on how to implement rural socialist reform.¹⁰⁸ Although this is an oft cited example of the ambiguity of the Tanzanian ruling class toward the achievement of socialism, the relevant point here is: when this approach is combined with the fact that most of the bureaucratic/technocratic fraction of the ruling class are products of America's best business schools, their training and the advice they receive from consulting firms such as McKinsey produces a genre of policy which promotes principles such as individualism over communalism, appealing to the entrepreneurial spirit over collectivism, with concern for production costs over human costs. This is not likely to produce a society characterized by economic and social equality unless it is heavily counter-balanced with effective socialist-oriented public policy--a momentous task which has not achieved the success hoped for, but nevertheless remains one of the best examples of socialist effort in Africa. The reasons for the less-than-optimum success lie in the nature of the ruling class which is discussed in the next section.

Not only did the peasants lose financial control over development, they also lost political control. The status of local administrators was up-graded. For example, Regional Commissioners who formerly had an ambiguous position were upgraded to the rank of Minister, and Regional and District Development Directors and other new positions were created.¹⁰⁹ The once-elected local TANU representatives were replaced by salaried Party officials. Thus, local Party leaders are no longer subject to popular control. The state is now free to impose policies without running into resistance from local level politicians who fear losing the next election if they impose unpopular government directives.

The only bureaucrats which the villagers elect are those who sit on the Village Development Committees (VDC's). Their role is to explain central decisions and to advance the implementation of central decisions, but they have been ineffective as a channel for a two-way flow of ideas between government and the people.¹¹⁰ The Ward Secretaries were upgraded to Ward Executive Officers and they serve as representatives of both the Party and the government in the villages. This gave them much more power than the elected village and Party branch chairpersons.

¹⁰⁸ Ibid., p. 11.

¹⁰⁹ Ibid., p. 10.

¹¹⁰ Sean E. McHenry Jr., Tanzania's Ujamaa Villages: The Implementation of Rural Development Strategy (Berkeley: University of California, Institute of International Studies, 1979), pp. 72-73.

To illustrate the fortification of top-down rule in Tanzania since decentralization, von Freyhold quotes a ward secretary's explanation for his heavy-handed behaviour in a dispute with a newly elected village committee:

"The final authority in the country is the President, who relegates powers to the regional commissioner, who delegates it to the area commissioner, who delegates it to the divisional secretary, who delegates it to me, and if you try to interfere with my tasks, you will see that you will be smashed." 111

From the village level, to the wards, to the district regional and national levels, the officials who make policies governing peasant life are appointed. This structure negates any significant peasant input into how the affairs of the village are run. More so now than ever, the bureaucrats are there to carry out the directives issued by the state hierarchy. Admittedly, the decentralization program reduced the power wielded by local kulaks over the development process, but the government did not place more political control in the hands of the peasantry as might be expected from a government which emphasizes the need for the masses to control the progress of their own development.

A greater measure of bureaucratic control was necessary to implement the plans for social and economic change in the rural areas. These changes were to be carried out under the title of Ujamaa and later Villagization.

Before examining Tanzania's various attempts at implementing 'building socialism' in the rural areas, an overview of the nature of the ruling class is warranted.

¹¹¹ von Freyhold, op.cit., p. 185.

i The Nature of the Tanzanian Ruling Class

The Tanzanian ruling class (i.e. those who control the generation and the distribution of surplus through the decision-making process if not through ownership) has a strictly politico-administrative base. Its sole source of political legitimacy and economic power lies in the institutions of the state. However, the ruling class itself is not homogenous. The members espouse socialist rhetoric, but their actions show them to be pursuing a path of development which is reliant on foreign capital.

At times, the ruling class implements development policies which aim at reducing inequality, e.g. nationalization of foreign business, restrictions on private foreign investment, attempts to arrest the accumulation of private capital, attempts to narrow the rural-urban and regional inequalities. Such policies are the result of bargaining and conflict within the ruling class between members who hold differing views on how quickly the transition to socialism should proceed. On the surface, it appears that everyone adheres to the principle of socialism, but in reality there are the many techno-bureaucrats who feel that socialist initiatives should be completely abandoned until Tanzania reaches a certain level of development. At the other extreme, there are the few Nyerere-ists who advocate a more aggressive approach to the achievement of socialism. For this reason, many 'ideal' socialist

policies are defused by the techno-bureaucrats who are relied on for the practical expertise and to whom falls the responsibility of actually implementing potentially forceful and efficacious socialist initiatives.

On the whole, the interests of the ruling class will not permit them to advocate revolutionary strategies for the achievement of socialism because to do so would likely mean an end to the economic structures and relationships with foreign interests which maintain them in their social positions of power, privilege and prosperity. The resultant effect on rural development strategies has been the adoption of a 'gradualist' approach to the achievement of socialism.

As a consequence, the national economy remains dependent on foreign capital and the peasant economy continues to function in a capitalist/subsistence mode of production. At the same time, there is some evidence that the government has made an effort to reduce social inequality. These attempts at 'building socialism' are the result of initiatives made by the Nyerere-ists, e.g. the Ujamaa program, limitations on the capitalistic activities of the state class, improved rural distribution of public expenditures, recent refusal of an IMF loan,¹¹² but these policies are ^{less} effective because they do not alter the basic social relations of production. Regardless of the socialist rhetoric emanating from the Nyerere-ists, they too are dependent on the foreign bourgeoisie for support. They regard the liaison with foreign capital as essential for development. It is precisely because of this general belief of the ruling class that they have failed to implement policies which call for drastic social change. Few are willing to risk alienating potential sources of foreign capital. Therefore, they only 'build socialism' insofar as it poses no threat to the present system of control over the generation and distribution of surplus. Their actions are not necessarily a deliberate and conscious exploitation of the masses, but their class ties, which influence development policies, leave them with no alternative.¹¹³

¹¹² "Tanzania: Eyeball to Eyeball with Economic Odds," in Africa 102 (February 1980), p. 47.

¹¹³ It must be recognized that the piecemeal socialist policies offered by the government, e.g. Ujamaa-ization, are manipulated by lower-level administrators who have self-serving interests.

Consequently, underdevelopment and social inequality persist.

The interests of the ruling class are manifested by its decision to abandon the Ujamaa program in favour of the Villagization Program of 1974-1976.

D. The Ruling Class, the State and the Ujamaa Village
and Villagization Programmes

The Arusha Declaration embodied a re-directed strategy for rural development. The new direction emphasized communal production for the achievement of social and economic equality. The guiding principles of the strategy are derived from the traditional African method of communal production and living as carried out by the extended family. The label which expresses this concept is Ujamaa (Swahili for familyhood). The objective is to create a rural society which is free of exploitation, and interpersonal, interregional, social and economic inequality. It is believed that Tanzanians will improve their living conditions most quickly with an efficient use of scarce resources through a co-operative endeavour, i.e. an equal sharing of the work to be done and through similarly sharing the profits.

The government feels this objective is attainable only if people are living in villages. It is virtually impossible to implement a strategy of development through co-operative work if people are scattered about the countryside on individual shambas (homesteads or farmsteads). The government encouraged the peasants to use co-operative farming methods long before the official promulgation of the Arusha Declaration from 1962-1966 under the Village Development Scheme. In other cases Ujamaa villages had sprung up spontaneously. These villages were collectives of poor peasant farmers who had been politicized by the Ujamaa rhetoric and who felt the only way of overcoming destitution was to work communally. They opened up new land for their settlements in

areas where there was little social differentiation.¹¹⁴ This is of central importance because Ujamaa-ization was not a revolutionary attempt to restructure rural social relations of production. Ujamaa farmers carried on production in a relatively co-operative manner, although some farmers maintained private plots at the same time. These settlements were spontaneous; that is to say, the decision to farm co-operatively and live communally came from the farmers themselves and not the bureaucrats or politicians. Once a village settlement had been established, the government intervened with so-called assistance. Anxious to see that these Ujamaa villages achieved optimum success, the government offered funds for infrastructural and agricultural developments. Unfortunately, several villages failed to be productive, but not always from a lack of effort. Firstly, as noted earlier in this chapter, the best lands were already taken by the wealthy, capitalist farmers, so the Ujamaa villagers were forced to form in unsettled territories which are usually less fertile.¹¹⁵ Secondly, the villages were in desperate need of external assistance, but this assistance was unreliable, erratic and coupled with attempts to undermine the democratic process in the villages.¹¹⁶

¹¹⁴ Lionel Cliffe, "The Policy of Ujamaa Vijijini and the Class Struggle in Tanzania," in Cliffe and Saul (eds.), *op.cit.*, p. 199.

¹¹⁵ This is one of Lionel Cliffe's major points in his article: "The Policy of Ujamaa Vijijini and The Class Struggle in Tanzania," in Cliffe and Saul (eds.), *op.cit.*

¹¹⁶ Michaela von Freyhold, Ujamaa Villages in Tanzania (London: Heineman Educational Books Ltd., 1979), pp. 72-77.

A few of the settlements were a success, namely those established under the auspices of the Ruvuma Development Association (RDA) in south-western Tanzania. These seventeen villages were productive and basically self-sufficient. They served as models that co-operative farming could indeed work. For example, the RDA had managed to set up a separate marketing system, a maize mill, a saw mill, a garage servicing tractors and the pooling of technical expertise for member villages; the farmers earned higher incomes than they had previously; the villagers were guaranteed food self-sufficiency as well as free medical treatment, universal and free primary school education, day care centres for the young, assistance for the aged, and bride-payments for those who wished to marry.¹¹⁷

To lure more peasants into co-operative farming, the post-Arusha rural development plan promised substantial benefits to those farmers who undertook to establish Ujamaa settlements; these benefits were in the form of infrastructure, social services, and agricultural extension. Many farmers jumped at the bait, and fulfilled the minimum requirements necessary to be considered eligible for the benefits extended to Ujamaa villages. Also, regional and district development officers were anxious to accumulate career points for having implemented the government's directives, so they easily approved villages which were seeking Ujamaa status. Consequently, statistics on the number of established Ujamaa villages grew to impressive heights (see Table 3.18). However, upon close examination of the production arrangements in these

¹¹⁷ Ibid., p. 75.

Table 3.18: Number of Ujamaa Villages and Membership (March) 1969-74

	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
Number of Villages	809	1,956	4,484	5,556	5,628	5,008
Total Membership	N.A.	531,200	1,545,240	1,980,862	2,028,144	2,560,472
Average Membership	N.A.	272	345	357	360	511
Membership as a % of the rural population	N.A.	4.3	12.3	15.3	15.3	18.9

Source: Tanzania Prime Minister's Office, Rural Development Division, as in World Bank, Basic Economic Report: Tanzania, Annex VI, Agricultural and Rural Development, December 1977, p. 18.

so-called Ujamaa villages, it was discovered that co-operative farming was minimal, and for what communal farming was undertaken, yields per acre were invariably lower than in private farming. This was due largely to the fact that in these 'villages of convenience', the villagers had maintained their private plots and devoted more time to those than they did to the communal farm! To make matters worse, oftentimes the government did not supply the new 'Ujamaa' villages with the promised infrastructure and social services. It was found also that in several instances, Kulaks had organized themselves into 'Ujamaa' villages in order that they could obtain the necessary infrastructure to further the profitability of their private business ventures, e.g. the government built roads which eventually created a boom for Kulak cartage enterprise.¹¹⁸ Also, Ujamaa 'villages of convenience' entailed different systems of communal work. One such system required that all fields be tilled collectively, but the owner of each plot kept the profits from his harvest. The peasants with large landholdings profited most from this arrangement, e.g. the Kulak assisted his neighbour to cultivate his one or two acres, but the latter was obliged to help his rich neighbour cultivate five or ten acres.¹¹⁹

Lastly, in the wealthier areas where individualized commercial farming was most entrenched, Ujamaa-ization did not occur; it was limited

¹¹⁸P. Raikes, "Rural Differentiation," p. 313. This was labelled as the 'Kulak-Ujamaa' effort by Raikes; see Goran Hyden, "Ujamaa, Villagization and Rural Development in Tanzania," ODI Review 1 (1975), p. 57.

¹¹⁹H.U.E. Thoden Van Velzen, "Some Social Obstacles to Ujamaa: A Case Study from Rungwe," in Cliffe et al. (eds.), op.cit., p. 354.

to the moderately and the least productive regions where a redistribution of land work and profits was not a sensitive issue. For example, out of a total of 17 regions, one-third of all the villages were located in only two regions, while five regions contributing together less than 25% of the 1969 GDP accounted for 60% of the Ujamaa villages; the six most effective regions (contributing 50% of the GDP in 1969) accounted for only 15% of the Ujamaa villages and 10% of the Ujamaa population.¹²⁰

In spite of numerous shortcomings in the post-Arusha Declaration Ujamaa strategy for rural development, the decision-making nucleus of the ruling class continued to give verbal support to the ideal that co-operative living and farming would bring about a higher standard of living (through higher production levels), and a society characterized by equality in all areas. In late 1973, the government announced an ambitious new plan: Operation Vijijini (Operation Villages). This entailed the forced re-settlement of the entire rural population into 'development villages'. These villages offered the peasants a new living arrangement, but peasants were permitted to continue farming as they had before. The objective of the move was to enable the government to make better use of the social service resources it had to offer. Social services would be distributed more widely and more efficiently if the peasants were centralized in villages, rather than dispersed about the countryside. Ostensibly, it was hoped that living together would prove to be a successful co-operative experience which would motivate the farmers to adopt co-operative methods of farming, and the end result

¹²⁰World Bank, op.cit., Annex VI.

would be higher agricultural productivity and production.¹²¹ In reality, the decentralized bureaucrats were better able to impose and supervise crop production bye-laws which were issued by the state.

The operation was a disaster, so much so that another plan called Operation Correction had to be implemented in 1976 to repair the damage done by force villagization. Most of the errors were caused by poor planning. For example, approximately 11 million Tanzanians were moved into villages in a space of two years,¹²² and in many cases, the villages they were moved to were less equipped with basic services, e.g. clean water and existing housing, than the villages they had come from. Also in a number of cases, the farmers' plots were located far from the village and much time and energy was wasted walking to and from the fields. Although in many cases peasants were allowed to retain their individually-owned plots of land, the newly designated farmlands were located on hills or in flood areas which made cultivation impossible.¹²³

¹²¹The villagization move did not include any plan for forced co-operative production.

¹²²This figure is an over-estimation of the real numbers of rural Tanzanians who were actually moved. Of a total rural population of 13 million, the entire population was reported to be living in 'development villages', whereas in 1974, only 2,560,472 were reported to be living in Ujamaa villages. The problem is not one of simple arithmetic; an unknown number of the eleven million were already living in some sort of collective and the village was simply re-designated as a 'development village'. In other cases, neighbouring villages were combined without an actual move taking place. Nevertheless, millions were in fact moved.

¹²³Juma Volter Mwapachu, "Operation Planned Villages in Rural Tanzania: A Revolutionary Strategy for Development," in African Review 6 (1976), pp. 8-10.

What is likely to be more serious than these physical inconveniences is the loss of the faith the peasantry once had in Nyerere. At the local level, there has always been conflict and tension between government staff and common peasants. The 'no' vote against Nyerere for president doubled from the 1970-75 elections.¹²⁴ Being forcibly removed from their homes to live in areas not of their own choosing and which were in some cases even more impoverished had undoubtedly raised serious questions in their minds about the economic motives of a leader who would force them to make changes which have required that they work harder, but for no immediately foreseeable benefits. Secondly, the peasants have demonstrated their displeasure over this latest government directive by sabotaging production using methods of protest that the peasants used in colonial times, e.g. planting ^{root}~~crops~~ upside down and boiling seeds. This was a small but contributing factor to the fall in agricultural production. Production fell mainly because the move was poorly timed, i.e. after the beginning of an agricultural cycle, and because of the severe drought which struck Tanzania in 1974.¹²⁵

Although recorded incidents of violence are few, the move was unquestionably carried out by force. This is the only means of achieving a nationwide resettlement of people within two years' time. Von Freyhold reports that the militia played an important role in the villagization campaign, and where they failed, the army stepped in.¹²⁶ The peasants

¹²⁴ Dean McHenry Jr., Tanzania's Ujamaa Villages (Berkeley: University of California, 1979), p. 66.

¹²⁵ Mwapachu, op.cit., pp. 8-10.

