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Research Report 84

Stefan Hedlund
Mats Lundahl

**Ideology as a Determinant of Economic Systems:
Nyerere and Ujamaa in Tanzania**



**FÄRNEBO
FOLKHÖGSKOLA**

BOX 23, 810 20 ÖSTERFÄRNEBO
TEL. 0291-205 13. FAX 0291-205 74

NORDISKA
AFRIKAINSTITUTET
1989-08-22
UPPSALA

914:409
EX. 2

Scandinavian Institute of African Studies
Uppsala 1989

Thanks are due to Claes-Fredrik Claeson, Ari Kokko and an unknown referee for their comments to a draft version.

The research was financed by a SAREC grant.

ISSN 0080-6714

ISBN 91-7106-291-2

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Printed in Sweden by
Motala Grafiska, Motala 1989

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Introduction

Tanzania during the presidency of Julius Nyerere constitutes an excellent example of an economic system which to a large extent has been shaped by the explicit use of ideology. Nyerere's efforts to create a specific African form of socialism have had a definite impact on the structure of goals, institutions and incentives. These efforts constitute the theme of the present work.

No effort will be made to provide a 'complete' explanation of either the character or the complete set of forces shaping the country's economic system. Such undertakings would require a full-length monograph. They are thus beyond the scope of the essay. Instead, the purpose is to highlight one of the determinants of the economic system: ideology, and the extent to which ideology has been a driving force in economic policy making in Tanzania, with particular emphasis on the ujamaa experience.

The essay consists of three parts. The first offers a general discussion of the relation of goals, incentives and ideology in the economic systems context. The role of incentives in economic systems is presented. A classification of systems according to their goal structure is made. Ideology as a system determinant and the connection between ideology and incentives are discussed. The second part deals with the emergence of Nyerere's concept of African socialism and how this ideology influenced the incentive structure in the Tanzanian economy after the Arusha Declaration in 1967. The third part, finally, discusses the practical problems of implementing the economic strategy dictated by the socialist ideology in connection with the ujamaa drive and the subsequent villagization program.

It will be shown that the ideologically based incentives were incapable of propelling the economy towards the desired goals, that a completely different strategy was employed when this was realized, and, finally, that the latter strategy tends to favor compulsion over positive incentives.

Incentives, Ideology and Economics

edit Economic activities are undertaken by *individuals*, regardless of whether the system within which such activities take place is a capitalist or a socialist one, a democratic or a totalitarian one. No matter what the degree of government involvement is, or the degree of political control, productive activities are always carried out by individuals. Individuals respond to *incentives* of various kinds, some of an economic nature, others essentially non-economic. These incentives are in turn *edit* heavily conditioned by the institutions of the society in which the activities take place, in particular by the organization of economic life, i.e. by the economic system. If these institutional arrangements do not agree reasonably well with ideas and value systems predominant among the population, a serious conflict may arise in terms of a divergence between private interests and those of 'society', however the latter is defined. We shall see below that Tanzania is a case in point here.

As Douglass North and Robert Thomas point out:

Efficient organization entails the establishment of institutional arrangements and property rights that create an incentive to channel individual economic effort into activities that bring the private rate of return close to the social rate of return.¹

edit North and Thomas are concerned with the technical problems of creating an *incentives* system conducive to an *optimal utilization of society's given resources*, i.e. an 'inducement for the individuals in society to undertake those activities that lead to economic growth.'² Certain features of the incentives system may, however, be ideologically desirable goals in themselves—such as communal ownership and non-material incentives—even though they might conflict with efficiency and growth. Again, Tanzania is a case in point, and we shall have to be careful in determining which elements of the incentive system are goals in themselves and which elements may be variable in order to achieve more narrowly defined economic goals. Let us for the time being, however, note that the *general* idea advanced by North and Thomas applies to any set of goals; if the private costs of undertaking an activity exceed its private benefits, individuals as a rule are not willing to go ahead with the activity in question, regardless of its profitability (in a broad sense) to society as a whole.

Sometimes, this elementary fact is overlooked in discussions of socialist economies:

¹ North and Thomas (1973), p. 1.