¹²⁶ von Freyhold, op.cit., p. 56.

may appear to have been passive, but when the state unhesitatingly sends in the military to carry out its orders, they adopted the attitude of 'move now and ask questions later'. This is not to suggest a move toward totalitarianism; on the whole, the peasants moved because they realized they had no choice. Also, some realized the benefits of living near to schools, roads, water, and they were often given a choice of villages to move to.¹²⁷

Villagization combined with the decentralized system of local government destroyed the bargaining which characterized Ujamaa village planning meetings; now the peasants simply asked for certain things and, apart from local lobbying, they knew that they could do little to influence the distribution of public funds.¹²⁸

With villagization, it appears that Ujamaa has virtually disappeared. In 1968, the government began absorbing genuine Ujamaa villages into the Ujamaa 'villages of convenience' which sprang up after the Arusha Declaration. Even the model RDA Ujamaa villages were dissolved in October 1969 by an official presidential decree, and the villages' material assets were confiscated. Operation Villages combined Ujamaa villages with the 'development villages', regardless of the farmers' demonstrated commitment (or lack thereof) to socialism and communalism. Consequently, the Ujamaa method of farming was abandoned because the non-Ujamaa peasants outnumbered the Ujamaa farmers and the former were

¹²⁷ Andrew Coulson, "Agricultural Development Policies in Mainland Tanzania," Review of African Political Economy 10 (Sept.-Dec., 1977), p. 93.

¹²⁸ von Freyhold, op.cit., p. 57.

not willing to work on a communal basis. The Ujamaa farmers were forced to revert back to private farming.¹²⁹

Today, the predominant method of farming in Tanzania is 'block-farming'. Local government representatives were experiencing difficulties in mobilizing the peasants to form Ujamaa villages. To get around this problem, the government issued a 1972 directive allowing the government staff to encourage block-farming in those villages not yet receptive to communal cultivation.¹³⁰ Unfortunately, in practice, block farming meant that whenever there were any problems, villagers were told to divide the communal plot among the farmers--in effect, this was privatization. In some cases, the villages were not asked to attempt communal production at all.¹³¹ Furthermore, the forced villagization period offered the government a valuable opportunity to affect land redistribution. However, they were able to avoid implementing this policy which would have been a genuine step toward achieving socialism. There was always land available at the new village site for allocation to landless peasants because of the availability of free land; for those whose land was taken over for village sites or who had to move miles back to their former farms, farmers were offered virgin lands close to the villages.¹³² Thus, the Kulaks managed to maintain their landholdings.

¹²⁹See von Freyhold's example of the Ujamaa group at Mkinga Leo who experience compulsory amalgamation with a 'development village'; ibid., pp. 188-189.

¹³⁰Ibid., pp. 57-58.

¹³¹Ibid., p. 58.

¹³²Mwapachu, op.cit., p. 10.

Block-farming was also the solution for recalcitrant farmers after Operation Villages (1974-1976). The World Bank also favours this shoulder-to-shoulder method because private farmers can share common tractor services, spraying programmes, etc. The government favours this farming system because it offers fewer political risks. The Kulaks were allowed to keep their former landholdings¹³³ and at the same time, profit from the benefits which a minimal degree of co-operation can bring. This way, the government avoids disruption of the dominant rural social class; it is also consistent with Tanzania's 'go-slow', gradualist approach to the implementation of socialism. Again, the poorest peasants assume the greatest degree of risk because the farmers do not work together in a communal system where labour, risks and profits are all equally shared.

It is not known whether the government tried to force all the inhabitants of the development villages to partake in some segregated communal production project. This was done in the 1968-74 period in Ismani, but the Kulaks evaded their communal responsibilities by paying money for the day's work or by sending people to work for them so they could get their labour day recorded accordingly.¹³⁴ Kulaks continue to

¹³³Operation Villages was not a strategy for land and income redistribution and equalization. The aims were: (1) to centralize the peasants so their production could be easily supervised in hopes of achieving higher production and eventually higher incomes for all; and (2) to centralize Tanzanian peasants so social services could be provided to a wider population. Also, politicization is easier if the peasants are concentrated in village areas.

¹³⁴A. Awiti, "The Development of Ujamaa in Ismani," in Cliffe et al., (eds.), op.cit., p. 422.

predominate in local elected government offices, i.e. the richest peasants occupied the elected posts, although their political powers have somewhat diminished as the government has increased the powers of the bureaucracy through increased political appointments.

The state is now in a much better position to control agricultural production. Contrary to what one might expect from an ostensibly socialist country, the state continues to indirectly promote the production of cash crops over food crops. One would expect that the government, in light of its goals of equality and self-reliance, would pursue an agricultural development strategy which would offer each family or village unit the widest choice of economically productive activities e.g. production for consumption, for the domestic market (urban or rural), for the export market, rather than maintaining a system of production wherein it is only economically feasible for most peasants to enter into export crop production (It is recognized that in this alternative strategy for rural development is the assumption that Tanzania will be optimally self-sufficient once each family or village unit is capable of self-sufficiency).

Its strategy for achieving food self-sufficiency is to limit the production of food to certain areas and enjoin the peasantry to produce greater amounts of export crops. For example, the World Bank's maize programme of 1976 aimed at providing inputs, e.g. fertilizers, seeds, equipment and increasing producer prices for maize, but the production of this staple food crop was to be carried out in only 950 selected villages out of a total of 8,000.¹³⁵ The production in these 950 villages is intended to supply the entire nation's demand for maize and thus make a national campaign for food production unnecessary.

Another example is the dairy programme implemented from 1974 to 1980, to be carried out on large farms.¹³⁶ A third example is a CIDA wheat-growing project of 20,000 acres in Bushoto. The Tanzanian government is using the expertise of western Canadian farmers, CIDA funds and Canadian technology to bring this south-central arid zone into

¹³⁵ von Freyhold, op.cit., p. 109.

¹³⁶ Ibid., p. 113.

wheat production.¹³⁷ It is hoped that this state farm will supply Tanzania's wheat and wheat-product needs.

From these facts, a clear trend arises: the state is pursuing a strategy of rural and agricultural development wherein the peasantry will not need to expend time and energies for food production. With these three projects alone, the state plans to supply national demand for maize, dairy products and wheat. This strategy deprives the peasantry of a more stable income through production for the domestic food market, for example, maize prices were raised from .28 Shs per kilogram in 1969-70 to .85 Shs per kilogram in 1977-78 (226%).¹³⁸ As these projects become more successful, the peasantry can devote more time to export crop production.

It can already be seen that this is where the state has begun to channel the energies of the peasantry. After the villagization campaign, by-laws were passed in many areas enforcing minimum acreages for both food and cash crops. For example, in Tegera, formerly a Ujamaa village, a by-law required each family to grow 0.4 hectares of cotton;¹³⁹ in the Dodoma Region, farmers who travel on buses must show a pass to indicate that they have cultivated 3 acres of food and 3 of cash crops; farmers in several coastal regions have been taken to court because they did not weed the grass under their cashew-nut trees--for it can hide the

¹³⁷ This information was obtained from an interview with CIDA officials in Ottawa, Canada, November 1979.

¹³⁸ World Bank, Annex VI, *op.cit.*, p. 31.

¹³⁹ von Freyhold, *op.cit.*, p. 187.

fallen crop upon the ground and thus reduce the harvest.¹⁴⁰ During the 1974 drought, tobacco production grew while maize production fell by one-third (both crops require similar climate conditions for cultivation) and the tobacco was produced in areas with sufficient rainfall, while maize was grown in more arid areas.¹⁴¹ The government did not intervene to enforce maize production in the well irrigated regions. Tanzania received TShs 2015.6 million from the World Bank toward the Second Five Year Plan (1969-1975). Of this, 40% was designated for agricultural development, but two-thirds went to projects for the production of export crops, e.g. sugar, tea, tobacco and cotton.¹⁴² The peasants participating in these projects previously produced maize or rice as a main source of income.¹⁴³

This strategy of agricultural development has served to support what the colonialists began: the subordination of peasant production to the demands of the international market economy. If the strategy is successful,¹⁴⁴ it appears that state-owned or state-supervised farms will

¹⁴⁰ Ibid., p. 109.

¹⁴¹ Andrew Coulson, "Whatever Happened to Ujamaa?", in New Internationalist (February 1977), p. 18.

¹⁴² Ibid., p. 108.

¹⁴³ Ibid., p. 109. However, it must be reiterated that monetized production has not yet exceeded subsistence production.

¹⁴⁴ This strategy is unlikely to be successful. Already the country is farther from food self-sufficiency than it ever has been, and another devastating drought has besieged the country. Maize production is good in some areas, but Tanzania's infrastructure is not developed enough to transport these foodstuffs to where they are desperately needed. Problems have also hindered the success of the wheat (continued on next page)

satisfy all domestic agricultural needs, while the peasants produce for the international export market. This strategy was likely chosen over one which would have export crops grown on state farms and peasants producing food because market prices for exports are high enough to maintain adequate production levels. The state will appropriate the products of peasant labour at a pre-determined price through state institutions such as parastatal marketing boards which are responsible for the sale of export crops on world markets. The surplus from sale accumulates to the state and it is those who run the state who will determine how the surplus value will be reinvested.

This scenario could easily be labelled 'state capitalism', i.e. capitalist production where the state plays the role traditionally assumed by the bourgeoisie as the appropriator of the surplus from production. Those in the state are the country's greatest beneficiaries of this system, e.g. they maintain high salaries, enjoy better standards of living, and they implement policies which afford them even greater control over the masses (of peasants), e.g. villagization. Thus they ensure the reproduction of their class. However, the central core of decision-makers has also made policies to, inter alia:

- (1) arrest the trend toward the transformation of the bureaucratic bourgeoisie into an urban-based petty capitalist class;
- (2) improve the social and infrastructural services offered to the peasantry, e.g. health care, water supply, education (to be assessed in Chapter 5);

144(cont.) project. Because the project is capital-intensive and highly mechanized, it is plagued by part replacement and repair problems, labour supply problems, adverse climatic conditions, an unreliable supply of production inputs. The dairy project required that the participant villages meet such high requirements that only eight could do so. (von Freyhold, op.cit., p. 113).

- (3) place restrictions on the repatriation of foreign capital;
- (4) narrow the rural-urban dichotomy;
- (5) control the behaviour and incomes of political and administrative leaders (the Mwongozo); and
- (6) raise crop prices to improve rural incomes (see Table 3.19).

In view of this, it is difficult to totally reject the 'socialist' label for Tanzania, but efforts at 'building socialism' have been distorted beyond recognition. This aberration is herein labelled 'state socialism', i.e. socialism (as defined by the ruling class) implemented by the bureaucracy for the people--top-down socialism. The ruling class has decided what is best for Tanzanians and how best to achieve these goals.¹⁴⁵ The people are not involved in the selection of the goals, but the ruling class is ready to forcibly impose these policies on the peasantry because it views itself as capable of deciding what is in the best interests of the majority--witness the decision to 'villagize' the rural population.

The prospects for the success of 'state socialism' as practised in Tanzania are dim. For example, Goran Hyden writes that:

"...any revolutionary strategy is ultimately class strategy and not a development strategy that can be bolstered by, for example, bureaucratic control and technical assistance inputs."¹⁴⁶

Von Freyhold feels bureaucratic control has stifled the peasantry's creativity, and the bureaucracy's failure to support the peasants in their struggle against the Kulaks has resulted in a lack of interest in

¹⁴⁵ The ruling Party, which makes policy and the bureaucracy carries it out, views itself as inter alia more competent to look at national interests. (See McHenry Jr., op.cit., p. 64).

¹⁴⁶ Goran Hyden, "Ujamaa, Villagization and Rural Development in Tanzania," in Overseas Development Institute Review (no.1, 1975), p. 70.

Table 3.19: Producer Prices for Selected Agricultural Crops by
Marketing Year (Shs per Kilogram)

	<u>1969- 1970</u>	<u>1970- 1971</u>	<u>1971- 1972</u>	<u>1972- 1973</u>	<u>1973- 1974</u>	<u>1974- 1975</u>	<u>1975- 1976</u>	<u>1976- 1977</u>	<u>1977- 1978</u>
Maize	.28	.26	.24	.26	.33	.50	.75	.80	.85
Wheat	.57	.57	.57	.57	.57	.77	1.00	1.20	1.25
Rice (Paddy)	.52	.58	.52	.56	.57	.65	1.00	1.00	1.20
Cotton (AR grade)	1.10	1.10	1.10	1.13	1.13	1.50	2.00	2.00	2.30
Cotton (BR grade)	.55	.55	.55	.60	.60	.65	1.00	1.00	1.15

Source: World Bank, Annex VI, op.cit., p. 31.

communal work.¹⁴⁷

Socialism, meaning communal production and a fair distribution of the surplus, is judged herein unlikely to be achieved in Tanzania by means of rural development policies which foster widespread export crop production while confining domestic crop production to a small select segment of farmers. This strategy does little to restructure Tanzania's dependence on outside forces for its economic health. For example, continued dependence on export crops for national income leaves the economy vulnerable to the vagaries of the international market and the environment. When these uncontrollable forces have a negative effect, Tanzania is forced to rely on foreign loans and grants for sustenance, further imbedding itself in the quagmire of dependence on foreign capital.

The increase in export crop production alone does not connote greater dependence on foreign capital. What does indicate economic dependence is how the revenues are used; that is to ask: since the proclamation of the goals of economic self-reliance, has the surplus been used productively to achieve this goal? This is a most difficult question to answer because the evidence points in both directions. Firstly, Tanzania is to-day no less dependent on foreign aid, trade and investment, and the country is no closer to economic self-reliance than it was before the Arusha Declaration. In fact, if one measures self-reliance by decreases in receipts of foreign aid and investment and by food imports, Tanzania has moved away from self-reliance.

¹⁴⁷ von Freyhold, op. cit., p. 108..

However, if one assesses the efforts of the ruling class to achieve better integration in the domestic economy through greater backward and forward linkages between industrial and raw material production, the promotion of small scale, decentralized and labour-intensive industry,^{147a} controls over foreign investors, remarkable success in increasing the grants to loans ratio, ruling class efforts to achieve self-reliance are commendable. Unfortunately, the results have not materialized. It has been argued by scholars such as Cranford Pratt, Manfred Bienefeld, Reginald Green, Bismarck Mwansasu^{147b} that this failure to achieve success has not been the fault of Tanzania's ruling class. Generally speaking, defenders of Tanzania's strategy for development perceive the ruling class as one which is doing its utmost to achieve its goals in the face of grave obstacles which cannot be overcome in the space of a few short years. They argue that Tanzania's leaders have done all that one can realistically expect of a poor developing country which understandably must continue to maintain its links with foreign capital or else suffer irreparable economic damage and chaos i.e. they must precariously juggle the constraints of the international economic system with their goals of self-reliance and socialism. Regardless of whether one defends or condemns Tanzania's efforts to achieve self-reliance, the final question remains: has the ruling class done all

^{147a} See the paper by David Vail, "The Case for Rural Industry: Economic Factors Favouring Small Scale, Decentralized, Labour-Intensive Manufacturing", Cornell University Institute on Science and Technology and Development, July 1975.

^{147b} Bismarck Mwansasu and Cranford Pratt (eds.), Towards Socialism in Tanzania (Toronto: University of Toronto Press) 1979.

that one could reasonably expect of it to autocratic development? On the broadest level considering all sectors, an answer will not even be proffered because the evidence can be argued either way. However, at a lower level considering only one sector, namely the rural sector, the conclusion on has the ruling class done all it can to achieve internal self-reliance and socialism is an emphatic no.

Although purporting to pursue the principles of self-reliance and socialism, the ruling class has carefully avoided changes which will drastically alter social relations of production. For example, the Villagization Program did not include any strict requirements for communal production, nor did it redistribute land. The Program has been shown to be an attempt by the ruling class to control peasant production at all levels. This was also the likely motive behind the state's unfortunate decision in 1969 to merge the model Ujamaa villages of the RDA with the 'villages of convenience', and in 1974-76 to amalgamate the successful Ujamaa villages with the 'development villages'.

This strategy of 'living in villages' is the new strategy for Tanzania's development. This is the state's latest tactic for increasing production. In introducing the program, Nyerere said:

"We cannot establish colonies to supply us with raw materials for our industries as is the case in some developed countries. We must make our villages produce these raw materials." 148

He went on to add that surplus of raw materials was needed for export

¹⁴⁷ von Freyhold, op.cit., p. 108.

¹⁴⁸ Andrew Coulson, "Whatever?", op.cit.

about on individual shambas (farmsteads). Although von Freyhold's study shows that the provision of services has indeed occurred, e.g. expansion of schools, construction of storage facilities (godown), installation of better water services, the ability of the state to withhold services can be interpreted as improved leverage over the peasantry to force compliance with production by-laws.¹⁵¹

The government has not yet enunciated a new plan for the achievement of socialism. Even though Nyerere denies the abandonment of Ujamaa,¹⁵² the program has certainly been pushed to the background.¹⁵³ The state now pursues a strategy of raising the production of surplus, which can be used to supply a foreign controlled industrial sector and to raise foreign exchange for the purchase of imports. Thus, underdevelopment and inequality are perpetuated in a society which is 'building socialism'.

Let us now examine the nature of the ruling class in the Ivory Coast and its effects on rural development policies. In the final chapter, these two social systems will be compared.

¹⁵¹Coulson, "Whatever?", p. 18.

¹⁵²Ibid., p. 19.

¹⁵³It would be interesting to see what a content analysis of government promulgations would reveal about the role of socialism in Tanzania today. Unfortunately, such research is beyond the scope of this study.

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- CHAPTER FOUR -

RURAL SOCIAL DIFFERENTIATION IN THE IVORY COAST

This chapter examines the formation of rural social classes as a result of the proliferation and strengthening of capitalist relations of production. As in the previous chapter, the process will be measured by growing inequalities in access to the major means of production (i.e. capital for the acquisition of land, labour, farm inputs) and in incomes earned from the sale of agricultural surplus, in the pattern of use of surplus (notably re-investment back into the agricultural enterprise), and degree of political control exercised by the dominant rural social class. Following this is a delineation of Ivorien ruling class relations with the state and foreign capital, and the effect of these relationships on rural development strategies. The chapter concludes with a brief look at recent trends and developments in the rural sector.

A. The Planter Bourgeoisie

It has already been shown (see Chapter two) that it was initially the inhabitants of the more fertile regions who adopted cash crop production, but they did so only on a minor scale. At the time, the colonialists were relying primarily on French settlers for the production of export crops. At this point, social differentiation along class lines was minimal. Only a few African farmers were able to afford large-scale cash-cropping because of a shortage of labour. The labour supply was depleted by the requirements of forced labour i.e. all Africans were required by

law to devote a certain number of days per year in the service of the "commandant" (the local colonial administrator). Once forced labour was abolished in 1946, the development of the capitalist forces of production proceeded unfettered. Those Africans previously hindered only by a tenuous labour supply could now increase their production using hired labour, to such a degree that the entire enterprise was left in the hands of a hired supervisory staff. Thus, these producers became "un veritable bourgeoisie de planteurs",¹ and not merely a peasantry of a petty capitalist nature (Kulaks) as was the case in Tanzania.

The evolution of this class is herein the principal concern, but this is not to suggest that the remainder of the Ivorian peasantry is an amorphous mass. They gradually differentiated along class lines into middle-income and poor-subsistence farmers. Also, there is a great number of landless agricultural labourers in the Ivory Coast. These were, and still are, largely migrants from poorer neighbouring states such as Upper Volta, Togo, Mali and Dahomey, although a few Ivoriens can be found among their numbers. They comprise at least three-quarters of the agricultural labour force. Lastly, there is a small, but economically significant, number of non-African planters in the Ivory Coast. They

¹Samir Amin, Le Développement du Capitalisme en Côte d'Ivoire (Paris: Editions de Minuit, 1967), p.92.

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numbered little more than 200² holding 50,000 hectares of land by the late 1960's.³

i) Landholdings

In the 1950's, the 'planteur bourgeoisie' only numbered in the hundreds of families.⁴ By 1965, their numbers soared to 20,000 and they owned nearly one-quarter of all land under cultivation in the Ivory Coast.⁵ They originated from the traditional chiefs who gave themselves rights over land which tended gradually to establish a sort of private appropriation for their own profit. When forced labour was outlawed, they expanded their production of coffee and cocoa by extending their landholdings into unclaimed forest areas. This point marks the emergence of the planter bourgeoisie.

Amin observed that it was easy for the Agni and Baoulé chiefs to

²A. Hopkins, An Economic History of West Africa (London: Longman Group Ltd., 1973), p.211.

³Jean Suret-Canale, Afrique Noire Occidentale et Centrale (Paris: Editions Sociales, 1972), p.219. This should not suggest people of European extraction are not significant to the overall social structure. They are overwhelmingly located in the urban centres and Amin estimated their numbers to be growing at a rate of 9-10% per annum: "The Ivory Coast is one of those rare African countries whose European population has greatly increased since independence". (My translation) (Amin, op. cit., p.37).

⁴Samir Amin, Neo-Colonialism in West Africa (N.Y.: Monthly Review Press, 1973), p.62.

⁵Ibid, p.61.

transform their land rights into property rights because pre-colonial structures were already hierarchical and differentiated along class lines.⁶ This individualistic attitude toward property was reinforced by the commercialization of agriculture.

In the heavy coffee and cocoa-producing regions (the forest zone), plantations tended to become the personal property of the planter and it was passed from father to son.⁷ With the proliferation and permeation of commercial farming came a desire to secure a more permanent title over land. Producers of cash crops did not want to risk losing their investment in the land to the exigencies of a traditional land tenure system. Consequently, matrilineal inheritance was replaced by patrilineage. Secondly the need to contractualize landholdings was felt when immigrants flocked to the plantation zones in search of work. Individual property ownership was a defence against encroachment by immigrants. Thirdly, the colonial government felt collective land rights failed to provide the security of tenure or the incentives and opportunities essential for investment in permanent crops or for large-scale industrial farming.⁸

⁶ Amin, Le Développement, 101. Raymond Barbe reaches the same conclusion, adding the social differentiation along class line was most evident in those pre-colonial West African societies which were "peu touchées par l'économie de 'traite'"; see Les Classes Sociales en Afrique Noire (Paris: S.I.F.E., 1964), pp.12-13.

⁷ R. Barbe, op. cit., p.35.

⁸ T.D. Roberts et al (eds.), Area Handbook for the Ivory Coast, second edition (Washington, D.C.: Foreign Area Studies, The American University, 1973), p.294.

Therefore, the traditional system was modified in the 1950's, making possible: 1) exclusive individual or corporate ownership and long-term leaseholds for agricultural concessions; and 2) combination of the traditional and the modern systems i.e. chiefs control access to the land and they can legally confirm traditional rights over land and have them reduced to written title under French civil law.⁹

This provision permits de facto private ownership. Today, in areas where land is not bought and sold outright, the chief assigns usufructary rights in return for a small tribute. For example, a hectare or less of coffee could be obtained for 40,000 francs CFA, and in the newly-established lucrative palm oil sector, a few hectares of palm trees go for as much as 140,000 francs CFA.¹⁰ Land could also be obtained through rentals. The rentability of land works both ways:

- 1) Farmers who find cultivation of their smallholdings un- or less-profitable than the rental price, rent their land to wealthier farmers,¹¹ and

⁹ Ibid.

¹⁰ Henrik S. Marcussen, The Development of Capitalist Relations of Production in Agriculture: The Case of SODE PALM in the Ivory Coast (Denmark: Copenhagen School of Economics and Business Administration, 01 Feb. 1979), p. 139.

¹¹ Ibid. p. 161.

2) poor, landless immigrants from the north migrate south and must rent land for the cultivation of foodstuffs.¹² A farmer has access to whatever amount of land he can put into production, so what is crucial to profitable commercial production is capital, firstly for payment of the chiefly tribute, and secondly to pay wage labourers. Therefore as in the Tanzanian case, de jure landownership is not as important to expanding production as the possession of or access to capital.¹³

This led to inequality of land holdings e.g. around 1950, of the land under cultivation, each active adult male farmed about 2-2.5 hectares of export crops,¹⁴ by 1965, this estimate had fallen to 1.7 hectares.¹⁵ Around this time, the holdings of the planteur bourgeoisie averaged 10-12 hectares and some had holdings of more than 100 hectares. e.g. Houphouet-Boigny.¹⁶ By 1967, these 20,000-odd planters were no longer

¹² Ibid, p.151

¹³ New landholdings were taken from unclaimed land in the forest zone. These new holdings were a combination of land claimed by capitalist farmers for commercial crops, and land claimed for settlement because of land scarcity due to a growth in the population.

¹⁴ Amin, Le Développement, p.84.

¹⁵ Ibid, p.83.

¹⁶ Barbé, op. cit., p.37.

an "embryonic" bourgeoisie as Amin called them in 1950. Although they comprised only one-tenth of the rural population, they owned nearly 30% of the land under cultivation.¹⁷ They had become a veritable planteur bourgeoisie.

Similar to Tanzania, those regions with heavy commercialization of agriculture were also those with the greatest inequality of land-holdings.¹⁸ Within these zones (south-east and central Ivory Coast), inequality is acute e.g. before independence, in a district just south of ABidjan, 2% of the landowners possessed 17% of the land and 50% possessed only 14% of the land.¹⁹ Nothing has since occurred to alleviate this situation. Inequality is evident in other sectors of the rural economy; for example, in the foreign-dominated production of exportable pineapple, the average plantation is 130 hectares; among the 1200-1500 producers of exportable bananas, 80 producers or societies (5-6% of the total), exploit 41% of the land area.²⁰

The trend toward declining smallholdings has worsened in recent years as a result of land fragmentation to accomodate the growing population.

¹⁷ Amin, Le Développement, p.107.

¹⁸ Ibid, p.101.

¹⁹ Barbe, op. cit., p.37.

²⁰ Marie-Claude Guerrin, "L'économie Ivoirienne", Tiers Monde 16 (1975), p.128.

The paucity of data in this area does not permit an assessment of the proportion of these fragments of production to the neglect of commercial production, or whether cash crops are produced to the neglect of food crops and a peasant family's subsistence is purchased. The government has been able to maintain adequate levels of export crop production due to an emphasis on the intensification of per hectare yields (productivity) on larger farms.²¹ This suggests that smallholders of coffee and cocoa have continued to farm their traditional mix of cash crops and food crops.

Furthermore, it is difficult to assess the degree to which the decline in smallholdings is due to land expansion by the planter bourgeoisie. Evidently, the progressive measurement of farm size has not been an area of intense research. One of the few to do such research is Abdoulaye Sawadogo, a former Minister of Agriculture.²² Sawadogo concludes that land inequality does not pose a serious problem. However, his conclusions are based on data which exclude farms over 100 hectares and his data does not show how many plantations are held by a single planter. In his

²¹Alexander Rondos, "Ivory Coast: The Price of Development" Africa Report (March-April 1979), p.6.

²²Abdoulaye Sawadogo, L'agriculture en Cote d'Ivoire, (Paris: P.U.F., 1977). The results of his study were obtained from: H. Marcussen, op. cit., pp.58-60; for an excellent critical analysis of Sawadogo's book see; Bernard Founou-Tchuigoua, "Quel changements dans l'agriculture Ivoirienne?", Africa Development 4 (number 1, 1979), pp. 71-78.

critical analysis of Sawadogo's book, Bernard Founou-Tchuigoua concludes that because of the state's policy of encouraging civil servants to become planters, land is increasingly being expropriated and privatized to the profit of those who already have at their disposal important means of accumulation.²³

ii) Employment of Labour

Although labour is a factor of production in the Ivory Coast, the monopolization of the land by the rural bourgeoisie has not progressed to the point so as to create a reliable labour supply of national origin. Therefore labour comes from other states. In 1956, 87,250 Ivorien commercial farmers used 60,000 wage workers and 1,100,000 family members for production.²⁴ Considering that during the same period, planters possessing 10-12 hectares, each employed at least five labourers,²⁵ the dependence of the planteur bourgeoisie on hired labour is evident, as compared to small commercial farmers who use family labour and an occasional hired hand. Also, the planter bourgeoisie tends to hire labour on a permanent, rather than on an occasional basis.²⁶

²³ Founou-Tchuigoua, op. cit., p.76.

²⁴ Osendé Afana, L'économie de l'ouest africaine (Paris: Francois Maspero, 1966), p.162.

²⁵ Barbé, op. cit., p.367.

²⁶ Ibid, p.35.

The nature of this employment is exploitive. Workers hired on a permanent basis were initially paid by the task, but this was eventually replaced with a system of share-cropping²⁷ and the system still exists today.²⁸

The official wage for agricultural labour in the 1950's was 19.50 francs CFA. When the bourgeois planters gradually seized the reins of politics from 1954-1959, the rate did not rise at all, in spite of the rising cost of living and commensurate re-adjustments in the salaries of non-agricultural workers.²⁹

Conditions are not much different today. Agricultural wages were raised 20% between 1970 and 1974 to 25 francs CFA per hour, while non-agricultural wages rose 58% during the same period.³⁰ Marcussen reports that recently, agricultural workers were paid only 240 francs CFA per day, while the guaranteed daily minimum wage was 736 francs CFA.³¹ The argument that this comparison in wage rates does not account for the free living accommodations provided to agricultural workers, is negated when one considers that agricultural wages have risen only 30% in two decades

²⁷ Ibid, p.35.

²⁸ World Bank, op. cit., p.40.

²⁹ Barbé, op. cit..

³⁰ World Bank, op. cit..

³¹ Marcussen, op. cit., p.111.

and 20% of this occurred in 1970-1974. To make matters worse, coffee and cocoa producers are exempt from paying the minimum wage.³² The surplus labour appropriated from these exploited labourers is manifested in production, and later, income levels of the planter bourgeoisie.

iii) Incomes and Production

In the subdivision of Bongouanou, in 1956 500 of the richest planters (i.e. over 12 hectares each with at least 5 workers) represented 7% of the subdivision's planters, but they produced more than one-quarter of the coffee and cocoa, worth more than 400,000 francs CFA per plantation.³³ In another region during that period, 9% of the planters harvested 36% of the region's cocoa production.³⁴ Incomes are commensurate with production e.g. in an area just south of Abidjan, 2% of the landowners earned 2,570,000 francs CFA that year, while 50% of the planters earned only 50,000 francs CFA.³⁵

Inequality in production and incomes is not limited to coffee and cocoa production. Among the banana producers mentioned earlier, 5-6% of

³² Rondos, op. cit.

³³ Barbe, op. cit., p.36.

³⁴ Ibid, p.36.

³⁵ Ibid.

the total 1200-1500 producers account for 68% of the total tonnage produced, whereas 1,000 banana planters produce only 32% of this crop.³⁶ In the forestry sector (dominated by French and European concessionaries), among a total of 190 foresters, only 50 furnish 75% of the production.³⁷

The most recent figures on the distribution of agricultural incomes are based on the 1973-74 crop year and show:

The lowest 40% receives 27.5% of the country's total agricultural income

The middle 40% receive 40.5% of the country's total income; and

The top 20% receive 32.0% of the country's total agricultural income.³⁸

iv) Re-Investment

Thus far, the existence of a rural bourgeoisie has been shown through the use of quantitative measure i.e. the size of land holdings, the exploitive use of wage labour and levels of income and production. Equally important is how the bourgeoisie uses the wealth it amasses from the appropriation of surplus labour.

³⁶Guerrin, op. cit..

³⁷Ibid.

³⁸World Bank, op. cit., p.134. These figures allow for income for subsistence activities, and they include farmers living in urban areas, and they exclude rural inhabitants engaged in non-agricultural activities.

Much of it is used for prestige consumption e.g. better housing, education, imported consumer goods. For this reason, Amin does not consider the planter bourgeoisie 'progressive' social class.³⁹ Secondly, researchers report that a large proportion of their income is put into urban investments e.g. real estate, transport and small businesses.⁴⁰ For example, the financial accounts of Yuza, a Gouro bourgeois planter used as a case example in Meillassoux's study,⁴¹ show Yuza earned a whopping 31% (244,000 francs CFA) of his annual income from the rental of a house in Abidjan (see Table 4.1). The rural bourgeoisie does however re-invest in income-generating rural enterprises which require the participation of other farmers.

Firstly, Stavenhagen notes that in the Ivory Coast, when farmers' incomes rise, an increasing proportion is used to establish new farms, the production from which pushes incomes even higher, which in turn,

³⁹ Amin, Neo-Colonialism, p.62.

⁴⁰ Ibid; see also: Barbe, op. cit., p.37, and Afana, op. cit., p.162. None of these writers offer concrete data on exact proportions of capital invested in the urban centres.

⁴¹ Claude Meillassoux, Anthropologie Economique des Gouron de Côte d'Ivoire (Paris: Mouton et Compagnie, 1964), pp.338-344.

TABLE 4.1 THE FINANCIAL ACCOUNTS OF KWASI BI YUZA (circa 1956-57)

in francs CFA

Receipts		Expenditures	
Coffee sales	375,000	Labour	288,000
Yam sales	75,000	Coffee-dryer	30,000
Rice sales	7,000	Coffee-sheller	230,000
Cola nut sales	4,000	School construction	20,000
Rentals	244,000	Construction of a new house in Bouafle	50,000
Gov't subsidies	<u>80,000</u>	New family dwelling	15,000
TOTAL	785,000	Taxes and Contributions	31,500
		Maintenance of a son in school in France	<u>100,000</u>
		TOTAL	764,500

Source: Meillassoux, op. cit., p.330.