² *Ibid.*

'Socialism' is thought of as an alternative to a society still based largely on private ownership and private profit. Generations of reformers and revolutionaries envisaged a world in which there would be no great inequalities of income and wealth, where common ownership would prevail, where economic (and political) power would be more evenly distributed, where ordinary people would have greater control over their lives and over the conditions of their work, in which deliberate planning for the common good of society would replace (at least in part) the elemental forces of the marketplace.³

In particular, it is postulated that motivation is of a different kind in socialist societies:

If one assumes that the 'new man', unacquisitive, 'brilliant, highly rational, socialised, humane', will require no incentives, problems of discipline and motivation vanish. If it is assumed that all will identify with the clearly visible general good, then the conflict between general and partial interest, and the complex issues of centralisation/decentralisation, can be assumed out of existence.⁴

Much of Julius Nyerere's political thinking is permeated by precisely this type of thinking, such as the very heavy reliance on moral exhortation and non-material incentives. As we shall see, however, this implies a dubious representation of reality. The question of incentives, not least material ones, is a fundamental one in all economic analysis. This remains as true for a socialist society of the Tanzanian type as it does for capitalist United States.

While the need for incentives is as acute in Tanzania as in the US, the institutional setting differs widely between these two countries, i.e. their economic systems differ, and a study of the main features of those Tanzanian institutions that have a decisive influence on the incentive structure is therefore indispensable.

In a provoking and stimulating book, Douglass North has pointed to the need for a theory of institutions if one is to achieve a proper understanding of structure, change and economic performance in history.⁵ Purely neoclassical models will not do, since these are mostly void of institutional content. Instead, attention must be explicitly focused on institutions. According to North, a theory which can explain institutions and their role in the economy must contain three elements. In the first place, a theory of the state is needed, since it is the state that specifies and enforces property rights which in turn furnish incentives to the individual agents in the economy. Secondly, a theory of property rights is needed to describe incentives for groups and individuals. Finally, North points to the need for a theory of ideology 'that

³ Nove (1983), pp. 7-8.

⁴ *Ibid.*, p. 10.

⁵ North (1981).

explains how different perceptions of reality affect the reaction of individuals to the changing "objective" situation.⁶

The first and last of these three elements will occupy us later in the present work, where an outline of the political philosophy and the ideological base of Tanzanian socialism will be made. This is essential, since there can naturally never be any rational reason for believing *a priori* that a government should have any incentive to 'protect those property rights which encourage efficiency.'⁷ It all depends on which the goals of the government in question may be, and different economic systems have very different goals.

Goals and Economic Systems

The economic systems concept is an elusive one. Often, the term is used as a 'primitive' term in the sense that it is taken for granted that people know more or less what it is. The Soviet Union and the United States somehow represent different economic systems. Most people would agree to that, but when they are asked to define what constitutes the crucial differences between these two systems, they are not so certain anymore.

Of course, this uncertainty has to do with the lack of a generally accepted definition of what an economic system is. In general systems theory, a system is usually defined as 'a set of elements standing in interrelations.'⁸ What this means is that the elements of the system interact in a way which is conditioned by the characteristics of the system. When these characteristics differ, so do the outcomes of the interaction. Certain characteristics of the elements in a system will remain the same regardless of what the system in question looks like. However, these are not characteristics that are interesting from the systems theory point of view. Instead, we want to focus on those characteristics that cannot be explained unless we know the relations between the elements.⁹

An *economic system* can be defined as 'the long-term arrangements by which various units within an economic society are induced to cooperate in production, distribution and use of the aggregate product—including means of control over productive factor or goods markets, and so forth ...'¹⁰ Knowing this, the message conveyed by the *general systems* concept is that depending on how one conditions the relations,

⁶ *Ibid.*, pp. 7–8.

⁷ North and Thomas (1973), p. 7.

⁸ Von Bertalanffy (1968), pp. 55–56.

⁹ *Ibid.*, pp. 54–55.