Note: It can be tentatively assumed that Yuza's surplus income was spent on items for daily maintenance e.g. canned food, clothing, utilities e.g. electricity (if any) etc. Unfortunately Meillassoux does not account for expenditures for items of this nature.

stimulates a new cycle.⁴²

Meillassoux's study of the Gouro shows small industrial farm enterprise is another popular income-generating investment e.g. coffee-drying and shelling equipment.⁴³ Table 4.1 shows that 34% (260,000 francs CFA) of Yuza's income was spent on such entrepreneurial investments. The use of the equipment is rented to poorer farmers and a planter thus builds up a regular clientele.⁴⁴ Another common entrepreneurial activity is commerce. Stavenhagen reports that the wealthy planters use their surplus income to purchase the harvests of poorer farmers, which they in turn sell to commercial houses in the cities. The crop is transported in vehicles they have purchased for commercial purposes.⁴⁵ They have also been known to form producers' associations to defend the interests of members. In the past, this was a local and temporary tactic to withhold produce from the market when prices were low, so as to boost the market.

⁴²Rudolpho Stavenhagen, Social Classes in Agrarian Societies (Garden City, N.Y.: Anchor Press/Doubleday, 1975), p.152. Stavenhagen does not specify how much of a bourgeois planter's income goes toward expansion of landholdings, nor does he specify how pervasive this trend is among the rural bourgeoisie. This trend was also observed in the Pillet-Schwarz survey (see Marcussen, op. cit., p.164).

⁴³Similar machinery is also used in the case of cocoa farming.

⁴⁴Stavenhagen, op. cit.

⁴⁵Ibid. Again, Stavenhagen does not offer quantitative data with which one can measure the extent of this activity.

price.⁴⁶ The rural bourgeoisie even profits from a government subsidy which is given to big commercial farmers to encourage higher levels of production. Table 4.1 shows Yuza received 80,000 francs CFA in one year as "un prime d'encouragement à la production", and this rose to a shocking 249,350 francs CFA in 1958.⁴⁷ A system of direct subsidies to the producer continues today. The World Bank reports that specialized public institutions intervene between the central government and the farmer in ways designed to stimulate higher production ranging from low prices for farm inputs to direct subsidies in cash or in kind.⁴⁸ The Bank's report does not investigate recipients of those incentives, but past programmes to raise cash crop production by channeling assistance to 'progressive' farmers would suggest that the wealthy farmers, and not the poorer peasants, benefit most from these offerings because they are perceived as the ones most likely to make productive use of the subsidy. In

⁴⁶ Ibid., p.154. Stavenhagen does not elaborate on these associations. If such a tactic is used at all today, it is done unofficially on an informal basis. Since the state intervened in the late 1960's to organize agricultural production in order to gain better control of the surplus, all crops are sold to the state marketing board - the Stabilization Fund (Caisse de Stabilisation et de Soutien des Prix Produits Agricole).

⁴⁷ Meillassoux, op. cit., p.330.

⁴⁸ World Bank, op. cit., p.39.

Meillassoux's case examples of village differentiation, middle and low income peasants received neither government credit nor subsidies.⁴⁹

Not only are big capitalist farmers the recipients of commercial loans,⁵⁰ they themselves are notorious usurers.⁵¹ They are able to lend money at high rates of interest taking future harvests and, at times, whole farms as collateral.⁵² In the forest zone (excluding the Bouguanou region), indebtedness is general and represents one factor of the growing

⁴⁹See Meillassoux's case examples, (i.e. farmer economic profiles) op. cit., pp. 328-333.

⁵⁰For example, in Meillassoux's study, half of the 1,500,000 francs CFA for Yuza's planned house in Bouafle was to be financed by credit. Other 'gros planteurs' received similar credits and subsidies.

⁵¹The World Bank (op. cit., pp.58-59) acknowledges that this is a widespread practice because commercial banks (largely foreign-owned) are biased against loans to smallholders because of the risk involved. The Bank has been unable to quantify the mechanics of this informal banking activity.

⁵²Stavenhagen, op. cit., pp. 152-153. The author does not elaborate on the degree to which this practice has forced the 'proletarianization' of the peasantry.

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differentiation among farmers:

The expenses incurred put some farmers into debt. The commercial houses provide them with short-term loans repayable in coffee or cocoa on the basis of the lowest rate of the preceding harvest. The merchant makes a good profit, but the farmer grows poorer and thus must necessarily get a new loan to begin a new agricultural cycle. ⁵³

It is difficult to measure the extent to which poor peasants are being proletarianized i.e. forced into wage labour because farming no longer offers a subsistence income. What exists of this process seems to have manifested itself in rural-urban migration. Table 4.2 shows that a decline in the number of Ivoriens engaged in agricultural labour (-8.3%) is partially accounted for by increased employment of Ivoriens in the secondary sector (+3.0%). It is possible that the remaining, unaccounted for 5.3% are either 1) among the 15% ⁵⁴ urban unemployed; 2) or they are employed in the urban informal sector i.e. "les activites de transition"; ⁵⁵ or 3) they are among those farmers who have encroached on unclaimed forest land, which has recently been made accessible due to forestry sector roads. ⁵⁶

⁵³ G. Rougerie, "Les Pays Agni du Sud-Est de la Côte d'Ivoire Forestiere" as quoted by Stavenhagen, *Ibid.*, p.148.

⁵⁴ World Bank, *op. cit.*, p.127.

⁵⁵ See Marc Penouil, "Essai sur l'interpretation du développement economique de la Côte d'Ivoire", unpublished paper (Université de Bordeaux, France, 1979), pp.30-35.

⁵⁶ World Bank, *op. cit.*, p.45.

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TABLE 4.2 Percentage of Employment by Sector and Nationality, 1971 & 1974

Sector & Nationality	Employment (%) & Year	
	1971	1974
<u>Primary Sector</u>		
Ivoriens	25.5	16.9
Other Africans	72.7	81.8
Non-Africans	1.8	1.2
<u>Secondary Sector</u>		
Ivoriens	55.8	58.8
Other Africans	38.4	36.8
Non-Africans	5.8	4.4
<u>Tertiary Sector</u>		
Ivoriens	54.6	53.6
Other Africans	34.1	35.1
Non-Africans	11.3	11.2

Source: World Bank, op. cit., p.130.

N.B.: Data from 1971 applies to the private and para-public sectors;
data for 1974 applies to the private sector only.

In the forest zone, investment in labour-saving machinery is minimal because foreign labour is cheap and plentiful, and because mechanization is operationally impractical with the tree crops grown in this southwest region. Mechanization is more common in the cotton-growing regions, but this is a result of state intervention in production - not because of initiatives on the part of farmers. Elsewhere in the Ivory Coast, mechanization is low because of cheap labour. However, this is not expected to last because non-Ivoirien Africans (mostly Voltaics) are seeking work in other countries or in other sectors of the economy because of low wage rates which are on the edge of the minimum level of existence.⁵⁷ The Ivory Coast will be forced to mechanize, and the Centre d'etudes et d'experimentation de machinisme agricole tropical has been recently established to investigate and promote this inevitable change.⁵⁸ Once again, the choice of investment in machinery will be the prerogative of the farmer who possesses the capital to buy technology.

v) Role in Politics

The political power and control wielded by the dominant Ivoirien rural class is not limited to control over local politics as it is in

⁵⁷ Marcussen, op. cit., p.111.

⁵⁸ Ibid, p.81.

Tanzania. The Ivorien planter bourgeoisie also comprises the dominant faction of the indigenous ruling class.

They began their ascent to political power in 1944 with the establishment of the Syndicat Agricole Africain (SAA), an organization aimed at seeking better terms for African commercial farmers e.g. better prices for African producers, organize co-operative sales to eliminate middlemen, and most importantly to seek the abolition of forced labour. The SAA was a tool for the economic advancement of the embryonic planter bourgeoisie, as was evident from their objectives (stated above), the terms of membership and leadership requirements. For example, all members had to possess at least 2 hectares (about five acres) of land, or be able to pay the annual dues of 300 francs.⁵⁹ Leaders had to be literate in French which meant access to the colonial educational system. With the landholding restriction and the French literacy requirement, the SAA was a 'big farmers' union with an elitist leadership. Houphouet, the SAA's first president and co-founder, epitomizes the SAA leadership: a Baoule chief, graduate of the Ecole Normale William Ponty (the 'old boys' school of French West Africa), a medical doctor and one of the richest coffee and cocoa farmers in the Ivory Coast.

Houphouet used the SAA as a base for gathering political support, and out of this organization emerged the Parti Democratique de la Cote

⁵⁹ Aristide Zolberg, One Party Government in the Ivory Coast (Princeton: Princeton University P, 1969), p.67.

d'Ivoire - the only legal political party in the country today. The PDCI was lead by Houphouet, many representatives from the SAA,⁶⁰ and members of the growing cadre of African civil servants. The PDCI has weathered many political storms e.g. the divisiveness of ethnic conflict, the politically inexpedient 'apparentement' with the French Communist Party,⁶¹ the general unrest and protests of 1969-70, the Bete revolt in 1970, but they have emerged as the supreme political organization in the Ivory Coast. Thus the planter bourgeoisie took control of the state.

Despite support from the masses of Ivoriens (attributable to Houphouet's role in securing the abolition of forced labour), the PDCI did not claim to be a 'people's' party or a party representing the interests of the masses. In 1945, Houphouet's campaign for election to

⁶⁰When the PDCI was formed, Houphouet attempted to disassociate individuals closely tied to the SAA and other 'bourgeois' enterprises from the PDCI leadership, but nevertheless, as will be shown shortly, the SAA remained closely affiliated with the PDCI (Zolberg, Ibid, p.118).

⁶¹The Ivory Coast Governor and his, second-in-command, a French Communist, assisted the SAA in organizational tasks as the Association bid for the West African seats in the French National Assembly. When Houphouet won the seat under the PDCI banner (formed from the SAA), he allied with the French Communist Party, the Party's patron. It was necessary for African leaders to affiliate with metropolitan parties in order to secure positions on committees of the National Assembly (apportioned to political groups on the basis of proportional representation). The 'apparentement' with the communists became costly for Houphouet when they assumed a position of permanent opposition in mid-1947. Houphouet renounced this partnership in October 1959 (Zolberg, Ibid, pp.71-75, 134-136).

the West African seat in the French National Assembly focused on issues which would further the interests of the planters and the African civil servants e.g. scholarships for study abroad, infrastructure "built with machines rather than heavy physical labour", better working conditions and salaries, paid vacations and retirement pay, easier procedures for land registry, and the abolition of forced labour.⁶² Except for the last item, these changes would not benefit middle-income and poor peasants. From this, it is clear in whose interests the indigenous ruling class sought to 'develop' the country.

Their development strategy accentuated economic growth, which was to be achieved by foreign participation in the industrial and commercial sectors of the economy. The agricultural sector was virtually ignored. It was expected that levels of export crop production would sustain themselves, and food crop production was not a development policy concern. After the resolution of the PDCI-colonial government conflict over forced labour and the PDCI coalition with the French Communists, a policy of rapprochement with the motherland was successfully pursued. Before long the two were on excellent terms which have since continued.

This co-operative outlook toward foreign capital has shaped the country's development at all levels, political, economic and social. A speech by Houphouet in 1951 foretold the future policy of the independent state toward foreign capital:

⁶² Ibid, p.72.

"The road to co-operation, albeit a difficult one to follow, is the road to salvation. United, Europeans and Africans could do a great deal to promote the interests of the Ivory Coast".⁶³

To this purpose he pledged unconditional support for France in the international realm, and he promised that the territorial political party would promote the economic and social development of the country by voting for higher taxes if necessary!⁶⁴

This sets the stage for an examination of the relations between the Ivorien ruling class and foreign capital. Before doing so a more detailed look at the structure of this ruling class is in order.

B. The Ivorien Ruling Class

One of the major building blocks of the PDCI was the cadre of African civil servants. They were an elite group of Africans who were economically dependent on the state, and who had separated themselves socially and culturally from African life. They lived in a style similar to, but not as well as, that of the Europeans, in urban areas which were identified as Komikro - village of the clerks.⁶⁵ They were prominent in the PDCI leadership, and when independence was granted, many assumed positions of influence within the new independent state as Cabinet

⁶³Ibid, p.150.

⁶⁴Ibid..

⁶⁵Ibid., p.34.

ministers, elected officials, senior bureaucrats, and as representatives in parastatal firms and other public institutions. This stratum of the ruling class has been alternately described as the "politico-administrative group"⁶⁶ and the 'comprador fraction of the indigenous agricultural bourgeoisie'.⁶⁷ This is the group which manages the state in their own interests and those of the dominant class - the planter bourgeoisie. *i.e. the group which is responsible for development policy.* Together, these two strata comprise the Ivorian ruling class. In the early stages, their relationship was a symbiotic one. Both needed the continued support of colonial capital for the sustenance of their class power. However, since independence Martin Staniland⁶⁸ has found that there is a "psychological coalition" of sorts, which he has labelled the developmentalists, in opposition to the old PDCI militants (i.e. the pre-independence party leaders). The former are largely bureaucrats who claim that the modern, rational values which they represent constitute the real interests of development. However, Staniland concludes that

⁶⁶ Bonnie Campbell, "The Ivory Coast" in John Dunn (ed.), West African States: Failure and Promise (Cambridge: Cambridge U.P., 1978), p.83.

⁶⁷ P. Anyang Nyong'o, "Liberal Models of Capitalist Development in Africa: Ivory Coast", Africa Development 3(number 2, 1978), p.11.

⁶⁸ Martin Staniland, "Single-Party Regimes and Political Change: The P.D.C.I. and Ivory Coast Politics", as in Colin Leys (ed.), Political Change in Developing Countries (London: Cambridge U.P., 1969), pp. 173-175.

this group is not substantially different from the militants e.g. they are just as paternalistic and authoritarian in their attitudes toward the population and they share the militants' belief in the necessity of a single-party regime and the official view of development options (economic liberalism, co-operation with European private enterprise etc.).

Also, the generally younger, bureaucratic-based fraction of the ruling class views the militants as an impediment to their advancement in a country where political position would enable them to obtain a greater share of urban resources.⁶⁹ Houphouet is adept at defusing any intra-ruling class conflict of a serious nature. His technique is to offer public resources, namely land, administrative promotions or administrative favours.⁷⁰

Two things must be made clear. Firstly, the bureaucratic fraction of the ruling class is not rigidly divided from the planter fraction. A few planters have maintained powerful and strategic political and administrative posts, and many bureaucrats have since used their healthy salaries to engage in big capitalist farming e.g. the production of palm oil is a case in point. Government functionaries account for 15.1%

⁶⁹ Michael Cohen, Urban Policy and Political Conflict in Africa: A Study of the Ivory Coast, Chicago: University of Chicago Press, 1974, p.142.

⁷⁰ Ibid., p.180-182.

of the total number of planters under the SODE PALM development scheme (to be discussed more fully later in this chapter).⁷¹ In fact government policy encourages the participation of bureaucrats in agriculture as indicated by Houphouet:

"It has been a real pleasure to me to get my cadres interested in agriculture. In accordance with my advice, they have all created plantations in their villages. The deputies and leaders in the north have developed rice and paddy fields. Those in my region have plantations of coffee and cocoa. All have a house in their villages and this allows them to stay in direct contact with their people and this should help to slow the rural exodus by creating local amenities."⁷²

Concerning planteur bourgeoisie participation in the affairs of the state, they have not been nudged out by the politico-administrative fraction. The composition of the ruling class has greatly expanded, but the planter fraction has maintained control over the export-oriented pattern of growth and the particular pattern of surplus distribution that this implies.⁷³ They have accomplished this feat through the myriad of political activities held by a few members of the SAA. Consequently, members of the SAA category hold an extraordinarily high average number of seats on the 'conseils d'administration' (boards of

⁷¹Marcussen, op. cit., p.158.

⁷²Alan Rake, "Ivory Coast Economic Survey", African Development (August 1976), p.805.

⁷³Campbell, op. cit., p.89.

directors of economic enterprises and associations) which are attributable to only three people (see Tables 4.3a and 4.3b). These functions were carried out by two principal actors from the SAA category: Joseph Anoma, the grand chancellor and former SAA head, and the late Alphonse Assamoi, a highly successful political and economic entrepreneur.⁷⁴ Today, this planter dominance of the ruling class is left in the hands of Houphouet (President of the Republic) and Auguste Denise (inter alia, Minister of State).

Tables 4.3a and 4.3b also show the practice of multiple appointments for members of the ruling class e.g. in 1969 129 individuals held the total 287 seats on 'conseils d'administration'.⁷⁵ In addition, 62% of the positions in 88 Ivorien economic enterprises or associations were held by members of the government.⁷⁶ These figures indicate the tight-knit nature of the ruling class. The control over that part of the economy which has devolved to Ivoriens is concentrated in the hands of a few who play a multiplicity of political and economic roles. It is control over these institutions which has given them class power. For the politico-administrative fraction of the ruling class, the growth of state capitalism, through the *societes d'etat* and government departments,

⁷⁴Cohen, op. cit., p.62.

⁷⁵Ibid.

⁷⁶Ibid.

Direct foreign investment is another means by which the international bourgeoisie links with the Ivorien ruling class to exercise leverage over the Ivorien economy. In 1951, Houphouet stated:

"Capitalists will always be welcome. . . as long as they devote themselves to the common enterprise of development." ⁸²

Obviously, he had a rather loose definition of 'the common enterprise of development'. High levels of foreign investment indicate there were few, if any, limitations on foreign investment. Every sector of the economy, except agriculture and livestock, is controlled by foreigners. Table 4.7a represents the percentage distribution of direct foreign investment by sector. From this table, it is evident that foreigners have moved their investments out of the primary sector and into various manufacturing and industrial sectors, namely textiles, chemicals and wood industries. Foreign ownership amounted to 67.6% of equity of manufacturing companies (wood products excepted) on January 1, 1975.⁸³ Of the equity capital which is in Ivorien hands, three-quarters is public investment.⁸⁴ (See Table 4.7b.) Public investment is made through state corporations, e.g. le Société Nationale de Financement (SONAFI) and the various Sociétés de Développement which are responsible for increasing Ivorien participation in those sectors of the economy which are of national interest.⁸⁵ These state corporations are financed primarily

⁸² Zolberg, op.cit., p. 150.

⁸³ World Bank, op.cit., p. 238.

⁸⁴ Ibid.

⁸⁵ There are 4 major categories of state enterprises: (1) quasi-
(continued on next page)

TABLE 4.3a Distribution of Ivorien Membership on Conseils D'Administration
1969

No. of seats held by one person	Deputes	CES	Ministers	Gov't employees	SAA	Other	No. of persons holding the given # of seats	Total # of seats held
1	7	6	7	7	1	35	63	63(63x1) ^a
2	7	5	5	3		12	32	64(32x2) ^a
3	3	1	2	2		5	13	39(13x3)
4	1			3		3	7	28(7x4)
5	2	1				1	4	20(4x5)
6	2	1		1		1	6	36(6x6)
7					1			
8		1					1	8(1x8)
9	1				1		2	18(2x9)
10								
11						1	1	11(1x11)
Total	23	15	14	16	3	58	129	287

Source: Data compiled from EDIAFRIC-La Documentation Africaine, Societes et Fournisseurs d'Afrique Noire et de Madagascar, 1969 (Paris: EDIAFRIC, 1969), pp.183-264, passim. For a list of enterprises and associations included, see Appendix.

^aThat is, sixty-three people each hold one seat; thirty-two people each hold two seats; and so forth.

TABLE 4.3b Average Number of Seats According to Political Position

Positions held	Average seats per category
Deputes	2.83
CES (Economic and Social Council)	2.53
Ministers	1.57
Government	2.31
SAA	5.33
Other	1.86
Total group average	2.73

Source: Data compiled from Ediafric-La Documentation Africaine, Societes et fournisseurs d'Afrique Noire et de Madagascar (Paris: EDIAFRIC, 1969), pp. 183-264, passim.

Source: M. Cohen, op. cit., pp.63-64.

has provided opportunities for economic activity to complement what had previously been only political and administrative roles.⁷⁷ Together, both fractions of the ruling class are responsible for decision-making, which influences the generation and the distribution of surplus.

A second point which must be made clear is: not all civil servants are members of this fraction of the ruling class. Actually, they are often in conflict with the ruling class with their incessant demands for material improvements and the slow pace of Ivorianization of middle and upper level white-collar jobs, which they rightly perceive as an obstacle to their upward mobility.⁷⁸ The rate of Ivorianization is incremental because of the ruling class' belief that Africans are not yet properly trained and the use of expatriates is more economically efficient.⁷⁹ The participation of the French in every aspect of the economy has always been viewed by the ruling class as the only means to achieve optimum economic growth, increasing the resources available to the state so that they can be used to buy the loyalty of key staff, and for the maintenance of French military support which is necessary to protect the ruling class from displacement by forces outside or within the Ivory Coast.

⁷⁷ Ibid.

⁷⁸ Ibid., pp.125-126; see also Zolberg, op. cit., p.299.

⁷⁹ Ibid., p.299n.

C. Relations Between the Ruling Class, the State and Foreign Capital

The free movement of people and capital is the single most contributory factor to the 'miracle économique ivoirien'. It must be emphasized that the indigenous ruling class enjoys its position of power and privilege because of links between the state, which they control, and foreign capital. Ties with foreign capital, whether maintained through foreign trade, aid or investment, are crucial to the continuing dominance of the ruling class.

The theoretical literature⁸⁰ on the role of the state in capital accumulation and the links between the state, foreign capital and the indigenous dominant class suggest that access to foreign capital through control over state institutions enables the ruling class to create an economic base for itself, if it so chooses, contingent upon a continuous inflow of foreign capital. The genre of development strategy chosen for implementation in a particular country is a function of the ruling class relationship with foreign capital. If the indigenous ruling class is satisfied with the benefits which accrue to them by virtue of this liaison, they assume a favourable outlook on the participation of foreign capital in the national economy. This can result in economic growth, but in return the ruling class loses a great deal

⁸⁰ See Samir Amin, op.cit.; Bonnie Campbell, op.cit.; Michaela von Freyhold, "The Post Colonial State and Its Tanzanian Version," in Review of African Political Economy 8 (January-April 1977), pp. 75-89; Langdon, Steven, "Multinational Firms and the State in Kenya," IDS Review 9 (No. 1, July 1977), pp. 36-41; Nicola Swainson, "The Rise of a National Bourgeoisie in Kenya," in Review of African Political Economy 9 (January-April 1977), pp. 39-55.

of control over the direction of economic development, i.e. the nature of production and how the surplus is distributed. They can bargain for greater economic autonomy, but in order to secure the participation of foreign capital, their development policies must largely accommodate the profit-maximizing motives of the foreign bourgeoisie which give no regard to the type of economic development that occurs. The foreign bourgeoisie attempts to ensure that a class with such an outlook remains in 'le siege politique' by offering military support. This process took place in the Ivory Coast.

The Ivorien ruling class formalized its transnational class links on April 24, 1961 when the newly independent state signed several agreements of co-operation with France. Those agreements are analogous to a high-premium insurance policy for the Ivorien ruling class, guaranteeing French aid and assistance for five years. The agreements are exploitive of the Ivory Coast in two basic ways.

Firstly, although renewable, France had the option of discontinuing aid and assistance after five years, but by the time the agreement was to expire, inflows of foreign capital had become essential to the former colony's economic good health. For example, France agreed to accept up to 100,000 tons of coffee, which constitutes a substantial proportion of total coffee exports (see Table 4.4), thus creating an artificial trade structure, hindering diversification of export products and trading partners.

Furthermore, preferential prices and tariffs were also extended to all other major Ivorien exports, e.g. cocoa, timber and bananas. The West African franc (CFA) enjoys free convertability into French francs

Table 4.4: Total Coffee Exports in the Ivory Coast
and Exports to France (in tons)

	<u>1960</u>	<u>1965</u>	<u>1970</u>	<u>1975</u>
Total coffee exports	147,488	185,651	195,309	254,768
Coffee exported to France	68,479	75,186	78,872	92,747
% of total production exported to France	46.4%	55%	40.4%	36.4%

Source: Ministère du Plan, La Côte d'Ivoire en Chiffres, 1978-79
(Abidjan, 1978), pp. 105-106.

at a guaranteed exchange rate of 50 francs (CFA) ~~to~~ 1 franc (French), and Ivorien reserves are maintained in an operations account in the French treasury. In return for this preferential treatment, the Ivory Coast, inter alia:

- (1) guaranteed markets for a significant proportion of French exports by accepting limitations on its rights to import from other countries, e.g. maintained 1960 import levels of goods from France even when these were not particularly competitive, agreed to import all wheat and flour from France as well as 70% of its wine, beverages and printed cloth, 60% of its milk, 50% of its tractors and air conditioners, 30% of its radios, and other household equipment;
- (2) guaranteed supplies of raw materials without having to make the price of Ivorien exports competitive and without using scarce foreign reserves;
- (3) facilitated unlimited transfers of capital by French individuals and firms back to France at a favourable exchange rate; and
- (4) ensured that most French aid would be spent directly or indirectly in France. 81

This condition of dependence on the metropolitan power (France) has remained essentially the same, only with some slight modifications which can be deduced to a broadening of this extractive relationship with foreign capital to embrace the entire European Economic Community (EEC). Tables 4.5a and 4.5b summarize the decline in importance of France as a trading partner and its replacement by the EEC. Tables 4.6a and 4.6b indicate that the composition of this trade has changed little since independence: the Ivory Coast is still caught in the merchantilist web of international capitalist exchange as the subordinate partner, i.e. exchanging raw materials in return for manufactured goods from industrialized countries, or the more sophisticated version where capital goods are imported for industries or industries produce for the export market e.g. pineapple, sugar, wood, coffee and cocoa processing.

⁸¹ Campbell, op.cit., p. 84.

Table 4.5a: Percentage Distribution of Exports to Various Countries, 1960-74

<u>Country</u>	<u>1960</u>	<u>1965</u>	<u>1970</u>	<u>1974</u>
France	51	38	33	26
European Community (excl. France) ^a	15	23	30	36
United States	14	16	19	7
Other developed countries	4	9	9	12
West African Customs Union	6	4	4	7
Other franc area countries	5	5	2	5
Other countries	5	5	3	7
Total	100	100	100	100

Source: Customs statistics.

^aExcluding the United Kingdom, Ireland, and Denmark, which became members of the European Community as of January 1, 1973.

NB: Exports to socialist countries grew from 1.8% in 1960 to 4.3% in 1974.

Source: World Bank, op.cit., p. 102.

Table 4.5b: Percentage Distribution of Imports from Various Countries, 1960-74

<u>Country</u>	<u>1960</u>	<u>1965</u>	<u>1970</u>	<u>1973</u>	<u>1974</u>
France	65	62	47	45	39
European Community (excl. France) ^a	10	14	23	18	18
United States	3	5	8	9	6
Other developed countries	5	5	7	9	8
West African Customs Union	4	3	3	2	2
Other franc area countries	5	6	7	3	4
Other countries ^b	8	5	5	14	23
Total	100	100	100	100	100

Source: Customs Statistics.

^aExcluding the United Kingdom, Ireland and Denmark, which became members of the European Community as of January 1, 1973.

^bIn 1974, imports from Taiwan and Japan amounted to 4.3 and 3.5 percent of total imports, respectively.

N.B.: Imports from socialist countries are negligible, e.g. 1.4% of total imports in 1974.

Source: World Bank, op.cit., p. 102.

Table 4.6a: Percentage Composition of Exports by Product, 1960-74

<u>Product</u>	<u>1960</u>	<u>1965</u>	<u>1970</u>	<u>1974</u>
Coffee beans	49	38	34	22
Coffee processing	--	--	1	1
Cocoa beans	23	16	20	21
Cocoa processing	--	2	5	5
Timber logs	15	22	18	18
Timber processing	2	5	4	5
Other	11	17	18	28
Total	100	100	100	100

-- Zero or negligible

Source: Statistics Appendix Table 16.

Table 4.6b: Percentage Composition of Imports by Product, 1963-74

<u>Product</u>	<u>1960</u>	<u>1965</u>	<u>1970</u>	<u>1973</u>	<u>1974</u>
Foodstuffs	17	18	15	19	17
Consumer goods	34	34	29	27	24
Petroleum	5	6	5	5	14
Raw materials and semi-finished products	17	17	22	21	18
Equipment goods	27	25	29	28	27
Total	100	100	100	100	100

Source: Statistical Appendix Table 17.

Source: Ibid., pp. 106-107.

Table 4.7a: Sectoral Distribution of Foreign Direct Investment
by Year (in percent)

<u>Manufacturing Industries</u>	<u>1963</u>	<u>1969</u>	<u>1975</u>
Food (including beverages & tobacco)	22.5	28.6	20.8
Textiles (including clothing, footwear and 'made-up' textiles)	10.6	10.7	22.3
Wood manufacturing (including furniture and fixtures)	1.6	7.6	6.2
Pulp and Paper (includes printing and publishing)	0.9	0.5	.9
Rubber products	0.2	0.4	.4
Chemical products	8.7	10.8	20.0
Petroleum products	0.2	4.6	2.1
Non-metallic mineral products	0.2	2.3	2.0
Other industries ^a	10.0	5.3	8.1
Sub-total	54.9	70.8	82.8
In millions of U.S. dollars ^b	19,558	64,775	179,958
Primary Sector	45.0	29.3	17.4
TOTAL (CFAF million)	8,794	22,644	53,784

^a Other industries basic metal industries, metal manufacturing, machinery manufacturing, electrical equipment and vehicle manufacturing.

^b Although the exchange rate changed in 1969 due to the devaluation of the French franc, the same rate as 1963 was used to enable a comparison over time without exchange rate effects.

Source: Rolf J. Langhammer, "Estimating the Stock of Foreign Direct Investments in the Manufacturing Sector of Francophone Subsaharan African Countries, 1963-1975," Kiel Working Paper Number 54, (Hamburg: Kiel Institute of World Economics, February 1977), pp. 14-16.

Table 4.7b: Ivorien Ownership in Manufacturing on January 1, 1975
(CFA francs million)

<u>Industry</u>	<u>Total Capital Share in Branch</u>	<u>Ivoirien Ownership</u>			<u>% Ivorien Ownership</u>
		<u>Gov't.</u>	<u>Private</u>	<u>Total</u>	
Food (including beverages & tobacco)	18,220	4,358	1,248	5,606	30.8
Textiles (including leathers & footwear)	11,866	2,899	1,060	3,959	34.7
Petroleum Products	1,115	100	--	100	9.0
Chemical Products	3,414	529	363	892	26.1
Rubber Products	4,220	2,123	169	2,292	54.3
Construction materials, glass	1,190	334	78	412	34.6
Basic metal products	200	80	112	192	96.0
Transport equipment	1,565	245	28	273	17.4
Mechanical & Electrical Industries	3,290	25	645	670	20.4
Other	883	306	192	498	56.4
TOTAL	45,963	10,999	3,895	14,894	32.4

Source: World Bank, op.cit., p. 429.

with direct budgetary transfers.

Here lies the contradiction: the state, through these corporations, appropriates surplus from the primary producers of export crops,⁸⁶ for investment in industrial projects which are dominated and controlled by foreigners.

The state, through its semi-autonomous corporations, participates jointly with foreign capital in funding industrial projects. To attract foreign investment, the state offers a bevy of incentives, namely 'agrèments prioritaires' under the Investment Code of 1959. These agreements permit foreign investors to, inter alia,: (1) import inputs duty free; (2) benefit from exemptions on corporate-income and property taxes; (3) receive protection from the state against the establishment of similar industries by potential competitors; and (4) transfer 90% of their profits out of the Ivory Coast. Consequently, the enterprises are extremely inefficient and uncompetitive. For

85 (cont.) administrative responsible for such things as regional development, e.g. l'Autorité pour l'Aménagement de la Vallée du Bandama (AVB); or they may be responsible for giving technical assistance to farmers, e.g. Société d'Assistance Technique pour la Modernisation Agricole de la Côte d'Ivoire (SATMACI); (2) research centres; (3) financial institutions; and (4) enterprises engaged in management or production, e.g. the Sociétés de Développement (SODE's).