¹⁰ Kuznets (1971), p. 249.

the 'rules of behavior' or the 'code of conduct' that the individual actors have to obey, the results with respect to e.g. production, distribution and use of the aggregate product will differ accordingly.

The question then becomes, 'What determines the conditioning of relations within an economic system?' How are the 'rules' set? Obviously, this largely depends on the goals adopted by the strategic decision makers of the system.

Using the above definition of economic system, which centers around production, distribution and use of the aggregate product, we are very close to traditional static economic welfare functions formulated in terms of goods and services. These welfare functions take as their starting point the assumption that all economic activities are, one way or another, undertaken with eventual consumption in mind. Such an assumption, however, may be too narrow. In the first place, it does not pay attention to considerations of growth and distribution. Consumption does not necessarily have to take place now, but may be consciously deferred until some future point in time, i.e. by investing resources now, the future production and consumption potential of the economy can be increased. In the same way, a decision has to be reached as to *who* is going to consume. Distributional considerations are common but it is by no means always the case that development efforts are concentrated on increasing the consumption of the poorer income groups in the economy.

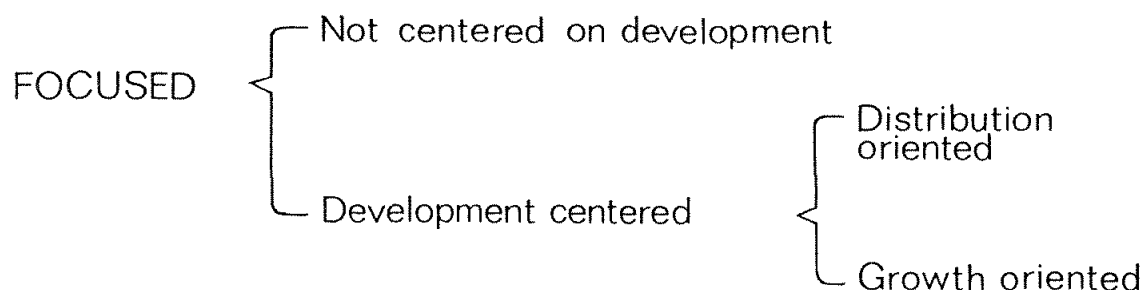
On the other hand, the aggregate consumption approach is too narrow in the sense that it concentrates entirely on a single *economic* variable. There is a strong tendency in much economic theorizing to formulate goals solely in terms of consumption of goods and services, without paying attention to the fact that this is not the way goals are set in the real world. Of course it can be argued that many of the objectives specified by politicians, planners, etc., are not 'fundamental' in the sense that they are directly represented in the welfare function of society, but should be considered as, to use Leif Johansen's terminology, *quasi-goals* in that they are of importance for welfare only via their importance for the fundamental variables.¹¹ This, however, is far from always the case. Variables of the 'non-economic' kind may also be 'fundamental', i.e. they constitute arguments in the welfare function in their own right. We only have to think of such objectives as national sovereignty, political development (e.g. towards participation and democracy) or reduced regional or ethnic antagonism.

The above points directly to some type of classification of economic systems in terms of their goals or objectives. For present purposes where we concentrate on problems of economic development, the classification summarized in Figure 1 may be of interest.

¹¹ Lindholt (1966), p. 6.

Figure 1: *A Classification of Economic Systems*

UNFOCUSED



Source: Lundahl (1982), p. 3.

The first distinction made here is between focused and unfocused systems. In the latter type, the direction and scope of economic policy is not guided by any explicitly formulated goals, whereas focused systems possess a set of politically determined objectives which the polity attempts to reach. Since we are discussing problems of economic development, it next becomes logical to split the set of focused systems into those that are not concerned with the promotion of economic development and those that are development centered. The latter group, finally, can be divided into growth oriented and distribution oriented systems, depending on whether emphasis is placed on the growth aspect or on distributional equity. Later on we shall use this taxonomy to characterize Tanzanian policy making.