⁸⁶Producers sell export crops directly to the state through the Caisse de Stabilisation et de Soutien des Prix des Produits (Stabilization Fund), which in turn sells the products on world markets. The Caisse pays the producer a pre-set price and retains the surplus, if any, for re-investment in other sectors of the economy. This will be discussed more fully below.

example, Mytelka's study⁸⁷ of eight textile and seven wood firms in the Ivory Coast shows them to be:

- (1) capital-intensive over labour-intensive;
- (2) ownership is dominated by foreign (primarily French) firms and Ivorien (state and private) investment only averages around 23.4% among the eight textile firms and was negligible in the ownership structures of the seven wood firms;
- (3) profitability was due solely to the granting of 'agrèments prioritaires';
- (4) heavy indebtedness to foreign banks;
- (5) oriented to European export markets have trade barriers against further textile imports, but the product is not readily marketable in Africa and making the necessary adjustments in production has proven costly; and
- (6) poor backward integration into the economy, e.g. use of imported synthetics and greycloths over locally produced cottons (integration is better, but not good, in the wood sector).

Campbell's study on cotton and textile production in the Ivory Coast illustrates the way in which the state intervenes to re-organize production to suit the needs of foreign companies (and thereby indirectly looking after the interests of the ruling class as well), and the effect this had had on peasant producers.⁸⁸ The state moved to coerce cotton farmers to divert away from production of a traditional variety of cotton which supplied a thriving artisanal textile industry. The new variety,

⁸⁷Lynn K. Mytelka, "Patterns of Direct Foreign Investment in the Ivory Coast: The Textile and Wood Industries," an unpublished paper (Ottawa: Carleton University, June 1979).

⁸⁸Bonnie Campbell, "Neo-colonialism, Economic Dependence and Political Change: A Case Study of Cotton and Textile Production in the Ivory Coast, 1960 to 1970," in Review of African Political Economy 2 (January-April 1975), pp. 36-53.

Allen cotton, required four times the labour-time spent on producing the traditional variety.⁸⁹ The producers were forced to abandon production of food crops and famine resulted in several parts of the country. The farmers rebelled against administrative compulsion and Campbell projects that this is the reason for the fall in Ivorien cotton production. Interestingly enough, Campbell's research tentatively holds that the public subsidies to cotton farmers which came from the Stabilization Fund and from the Ivorien budget (16,173 francs per ton of Allen cotton) re-appeared as profits to the state agency (the CFDT) which undertook the implementation of the cotton project with foreign partners (14,874 CFA francs per ton)⁹⁰. The income benefits accruing to the actual producers were negligible after discounting the social costs created by a disruption of their traditional cotton-food crop production system.⁹¹

Vincent Tickner documents similar trends in the sugar industry.⁹² This was a sector targeted for growth in order that the Ivory Coast could become not merely self-sufficient, but also a sugar exporter. Also, the project was planned as a vital stimulus to the depressed economy of the impoverished northern region. The project was a disaster! Costs were so high that it would have been cheaper if the Ivory Coast had continued to import sugar. World sugar prices fell, making production

⁸⁹Ibid., pp. 44-45.

⁹⁰Ibid., p. 43.

⁹¹Ibid., pp. 44-45.

⁹²Vincent Tickner, "International Local Capital: The Ivory Coast Sugar Industry," in Review of African Political Economy 8 (January-April 1977), pp. 119-121.

feasible only for the most efficient lowest cost world producers--not new venturers like the Ivory Coast. Now the state is forced to produce sugar at high costs just to get any return that it can on its investment which amounted to 130.27 billion CFA francs (65%) out of a total budget for agricultural development of 199.43 billion CFA francs during the 1976-78 period. The agreements made with the foreign financiers also illustrate the extractiveness of this jointly state-foreign financed project, e.g. Tate and Lyle International, member and organizer of the consortium which is financing two sugar projects, has an agreement with the state which allows Tate and Lyle to handle and export 75% of the total annual raw sugar production for the first five years of the operation. Lastly, sugar is produced by the foreign companies themselves, using hired African labour. Their methods of production have failed to stimulate the northern regional economy to a degree proportional with investment, e.g. total employment is 4,000, out of which 1,000 is factory labour; of the remaining 3,000 field labourers, 1,500 are seasonal and field labour is likely to be reduced with the planned mechanization of cane-cutting. Tickner concludes:

"The development of the sugar industry in the Ivory Coast in the 1970's demonstrates the way in which a tightly-knit group of Ivorians in the higher echelons of government link closely with foreign transnational firms and other sectors of international capital to develop agro-industrial projects that are of little direct benefit to the general population and which, although helping to diversify the economic base of the country, is still orienting it toward a dependence on agricultural products that are of most value to outside interests."⁹³

⁹³ Ibid., p. 121; see also Jean-Claude Pomonti, "The Ivory Coast: Clouds Over a Model State," in The Guardian (London) 02 March 80, p. 14.

The story is the same for two other high priority projects:

- (1) iron ore mining--plans called for the upgrading of the 40% ore content of mined deposits to 65%, for export at a rate of 12 million tons per year;
- (2) pulp and paper projects--plans called for production of 100,000 tons per year from tropical hardwood and other products from pulpwood plantations.

Briefly, these projects created export-oriented enclaves and they are not integrated with employment, ivorianization, growth, nor income distribution.⁹⁴ Table 4.8 summarizes the effects of these two projects on the economy, e.g. capital intensive, adding little to employment and growth, low volume added and high requirements for infrastructural investment.

The overall effect of high levels of direct foreign investment has been to create and perpetuate dependency on foreign capital for the economic expansion of those sectors which the state has targeted for investment, namely manufacturing and industry. Furthermore, the capital which is invested in the Ivory Coast is largely repatriated because of the state's tax requirements for re-investment, e.g. investors are only required to re-invest 10% of their annual profits.

Inflows of private capital have decreased from 25% of the net capital inflow in the 1960's to 7% in the 1970-75 period,⁹⁵ and in 1978, private foreign capital accounted for only 1% of all investments.⁹⁶ This is unfortunate because private capital investment

⁹⁴World Bank, Ivory Coast: Basic Economic Report (Washington, D.C.: World Bank, December 1977), pp. 20-21.

⁹⁵World Bank, op.cit., p. 105.

⁹⁶Pomonti, op.cit., p. 14.

Table 4.8: Iron Ore Mining and Pulp and Paper Projects

	<u>Iron Ore Project</u>	<u>Pulp & Paper Project</u>
Direct investment (1975 prices, CFAF billion)	220	100
Investments in infrastructure (1975 prices CFAF billion)	100	10
Value-added/GDP (at full production, in percent)	1.4	.8
Gross export revenues/total exports (at full production, in percent)	8-9	6-7
Net export revenues/total exports (at full production, in percent)	3	2
Number of jobs (at full production)	3,350	1,000 (excluding 2,000 on plan- tations)

Source: Ibid., p. 20.

has been the engine of growth behind the 'miracle économique ivoirien' and once this input slows down, so will economic growth and an overall decline in prosperity can be expected. The slow-down in the influx of private foreign capital

is likely due to the falling profitability of Ivorien projects, which have in the last ten years tended to be large-scale industries requiring high starting-up costs and offering only long-term returns on investment, e.g. iron ore mining, oil exploration, hydro-electric projects. The country is now at a level of development where import-substituting and agro-industries have reached their limits of expansion and now need time to mature. These were once attractive receptacles for foreign investment because of their low-risk/short-term/high-profit nature. It is industry of the former type which the state is now targeting for expansion and development. Due to the decline in private foreign investment, public capital must finance an increasing share of development projects. Table 4.9 shows the decline of the public sector's ability to finance the growing public investment program (public sector financing is down from 61% of the GDP in 1960-65 to 37% in 1975). Because public savings have not swollen national coffers, the government is forced to borrow heavily from private foreign sources at commercial rates in order to finance projects to maintain its rate of growth, for example in 1975, 67% of investment expenditure was externally financed and 52% of this came from private foreign sources.⁹⁷ The foreign debt as a percentage of the total value of exports was 6% in 1969, 11% in 1975, 14.9% in 1978 (estimate), 18% in 1979 (estimate) and the debt service cost could reach 25% of export earnings in 1982, despite government efforts to cut back on investments.⁹⁸ This has resulted from an

⁹⁷ Ibid.

⁹⁸ Rakes, op.cit., p. 801.

Table 4.9: Public Investment and its Financing as a Percentage of GDP

<u>Item</u>	<u>1960-65</u>	<u>1965-67</u>	<u>1970-71</u>	<u>1973-74</u>	<u>1975</u>
Public investment	6.9	8.9	11.6	13.0	15.2
Private investment	8.9	8.5	9.7	6.9	8.8
Total investment	15.8	17.4	21.3	19.9	24.0
Current budget surplus ^a	5.1	4.4	4.8	4.7	4.2
Stabilization Fund contribution	0.9	0.6	2.6	0.0	1.8
Other public enterprise savings		2.1	1.8	3.3	3.6
Gross financing capacity of public sector	6.0	7.1	9.2	8.0	9.6
Public debt service, payment (interest and re-payments)	-1.8	-2.1	-2.6	-3.4	-4.0
Net financing capacity of public sector	4.2	5.0	5.5	4.6	5.6
Proportion of public investment financed by public sector	61	56	57	35	37

Source: Statistical Appendix Table 27.

a. Before debt service

3. Entrepreneurs are required to invest 10 percent of annual profits in FNI certificates.

Source: World Bank, The Challenge, p. 67.

unwillingness on the part of international development organizations to extend loans to the Ivory Coast to finance its over-ambitious projects. Tables 4.10a and 4.10b summarize the hardening of terms of foreign capital for the Ivory Coast.

Finally, the state's heavy reliance on foreign technology and expertise for rapid economic growth is another means by which foreign influence directs development. Pomonti estimates that by September 1979 the French community was 45,000-47,000 persons strong, up from a mere 7,000 in 1960.⁹⁹ These expatriates are an obstacle to aspiring Ivorien professionals. Table 4.11b indicates that the ruling class is prepared to alleviate this situation, but at an incremental rate of about 5% per year, maintaining high levels of expatriate participation. Also, their salaries constitute a major drain on the economy. The World Bank estimates that workers' remittances were equivalent to a whopping 14% of export revenues in 1973-74, and 60% of this was attributable to non-African expatriates.¹⁰⁰ Among the urban-employed four years ago, Ivoriens, other Africans and Europeans accounted for 48, 4512 and 6.8% respectively, but the percentage distribution of earnings was 36.4, 31.4 and 32.2% respectively.¹⁰¹

To counter this imbalance, the government has undertaken 'an 'Ivorienization of employment' policy which has experienced some success

⁹⁹ Jean-Claude Pomonti, "Houphouet-Boigny's Ivory Coast: Black African Showcase," in The Guardian (London), 24 February 80, p. 13.

¹⁰⁰ World Bank, Ivory Coast: Basic Economic Report, p. 101.

¹⁰¹ Rondos, op.cit., p. 7.

Table 4.10a: Grant Element of Loans Provided by Various Sources, 1968-75 (percent)

Year	Suppliers' Credits	Private Banks	International Organizations	Governments	Grant Element of Total Debt
1968	23	13	36	47	27
1969	11	13	24	38	25
1970	9	15	25	43	26
1971	13	-5	27	36	18
1972	15	10	21	34	20
1973	14	-1	39	47	15
1974	20	-1	28	45	17
1975	8	2	11	27	10

Source: World Bank, External Debt Division

Table 4.10b: The Hardening Terms of External Loans

Item	1968	1974	1975
Average interest rate (percent)	5.3	7.1	7.9
Average maturity (years)	15.8	14.2	12.6
Average grace period (years)	4.7	4.6	3.1
Grant element of loans (percent)	29	17	10

Source: World Bank, The Challenge, pp. 89-90.

Table 4.11a: Percentage of Europeans in Managerial Positions

<u>1962</u>	<u>1965</u>	<u>1967</u>	<u>1969</u>
82%	87%	91.3%	93.6%

Source: Ukandi Damachi, "Houphouet-Boigny: The Ivory Coast--An Extension of the West," in his book, Leadership Ideology in Africa (New York: Praeger Publications, 1976), p. 30.

Table 4.11b: Proposed Ivorianization of Supervisors and Managers in Private Industry 1975-79 (in percent)

<u>Nationality</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Ivoriens	36.2	44.5	50.1	55.5	59.7
Other Africans	5.1	4.6	4.3	4.3	4.1
Expatriates	58.7	50.9	43.6	40.2	36.2
Total	100.0	100.0	100.0	100.0	100.0

Source: World Bank, The Challenge, p. 154.

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e.g. a sample of 346 enterprises in 1974 showed that of the supervisors and managers, 66.9% were expatriates, 28.1% were Ivoriens, and 4.9% were other Africans.¹⁰² Table 4.11b presents the targets in Ivorienization for 1975-79. Nevertheless, those in charge of the state firmly believe in European expertise. This, combined with a paranoia about 'cut-rate development' led them to recently recruit and maintain 180 foreign experts at a cost of \$780 per day per person!¹⁰³

Finally, the Ivorien commercial sector is also dominated by foreigners. The banking system was under complete foreign control before 1972. Of the four commercial banks in 1962, the state held only 10% of the equity in each of three banks and the fourth was entirely French-owned.¹⁰⁴ The low-risk/high-profit credit policies of these foreign-dominated financial institutions are biased against Ivorien entrepreneurial efforts, and of course, small peasant farmers.¹⁰⁵ For example, in the past, 70% of short- and medium-term loans went to foreigners.¹⁰⁶ A policy of 'Ivorianization of capital' undertaken in 1972 has modified this situation somewhat, but the banking sector continues to be heavily dominated by foreign capital (see Table 4.12).

In lending to foreign investors, the banking system mobilizes Ivorien capital to finance the extractive, export-oriented, foreign-

¹⁰² World Bank, Challenge, p. 154. *

¹⁰³ Pomonti, "The Ivory Coast," p. 14.

¹⁰⁴ Guerrin, op.cit., p. 120.

¹⁰⁵ Credits to smallholders are extended by the state Banque Nationale pour le Développement Agricole (BNDA).

¹⁰⁶ World Bank, op.cit., p. 58.

Table 4.12: Foreign Participation in the Ivorien Commercial Banking Sector (1977)

	<u>Total Capital (in million CFAF)</u>	<u>% Foreign Interests</u>	<u>% Ivorien Interests (State and Private)</u>
Société Générale de Banques en Côte d'Ivoire (SGBCI)	3,200	61.25	38.75
Société Ivoirienne de Banque (SIB)	1,500	67.5	32.5
Banque Internationale pour l'Afrique Occidentale	66 (1976)	100	0
Banque Internationale pour le Commerce et l'Industrie de la Côte d'Ivoire (BICI-CI)	2,000	49	51
Banque Ivoirienne de Développement Industriel	1,050	71.2*	28.8
Crédit de Côte d'Ivoire	2,000	19.4	81.6

* 1.9% of this is held by the BICI-CI, 1.8% by the SIB, and 1.8% by the SGBCI.

Source: L. Mytelka, op.cit., pp. 18-21.

dominated industrial projects described above. Thus, Ivorien capital is de-nationalized. The inflow of foreign capital affords the ruling class many luxuries. Ostentatiousness and prestige consumption among its members is rampant in the Ivory Coast. The list of extravagancies is lengthy but the ice-skating rink near the equator is a good example of the absurdity to which consumption is carried.¹⁰⁷ This class has little fear of displacement by physical means, because not only does the state maintain a loyal, French-trained national army, under military agreements with France, there are French forces stationed in the Ivory Coast and a force is maintained in France ready for intervention when needed. These military agreements are the last element of a framework of political, economic and social links which have created and which perpetuate the dependence of the indigenous ruling class on another dominant class--a foreign bourgeoisie which resides abroad.¹⁰⁸

The cumulative effect of these arterial links with foreign capital has been an impressive rate of growth, but a low rate of development. That is to say, GNP and GDP and industrialization have soared due to the participation of foreign capital in the economy; however, in return, the Ivorien ruling class has forfeited control over the economy and the direction of its growth. The result is high but unsustainable (in view of the aforementioned slow-down in the influx of private foreign capital) and dependent economic growth which has benefitted first

¹⁰⁷ Pomonti's article, "Houphouet-Boigny's Ivory Coast: Black African Showcase," *op.cit.*, gives an overview of the outlandishness of prestige consumption among members herein identified as the ruling class.

¹⁰⁸ Campbell, "The Ivory Coast," p. 86.

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the foreign bourgeoisie, and second, those who control the state: the national ruling class; for example, in the Ivory Coast the lowest 40% of the population received only 19% of the national income in 1973/74 while the highest 20% received 51.6%.^{109a}

The central concern here is for the effect of foreign economic control on rural development. The effect has been the formulation of rural development policies which favour foreign projects in the rural economy, to the disadvantage of the small producer.

Public investment has been spent on the development of a sector of the economy in which the main beneficiaries are the national ruling class and the foreign capitalists. Development of the agricultural sector has been neglected, e.g. in the 1971-75 Five Year Plan, investment, agriculture accounted for only 26.1% of total public investment.¹⁰⁹ Of this investment, the major proportion goes toward co-financing agro-industries, e.g. sugar, which are foreign-controlled and organized, so that benefits accrue to the foreigner. It will be shown in the next section that other agricultural projects not only exclude the smallholder as a potential beneficiary of public finance, but also perpetuate smallholder dependence on production of primary products for processing, to supply a volatile external market. The next section shows that the state, as controlled by the ruling class, has directly intervened in agricultural production, to re-organize it to suit the needs of the foreign bourgeoisie from which it garners economic, political and military support.

¹⁰⁹ World Bank, op.cit., p. 417.

^{109a} ibid, p. 135 (as quoted from H. Chenery et.al., Redistribution With Growth (London: Oxford University Press, 1974), p. 8-9. The figures include foreigners in the Ivory Coast, African and non-African.

D. Recent Trends and Developments

The importance of the smallholder is declining in the Ivory Coast and this is a direct result of the rural development strategies adopted by the ruling class. Their objective of diversifying production and increasing productivity is to be achieved through creating large plantations, run by European concessionaries, using hired agricultural labour, or through 'plantation villageoises' where the Sociétés de Développement (SODE's) tightly control the organization and production of peasants.¹¹⁰

The SODE's were created (circa 1967) as a means of 'steering' agricultural development. The SODE's are autonomous state agencies which are each responsible for the development of a particular agricultural sector, e.g. SATMACI (coffee and cocoa), SODEPALM (oil and coconut palm), SOCATCI (rubber), SODESUCRE (sugar), SODEFEL (fruits and vegetables), SODERIZ (rice), CIDI (cotton), MOTORAGRI (agricultural motorization), and SODEPRA (livestock).¹¹¹ The agencies freely design and implement agricultural development projects in accordance with the guidelines of the concurrent Five Year Plan. They seek foreign partners to engage in agricultural projects which will provide the highest profits in the shortest term. These agencies are responsible for the diversification of the Ivorian agricultural base.

The block-farming, 'plantations villageoises' or 'blocs industriels' were an idea that was developed by the SODE's in the early

¹¹⁰ Campbell, op.cit., pp. 94-95.

¹¹¹ World Bank, op.cit., p. 41.

1970's as a means of re-organizing agricultural production in order to raise productivity. This is not a scheme for land redistribution, but it is one to be carried out in unsettled areas with new farmers or those previously engaged in less productive agricultural activities. Each block is to be larger in size than traditional smallholdings and lying one next to the other. The farmers will gain benefits from sharing farm equipment, extension services, fertilizers, etc., and they will ostensibly earn higher incomes under this re-organized system of production.

The program for diversification of agricultural production emphasizes qualitative improvements in coffee and cocoa production (productivity improvements) and the cultivation of oil palms, rubber, cocoa, pineapples, timber, cotton, rice and sugar (expansion). Of these, oil palms, rubber, pineapples, timber and sugar are essentially grown by European concessionaries using paid labour. For example, in the production of oil palm, the 'blocs industriels' account for around 60% of the total production; in rubber production, plantations range in size from 2,800 to 13,500 hectares and are experiencing labour supply problems; the original plans for sugar perceived production by only ten complexes on about 6,000 hectares per complex. Campbell describes the result of this strategy as follows:

"The intervention of the Ivorien state in favour of agricultural sectors ensuring the highest short-term returns, and directed toward export markets or local industry, perpetuates a particularly uneven distribution in favour of foreign interests and a small local minority."

¹¹²Campbell, "The Ivory Coast," p. 96.

The new agricultural projects do not offer feasible alternatives to coffee and cocoa producers. Development plans do not include incentives to this group of farmers to divert into food crop production. To do so would mean a loss in export revenues. This would be completely contrary to the Ivorien development strategy which depends on foreign capital for implementation. As Tanzania is attempting to achieve food self-sufficiency through maize and wheat production, the Ivory Coast is trying to do likewise with the production of rice. Similar to the Tanzanian case, widespread production of this food crop is being limited to a certain area, the savannahs. This project for rice production in itself does not perpetuate underdevelopment because it brings a potentially lucrative source of income to a region which has suffered from regional inequality. Besides, this crop is not suitable for cultivation in other regions. The criticism with the food production program is the de-emphasis on traditional food crops, e.g. plantain, yams, cassava, sweet potato, which can be cultivated almost anywhere, in favour of "la production agricole de luxe".¹¹³

The Ivorien Ministry of Planning estimated that 21.0 billion francs CFA (at 1975 prices) would be invested in rice production under the 1976-80 Five Year Plan (see Table 4.13). Production of traditional food crops is not identified at all as an area targeted for investment. Luckily, food crop production has been able to meet increasing demands largely because of a spontaneous response on the part of farmers and

¹¹³ Founou-Tchuigoua, op.cit., p. 76.

Table 4.13: Draft Plan Proposals for Agricultural Investments, 1976-80

<u>Item</u>	<u>CFA francs billion</u>
<u>Agriculture</u>	
Sugar	120.6
Cotton	28.0
Rice	21.0
Cocoa	19.2
Coffee	11.4
Rubber	13.8
Oil Palm	11.2
Coconut	9.9
AVB/ARSO (regional development projects)	23.5
Other	23.5
Sub-total	282.4
Forestry (excluding pulpwood plantations)	24.0
Livestock	29.2
Fisheries	7.0
Sub-total	60.2
Total	342.6
Possible cost recovery from project beneficiaries	-60.0
Total (net)	282.6

Source: World Bank, op.cit. p. 214.

traders to market forces.¹¹⁴ Until the 1976-80 Five Year Plan, those in control of the state have effectively ignored production of food crops for mass consumption.

For development of the forest zone, plans foresee an average farm size of 4 hectares, with 1.5 hectares to improved coffee and cocoa plantings, 0.5 hectares for plantain, and 2.0 hectares for other traditional food crops (no mention of land redistribution, average farm size now stands at 2 hectares). The plan refers to settling planters on new and larger coffee blocks.¹¹⁵ This implies a further depletion of the receding forest zone for the sake of continued export-oriented growth. Plans forecast a 16% increase in the production of food crops from 1980-85, which the production of paddy rice and maize is expected to increase 44%.¹¹⁶

Those agricultural development programs which are viable for smallholder participation have been organized along operational lines which can be compared to Tanzania's various attempts at collective production. In order to raise production and at the same time make farming a more attractive enterprise to young people and provide better services to peasants, the regions where the new crops are grown underwent a form of collectivization or 'l'aménagement de l'espace rurale'. To date, no detailed studies have been done on this development strategy. However, it is known that this strategy was carried out in the poorer regions

¹¹⁴ World Bank, Challenge, p. 44.

¹¹⁵ World Bank, op.cit., pp. 217-219.

¹¹⁶ Ibid., p. 406; calculated from Table SA68.

Cabinet Ministers, the mother-in-law of the president, the general secretary of the national trade union, an advisor to the Minister of the Interior, two heads of groups under the SODEPALM, and other fonctionnaires like army personnel, economists, customs officers.¹²² This group holds larger oilpalm plantations, with higher levels of productivity, operated exclusively by hired labour. Pillet-Schwartz gives the example of the Minister of Agriculture who holds 31 hectares of oil palms and plans to expand this to 100 hectares; he also has interests in coffee and cocoa plantations and he is the owner of 100 hectares in yet another area. She concludes that:

"Le Ministre de l'Agriculture est un cas marginal, mais représentatif d'une catégorie naissante de planteurs qui possèdent un capital foncier non par arrangement familial mais par option et transaction commerciale." ¹²³

Their supportive groups comprise 27.7% of the planters and they are semi-absentee, whose main occupations are in the tertiary sector, e.g. civil servants, mechanics, taxi owners, etc. Lastly, the veritable village plantation owners who are entirely dependent on their agricultural activities comprise 57.2% of the total number of planters. The effects of the SODEPALM system have been disadvantageous to the smallholder, e.g. money income derived from farms below 7 hectares is only marginally profitable, and yet the veritable village plantation owners hold an average of 3.84 hectares (see Table 4.14). Also, there is a tendency to cultivate perennial tree crops over food crops, forcing the plantation owner increasingly to buy his foodstuffs on the market. Although

¹²²Ibid., p. 158.

¹²³Ibid., p. 159.

Table 4.14: Typology of the Village Plantation Owners

<u>Type of Owner</u>	<u>Number</u>	<u>Level of Education</u>	<u>Professional Activity</u>	<u>Way of Cultivation</u>	<u>Average Acreage</u>	<u>Average</u>
Urban residency	25 15.1%	95% having formal education	Functionaries and salaried workers of the private or para-static sector	Indirect	7.39 ha.	39 years
Semi-urban residency	46 27.7%	18% having formal education	Artisans and independents of the tertiary sector	Semi-direct or occasionally direct	5.46 ha.	47 years
The veritable village plantation owners	95 57.2%	9% having formal education	None	Direct or semi-direct	3.84 ha.	54 years
Village plantations forming a co-operative	194	5% having formal education	86% none, 14% being artisans and functionaries	Direct	22.1 ha. per co-operative, 0.70 ha. per co-operator	Indeterminable

Source: Marcussen, op.cit., p. 162.

Pillet-Schwarz denies the development of a rural bourgeoisie, she feels the SODEPALM system accentuated hierarchical tendencies more or less latent in the social structure, and:

"Il est certain cependant que bon nombre de petits planteurs voient l'avenue de leur exploitation menacé, et risque tout simplement de s'effacer un jour." 124

The works of Pillett-Schwarz and Marcussen detail the progressive penetration of capitalist relations of production. The behaviour on the part of the wealthier farmers in production activities leads not to mere hierarchical tendencies in the social structure, but to the perpetuation of social classes and the pre-eminence of the planter bourgeoisie (and the inequalities this implies) through their land expansionary, labour-exploitive techniques.

Houphouet labels the entire national development strategy as 'state capitalism'.¹²⁵ Herein, the Tanzanian strategy has been labelled 'state socialism'. Under both systems, the state intervenes in agricultural production, and it is each state's ^{dissimilar} relations with foreign capital that influences the nature of this intervention, ^{and their divergent development strategies.}

This is the basis for the comparison of each ruling class's rural development strategy. Above all, one must consider the effect of these respective strategies on the peasant smallholder. The next chapter proposes to compare these two development strategies by way of conclusion, assess the effect on the smallholder.

¹²⁴As quoted by Marcussen, *ibid.*, p. 161.

¹²⁵Rondos, *op.cit.*, p. 4.

CHAPTER FIVE

SUMMARY AND CONCLUSIONS

This final chapter reviews the points of comparison and contrast on the nature of the Tanzanian and Ivorian ruling classes and their respective rural development strategies. Lastly, an alternative course of action will be suggested in response to the problems in rural development, with a word about the theoretical implications of the approach used herein.

A. Points of Comparison and Contrast

The ruling classes of Tanzania and the Ivory Coast have divergent class origins. The former arose strictly from the ranks of the colonial bureaucracy and the professions to acquire control of the state. Their perceptions of the role of foreigners in the state and the economy were influenced by their pre-independence relations with the British colonialists. British colonial policies had prohibited efficacious participation by Africans in the colonial government. For example, it was not until the late 1950s that the colonialists permitted TANU to assume a role in national government. Previously, Africans occupied the lowliest civil service posts. Also, discriminatory policies prevented Africans from participating in the lucrative commercial sector eg. Africans were not granted licences for trade. The commercial sector became the preserve of the Asian community, and thus they evolved into Tanzania's petty bourgeoisie. Colonial policies limited African capitalist activities to those rural areas where subsistence farmers were effectively integrated into the global economy as producers of exportable primary products, specifically coffee, cotton, and ground-nuts. Although sisal was Tanzania's chief export during this period, the capital-intensive nature of sisal production reserved the production of this export crop for cultivation on European settler farms and colonial estates. Thus, any significant degree of African sisal production was eliminated. However, the emergent Tanzanian ruling class was not rooted in the rural areas and therefore they lacked a national economic base.

Although the colonialists did not introduce capitalism to eastern Africa, they did promote the capitalist mode of production through the introduction of export crops, with the result that:

- 1) the ^{peasantry} ~~was~~ incorporated into a monetized economy; and
- 2) rural society divided along class lines, thus creating a dominant rural capitalist class, which controlled the major means of production, that is capital¹, and exacerbated social inequality.

This dominant class emerged from the chieftancy, traders and entrepreneurial peasants. All of these farmers either used their traditional powers or capital which they had earned in other activities, to profitably engage in commercial farming. They re-invested their profits to expand their farm enterprises, hire labour and extend their activities into other commercial spheres.

Kulak opportunities for ascendancy to national political influence were blocked by the colonial exclusion of Africans from politics. Therefore, they were forced to limit themselves to local-level politics as Native Authorities, responsible for the implementation of colonial directives.

and under these circumstances
On the other hand, the stratum of professionals ~~was~~ better situated (urban-based, many were civil servants) and better organized (TANU) to assume a national political role. They were also more motivated to struggle with the colonialists to earn a political role for themselves because this was their only feasible alternative for the acquisition of class power. At independence, an embryonic national ruling class emerged i.e. a class which would inherit control over the generation and distribution of surplus. However, they could exercise this power only within the constraints established by the foreign bourgeoisie which had maintained control over Tanzania's economy

¹ Virtually all Tanzanians had land rights, but not everyone had access to capital which was necessary to bring that land profitably into production e.g. to hire labour, buy seed, fertilizers, pay for the transport of crops to markets etc.

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(through investment, aid, technology, managerial expertise) and without whose continued economic participation the national ruling class would lack any semblance of power and control in national affairs.

The Ivorien ruling class has different origins. Unlike the Tanzanians, they have an economic base in export production. Capitalist production for export markets was introduced in much the same manner as it was in Tanzania with similar effects ie. social differentiation along class lines and the emergence of a dominant rural social class. However, the major difference here was: Ivorien peasants cultivated the same export crops (coffee and cocoa) as did the European settlers. If not for the deliberately restrictive French policies which favoured European-grown export crops, that restriction being forced labour, African production would have by far exceeded the output of settler plantations.

The group of farmers which evolved into the planter bourgeoisie were also chiefs, traders and entrepreneurial types. Many among this group were also highly educated, and this afforded them an urban base, which eventually led to a role in colonial politics. As a group, they were also nationally organized (the SAA). When the colonial government offered French West Africans a political role within the colonial government, this group was already prepared to fulfill that role eg. they had a secure and powerful economic base in export crop production, they were well-organized (the SAA), and they were well educated, urbanized and acculturated.

Through his role in colonial politics, Houphouet managed to secure the abolition of forced labour. Now African production of

cash crops was virtually limitless for those who possessed the capital to hire labour, or the traditional power to summon labour, which was necessary to bring their extensive landholdings profitably into production. In the final analysis, once the artificial barrier (forced labour) to capital accumulation was removed, access to capital was revealed as the major means of production. The same situation prevailed in Tanzania where it was those with access to capital for the purchase of seeds, fertilizers and later farm equipment who evolved into the 'kulak' class. As a consequence, the minority who had access to capital accumulation through other means became the dominant rural capitalist class, while the great majority became the victims of the exploitation which is inherent in capitalist production. Thus, the capitalist cycle of capital → labour → surplus → re-investment → capital began and the dominant rural class was transformed into a "veritable planteur bourgeoisie" who simultaneously held a significant role in colonial government.

Because there were avenues open to them for the acquisition of political and economic power, the planter bourgeoisie was comfortable with colonial rule eg. forced labour had been abolished and they had carved out a powerful role for themselves in territorial politics. Their relationship with the French was one from which they gained direct profit, and so it was a liaison which they ^{greatly} wished to maintain at all costs. Therefore, when the Ivory Coast was granted political independence, they deliberately negotiated arrangements with the French to maintain economic neo-colonialism eg. les agréments de co-opération. Upon assuming control over the state, the embryonic Ivorien ruling class

was also constrained in its freedom of action by international capitalist control over the economy, but this subordinate relationship was welcomed and highly profitable in terms of industrial economic growth.

At independence, the Ivorian and Tanzanian ruling classes had one similarity of great importance: they were both dependent on foreign capital for class power. However, the Ivorian ties were more direct and relations were amicable because of the immediate profit to the planter fraction of the ruling class. In Tanzania, ruling class-foreign capital ties were indirect and the ruling class did not willingly accept its subordinate role in this relationship, which perpetuated an unanticipated deprivation of political and economic autonomy. As a consequence, development policies in Tanzania are oriented towards securing greater economic control for the national ruling class, while at the same time they attempt to maintain support from the foreign bourgeoisie because of dependence on foreign capital for development. For example, the Tanzanian ruling class has promulgated a development strategy where the major objectives are socialism and self-reliance. This strategy offers the ruling class more control over the development process.