When speaking about the goal structure of an economy, we should also touch upon how the goals are decided. Who are the strategic decision makers in the economy and how do they decide the goals? In this context, it is important to establish, for example, the sources of support for the strategic decision makers. In principle, there are two possibilities here. Either the decision makers—the government—represent the interest of a small clique, generally without having been elected according to democratic principles, or they are backed by a wide segment of the population, often, but not always, having been elected in a democratic fashion. These two foundations may be referred to respectively as elite and mass based.¹² We shall see below that Tanzania is again a case in point where the importance of mass participation has been repeatedly and forcefully stressed.

Once we are able to determine the extent of the support for the strategic decision makers, it becomes easier to establish the goals that govern their decisions. In the case of small cliques, one often finds that

¹² Lundahl (1982), pp. 32–33.

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it is the self-interest of the clique that is decisive both for the goals chosen and for the means applied to reach the goals. Once we turn to broader based governments, on the other hand, the interests of a larger number of people are usually involved.

This distinction is important to make, since there may be a trade-off between the search for mass support and the efficiency of government. At least in the Tanzanian case we shall see that this has been the case. Furthermore, in the case of mass based government, some kind of explicit ideology often exists—as a rallying point—expressed in party programs, political documents in general, five-year development plans, etc. A study of such documents will make it possible to find the goals including economic objectives, towards which society in general is supposed to move. Such a study will form an important part of the empirical part of the present work, but first let us turn to a discussion of the role of ideology as a determinant of economic systems.

Ideology as a System Determinant

In which sense is it possible to speak of 'ideology' as a 'system determinant'? Alexander Gerschenkron, in an article which focuses precisely on this subject, has expressed strong scepticism regarding the idea that ideology could somehow determine economic systems.¹³ At the purely theoretical level, no problems arise because there are usually no contradictions between the ideology and the system. Take, for example, the Walrasian general equilibrium framework, where utility maximization may be interpreted as the ideology of the system, or the Lange-Taylor version of market socialism where the rules laid down for behavior are only slightly more complicated. In these theoretical constructs, 'Without such a set of ideas the systems would become unworkable and, in fact, unthinkable.'¹⁴

On this level, Gerschenkron considers it 'indeed meaningful to speak of ideology as a systems determinant, but the relationship between ideology and system, so conceived, is rather unproblematic and by the same token bereft of interest.'¹⁵ The problems instead appear when the step is taken from the theoretical level to the level of actually (past or present) existing economies. Then 'We no longer operate with a consistent economic system but with a heterogeneous phenomenon called economy. [...] Ideology then is no longer a set of definite ideas tailored to fit a clearly defined system, or rather implied in it.'¹⁶

¹³ Gerschenkron (1971).

¹⁴ *Ibid.*, p. 270.

¹⁵ *Ibid.*

¹⁶ *Ibid.*

Ideology at this point becomes a complex matter. Gerschenkron uses the term 'ideology' 'simply as a complex of ideas, which are somehow—be it positively or negatively—related to economic action.'¹⁷ In the real world, there is no longer any one-to-one correspondence between economic systems and ideologies. Neither the economy nor the set of ideas prevailing can be thought of as homogeneous, and Gerschenkron argues that 'the term "system" should imply internal consistency.'¹⁸ As long as ideas are defined in such a way as to add up to a consistent non-contradictory whole, there is no problem, but, taking 'capitalism' as an example, 'The difficulty begins when we realize that there is a long way from this "idea" of the capitalist system to the "ideology" of the actually existing capitalistic economies.'¹⁹

Gerschenkron thus concludes that an ideology composed of largely contradictory elements cannot be taken to 'determine' 'anything that deserves to be called a system.'²⁰ This view of the relation between ideology and economic system, however, appears as an unduly negative one. Ideologies could be important as system determinants without being either consistent or homogeneous. Albert Hirschman has criticized Gerschenkron on the grounds that the ideologies on which he concentrates are of the variety that Hirschman calls *insurgent*, i.e. ideologies that oppose the prevailing system.²¹

Such ideologies could not possibly *determine* the system to whose overthrow they contribute. Instead one has to look at *official* dominant or *pro status-quo* ideologies. These are the ones that may have an influence on the economic system. Insurgent ideologies only enter the picture insofar as the movement they represent is able to take over political power. The role of ideology is often stressed by such groups. However, their ideologies cannot influence the system unless the groups themselves are victorious. In that event, however, provided that the ideologies in question are not pure façades, an attempt will quite probably be made to restructure the society and the economy according to the actual content of the ideologies. Such a correspondence between ideology and practical policy making has been clearly manifest in Tanzania.