To achieve the first objective ie. greater economic control by the state-based ruling class, the government has:

- 1) nationalized foreign business; this places in the hands of the ruling class more direct control over the economy;
- 2) placed restriction on foreign investors (public and private); this offers more control over the drain of surplus to the metropolitan states and it offers some control over the way in which development projects are carried out and what sectors will be the targets of development; and

- 3) moved rural inhabitants into a communal living arrangement; this affords the state immense control over production.

To maintain popular support and to fulfill the objective of socialism, the government has: provided social services and infrastructure to the rural areas, attempted to narrow the rural-urban and inter-regional gap in standards of living, and placed restraints on the commercial activities of rural capitalists and on the nascent urban African capitalist class of the mid 1960s.

To achieve the second objective of this strategy ie. not to frighten away foreign capital which is perceived as essential to development, the government has not applied these measures to their fullest measure. The ruling class always draws back on the reigns of socialism and self-reliance. They pursue these goals only insofar as they do not concurrently repel foreign capital. Contrary to Nyerere's proclamation that Tanzanians must cease to think of money as the basis of their development,² the ruling class has been willing to trade-off the achievement of socialism and self-reliance for the acquisition of foreign capital. It is for this reason that:

- 1) nationalizations did not rid Tanzania of foreigners who control the distribution of the surplus derived from investment projects (through managerial agreements); controls over the repatriation of profits and the manipulation of transfer prices have not dealt stringently enough with foreign financial partners to prevent this drain on the economy because it wants foreign capital for industrial development;
- 2) the ruling class did not combine villagization with land re-distribution; they feared alienating Tanzania's small segment of farmers who boast the highest rates of productivity; they feared losing the valuable export revenues which a fall in production due to land

²J. Nyerere, The Arusha Declaration: Ten Years After (Dar es Salaam: Tanzanian Government Printer, 1977).

re-distribution would surely cause; the ruling class is willing to use force to implement a policy which would give them greater control over peasant production to earn greater amounts of foreign capital, but they were not willing to use coercion to enforce communal production;

- 3) the ruling class raised maize prices, but they did not offer this new lucrative source of revenue to the entire peasantry; to do so would risk a decline in export crop production as farmers diverted away from export crops; and
- 4) foreign aid continues to provide a large proportion of investment revenue; although 'soft' in terms of finance, aid is accompanied by ties concerning purchases of inputs and project administration; these imposed conditions emphasize production efficiency and high returns on investments - factors which are often incompatible with goals of self-reliance and socialism.

The latter point is an important dissimilarity between Tanzania and the Ivory Coast: the role of the foreign capitalist. In Tanzania, it is not played by direct private foreign investors as is the case in the Ivory Coast, but rather it is the multilateral and bilateral development assistance agencies which largely assume this role. However, this has not meant that Tanzania's development policy has been unconstrained by the extractive conditions which characteristically accompany direct foreign investment--conditions such as those embodied in the Ivorian 'agréments co-operatives' concerning repatriation of profits, tax shelters, management of the enterprise, employment of expatriates et cetera by the foreign investor. In fact, it was shown in Chapter three that Tanzania has had to offer similar incentives to attract foreign capital and it has often had to concede managerial control to the aid agency or the private foreign investor. Aid agencies are not supremely interested in profit-making, but they are concerned with whether their investment is self-financing and how long it takes to reach this stage.

As a consequence, they also lean toward, though admittedly not as heavily, business practices which are capitalistically oriented. Such projects tend to be over-sized, capital-intensive, employing expatriate managers e.g. the CIDA wheat farm.

This is not to say that these sources of foreign capital deliberately thwart Tanzania's socialist initiatives. There are shining examples of aid which has been extended (primarily by the Scandinavian countries and the PRC) for small-scale, labour-intensive, decentralized projects which use locally produced raw materials e.g. soap factories, shoe manufacturers, the garment industry, bicycle factories, the list is long! However, the point here is this: these latter funds are designated for specific projects, but for long-term loans for general development, balance of payments support in economic crises, Tanzania must inevitably turn to the World Bank and the IMF. The price extracted for these is a decrease in socialist initiatives in deference to the capitalist forces in the country. A case in point is their most recent (1979) rejection of the IMF's offer of a \$200 million credit facility in return for certain economic concessions which would give greater rein to normal market forces³ (which in the process would eliminate efforts toward a more equitable society). The demands in this direction were: a restriction upon government subsidies for basic necessities and a lower profile of the Price Commission⁴ (the body which tries to equalize the cost of living between income levels).

³ "Tanzania: Eyeball to Eyeball with Economic Odds", Africa 102, February 1980, p. 47.

⁴ Ibid.

this year Tanzania has approached the World Bank to fill this void, but they also require "economic restructuring", the nature of which is not fully known at the time of this writing, but it is unlikely to offer generous funds for government policies which attempt to reduce social inequalities because these usually require a long gestation period before they become economically viable.

In the Ivory Coast, the ruling class has pursued a development strategy which is also reflective of its class character and relations with foreign capital. The Ivorian ruling class, a combined planter capitalist class and state-based class, welcomed and worked to attract foreign capitalist participation in the economy. Their development strategy of 'state capitalism' has been formulated to cater to the demands of foreign capital on which the entire 'miracle économique ivoirien' is built. Unfortunately, this strategy exhibits little concern for the smallholder. For example, the new agricultural projects in palmoil production, timber, pineapples and cotton all favour large-scale producers. In actuality, they are jointly financed by foreign capitalists who either operate the farms themselves using hired labour eg. timber and pineapple, or they tightly supervise peasant production and the peasants are treated as hired labour. In the projects where African production is permitted, the urban-based planters and civil servants and the semi-urban middle-income farmers tend to dominate production

eg. the case of SODEPALM. The average 'two-hectare peasant' is relegated to coffee and cocoa production and his income is as vulnerable as ever to unpredictable and uncontrollable world market conditions. The Ivorien ruling class does not even have a comprehensive strategy for food production. Their focus is so trained on potentialities for foreign capital investments that they have been satisfied to entrust adequate levels of food production to peasant response to market prices.

Even more disappointing about the Ivory Coast's development policy is the manner in which those responsible for this policy and the investment of funds have not provided basic necessities which would lessen the drudgery of rural life. For example, in spite of the enormous wealth often boasted to exist there, life expectancy in 1977, as assessed by the World Bank, was only 46 years as compared to 51 years in Tanzania.⁵ This speaks ill of the Ivorien ruling class' efforts to improve health and nutrition, and of its statistically admirable food supply. Also, access to safe water was only 19% in the same year as compared to 39% in Tanzania.⁶

What do these observations suggest firstly about class theory in Africa, and secondly about the contribution of these ruling classes to the perpetuation of underdevelopment and inequality in their respective societies?

⁵ World Bank; World Development Report, 1979 (Washington, D.C.: World Bank) August 1979.

⁶ Ibid.

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Class theory when applied to Tanzania and the Ivory Coast must take into account not merely who owns the means of production as a means of determining how life proceeds in these societies, but one must also consider who controls decision-making on how production will be carried out and how the surplus will be distributed. In doing so, one discovers that the Ivorian and Tanzanian ruling classes i.e. those individuals who are responsible for making economic decisions, can and do exert a significant degree of control over production even though actual ownership may lie elsewhere. They are not helpless pawns in the grip of a foreign bourgeoisie.

The development policy devised by a particular ruling class is reflective of its perception of foreign capital. In Tanzania, foreign capital is treated with caution. They learned early on that foreign capital carries a price of less political and economic autonomy so Tanzania's development policy aims to achieve more self-reliance. At the same time it has been shown that the Tanzanian ruling class perceives money as the basis of development. This conviction has led them to compromise certain goals it has set (self-reliance and socialism), in order to attract foreign public capital. In this manner, the ruling class aids the perpetuation of underdevelopment and inequality because sources of foreign capital, whether private or public, are unwilling to advance funds for the pursuit of programmes which propose to drastically restructure production relationships and re-distribute the surplus on a more equitable basis.

In the Ivory Coast, the ruling class welcomes sources of

foreign capital to invest in the country with only minimal restrictions. Unlike Tanzania, they depend heavily on private foreign capitalists for economic growth. This source, which unquestionably has profit-making motives in mind, is least likely to support any development strategy or behave in any way which promotes a fairer distribution of the surplus.

Lastly, in both countries, the primary source of well-being and privilege which the ruling class enjoys is that derived from the state treasury. Pursuit of a development strategy which proposes the radical restructuring of production relations runs the risk of alienating sources of foreign capital. With a decrease here, growth would decline and the ruling class would either suffer a similar fall or be forced to resort to greater authoritarianism in an effort to avoid the wrath of the masses and maintain themselves in a style to which they have become accustomed.

B. Alternative Strategies For Rural Development

The question which arises from this study is: what can be done to alleviate rural poverty in either country? To examine the possible solutions, the common goal of food self-sufficiency, the concept of 'big farms' as a means of raising agricultural productivity, and the role of foreign capital in any rural development strategy provide good departure points in search of a solution.

Both the Ivorian and Tanzanian ruling classes believe that increasing farm size will increase productivity. In Tanzania, the goal of food self-sufficiency is to be achieved via maize production and via rice in the Ivory Coast. Farms were larger than the usual two hectare small-holding, but they did not approach the farm size of the wheat project in Tanzania or the sugar complexes in the Ivory Coast. Both food projects were aimed at bringing a viable source of income to the people in impoverished regions. In both countries, the food projects were undertaken with the assistance of foreign capital, the World Bank in the Tanzanian case and private investors in the Ivory Coast. In the latter instance, it is only known that the state corporation SODERIZ was responsible for rice production, however it not known who the foreign partners were, nor the details of the role they played. In both cases, production was closely supervised by the state and the foreign 'experts' ie. the peasants were told when to plant, irrigate, weed and harvest. The state intervened with assistance eg. irrigation facilities, capital equipment, extension services, credits until the first harvest, insecticides etc. Thus far this strategy resembles many others undertaken in the past, but the one differentiating

factor was the incentive of higher prices. Evidently, this was the missing ingredient. The farmers' response was remarkable and production soared. For example in the Ivory Coast, the producer price for rice paddy was raised from 20 CFA francs per kilogram in 1970 to 280 CFA francs in 1975, and net production went from 284,000 tons to 423,000 tons respectively and rice imports stopped completely in 1975, whereas imports were 79,000 tons in 1970.³ In fact, Ivorian peasants moved out of production of less profitable crops and into rice production. Now the government must withdraw price incentives because of overproduction.⁴ It is slightly more difficult to assess the results in maize production in Tanzania because the World Bank did not begin its project until 1976 and the results have not yet been firmly established. In the years before this, the country was struck by drought which was a central factor in lowering production. Looking at the period before the World Bank project and the 1972/73 drought, maize prices were .28 Shs per kilogram in 1970, farmers produced 870,000 metric tons of maize, and the country imported 46,900 metric tons that year.⁵ After recovery from the drought in 1975, maize prices were .50 Shs per kilogram, 825,000 metric tons were produced, and imports were only 42,300 metric tons, down from 317,200 in the previous crop year at the peak of the drought. Maize prices have since been raised to .85 Shs per kilogram

³World Bank, Ivory Coast: Challenge of Success (Baltimore: John Hopkins University Press, 1978), pp. 415-416.

⁴Ibid., p. 39

⁵World Bank, Basic Economic Report: Tanzania, Annex VI (Washington, D.C.: World Bank, 1977), pp. 8 & 31.

in 1977/78 and the volume of production was one million metric tons (provisional estimate - see Table 5.1).

It appears that higher prices are a powerful incentive for raising agricultural productivity and thereby offering a higher standard of living to peasants through higher incomes. This instrument of pricing policy can also be used as an indirect vehicle for re-distribution of the surplus if each state simultaneously raises producer prices for food crops, maintains consumer prices, and maintains producer prices for export crops. Thus, the state can re-direct the orientation of development away from exports, and wealth can be re-distributed. Of course this is an overly simplistic policy measure, and to be truly effective, this strategy for re-distribution and re-orientation must be combined with numerous other economic and social policies eg. an appropriate industrialization strategy, a progressive income tax system, high taxes on luxury goods, land re-distribution. Alone, better prices can only accomplish a minimal reduction in economic inequality, but it can effectively raise productivity.

It is within this framework which Tanzania and the Ivory Coast must work to raise the standard of living for the rural masses. The ideological orientation of this development is their choosing, whether it be statecapitalism or state socialism. Both states have tried using pricing policy, but success has been limited because they failed to integrate it with other economic sectors to create a type of auto-centric development as described by Samir Amin (see page 10). Within these parameters, Tanzania and the Ivory Coast can improve the welfare of the rural people regardless of the ruling class' ideological posture.

Table 5.1: Efforts to Achieve Food Self-Sufficiency Through Price Incentives

<u>Tanzania (maize)</u>	1970	1975	1978
production (1,000 metric tons)*	870	825	1,000**
producer price (Shillings)	.28	.50	.85
imports (1,000 metric tons)	46.9	42.3	N.A.

Ivory Coast (rice)

production (1,000 metric tons)*	284	460	430**
producer price (CFA francs)	20	280	N.A.
imports (1,000 tons)	79	0	N.A.

** provisional

* from: UN, 1978 UN Statistical Yearbook, New York: United Nations, 1979.

Source: World Bank, Basic Economic Reports: Tanzania and the Ivory Coast.

Big farms can be a successful means of raising productivity also, if the farmers benefit significantly from the increased production (as the cases of maize and rice indicate). But, in most cases, the surplus is siphoned off by the state and its foreign partner. Big farms such as the sugar complexes and the wheat project can also be conducive to a communal mode of production if organized in such a way that it provides an unequivocal demonstration to farmers that more benefits will accrue to them under a collective mode of production.

In the Tanzanian case, the government has failed to be persistent in its pursuit of a socialist society for reasons stated earlier. The state has promoted the 'big farm' concept, but not in conjunction with communalism. It has permitted the foreign partner (the World Bank) to organize production, and this has not resulted in a method designed to achieve socialism. In the case of cotton in the Ivory Coast, the production demands of foreign experts were so absurd in relation to the traditional combination of food and cash crops, that the peasants rebelled by reducing their output of Allen cotton. In summary, it appears that peasants will raise productivity if stimulated with the appropriate incentives, but in order to prevent the exacerbation of social and economic inequalities, the state must insure that everyone has equal access to the means of production.

This proposed solution to overcoming rural poverty has implications for development strategies in other developing countries. If a peasant producer is given adequate economic incentives eg. higher prices, farm inputs (fertilizers, seed, insecticides), cartage services and an operable marketing mechanism, he will respond by producing more

so he can raise his own income. It must be emphasized that although the state must take responsibility for supplying these incentives, state interference in the organization of production should remain minimal and indirect. The peasant knows his environment best and he knows what volume of cash crops (as a given price) should be cultivated in combination with food crops, in order that he and his family can subsist. If a particular state strives for the implementation of a communal mode of production, it merely has to make it worthwhile for the peasant to engage in this form of production. If greater production of a certain crop is desired, the solution is the same. In other words, appealing to the peasant's accumulative instinct can be a successful tactic for achieving certain goals which require the co-operation of the peasantry.

This solution implies re-structuring relations with foreign capital. These relations must be designed to suit the needs and goals of the developing country, and not vice versa.

At the same time, if further rural inequality is to be avoided, the state must apply economic incentives with discrimination because they can in fact work to embellish the existing privileged classes. That is to say, these measures should be used as an opportunity for the poorest peasants to raise their incomes and not as a tool for further strengthening of the dominant rural social classes in Third World countries.

c. Areas For Further Research

The analysis herein suggests that the best solution to underdevelopment as perpetuated by a dependence on foreign capital is to sever all ties with foreign capital. This implies that the indigenous ruling class must be replaced, and the national leadership of these countries must be assumed by a group which is not dependent on foreign capital for survival. This is what must eventually occur if the peasantry is ever to realize a dynamic self-generated and self-sustained level of development, which goes beyond mere offerings of infrastructure and social services. In the short-run, this solution will wreak havoc in the lives of the peasantry, but in the long-run, the peasantry will achieve a hithertofore unattainable level of development and social equality.

Before any solutions are taken, further research is imperative especially in the areas of : 1) peasant response to the pricing mechanism as an alternative solution to underdevelopment; 2) data is needed on the distribution of wealth among Ivoriens in the Ivory Coast; and 3) the field is wanting for current knowledge of ruling class perspectives on the concept and implementation of socialism as an ideology for development in Tanzania.

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