Accepting that ideology may be an important system determinant, we may now go on to sketch the most important ways in which an ideology influences an economic system. The first way here is the most obvious one. A dominant party or government that has an ideology which it wants to influence the economic system will formulate a

¹⁷ *Ibid.*, p. 271.

¹⁸ *Ibid.*, p. 276.

¹⁹ *Ibid.*, p. 277.

²⁰ *Ibid.*, p. 278.

²¹ Hirschman (1971), pp. 290–92.

number of goals which directly emanate from, or are otherwise strongly related to, this ideology. In the context of economic development, perhaps the best example is that of the relative emphasis placed on distributional issues versus economic growth that has already been referred to above. Frequently, heavy emphasis on distribution can be traced directly to an ideology which considers questions of equity to constitute the very core of the development issue.

Ideological considerations also influence the choice of means to reach a certain goal. Here, a distinction must be made between absolute taboos regarding the use of ideologically 'contaminated' means on the one hand and less 'absolute' preferences for one set of means over another.²² Taboos are especially difficult, since, given the goals, they preclude certain choices—including, in the worst case, those that may be the most appropriate ones when it comes to solving the problem at hand.

Of equal importance, in a political decision making situation, is that problems are often not tackled unless some type of solution, or at least a beginning of a solution, can be seen from the outset. Taboos with respect to the choice of means then act as blinkers in the very perception of the problem. In other words, problems may be 'defined away' for ideological reasons. Finally, ideological reasons often determine the choice between alternatives that are all considered feasible. A good illustration here is the choice between planning and market mechanisms to solve allocation problems in the economy.

One particular field of interest should be singled out here. Ideologies are intimately connected with incentives in at least two ways. Firstly, the choice of incentives is largely determined by ideological considerations. The literature on economic systems generally pays attention only to a single dimension, namely the choice between carrots and sticks. This, however, is a far too crude classification if one is to make a serious attempt to describe an actually existing system. A somewhat more detailed picture can be painted if a threefold dichotomy is used, as in Figure 2. The first distinction to be made here is the one between (positive) incentives and commands—carrots and sticks—as is traditionally done. Secondly, both incentives and commands can be given at different levels of centralization. Finally, incentives may be of two kinds: material or non-material. Together, this gives us six different possibilities, as the figure shows.

²² *Ibid.*, pp. 292–93.

Figure 2: *Incentives and Economic Systems*

	Incentives		Commands
	Material	Non-Material	
Centralized	1	2	5
Decentralized	3	4	6

Source: Lundahl (1982), p. 34.

The first box contains centralized material incentives. An example of this, drawn from Eastern Europe, could be when workers who have performed better than the norm should be given a special bonus, e.g. in the form of extra paid vacations. More important, however, are centrally decided bonus, tax and subsidy systems. The second box, centralized non-material incentives, is perhaps more difficult to visualize, but another example from the socialist economies of Eastern Europe will suffice: distinctions of the 'hero of socialist labor' type.

Going on to decentralized incentives, Box 3 contains decentralized, material incentives of the type that we, for example, associate with price signals in markets, while Box 4 may be exemplified e.g. by locally organized campaigns where a special appeal is made to local patriotism etc.

This leaves us with Boxes 5 and 6, centralized and decentralized commands, respectively. Examples are easy to find, in the form of central and local plans expressed as targets which must be met.

Comparing for example the United States and the Soviet Union, i.e. the 'capitalist' and 'socialist' ideologies, it goes almost without saying that the choice of incentives has differed substantially, not least due to the influence of ideological factors, both on the set of feasible alternatives and on the choice among these various alternatives. While this comparison is thus easily dichotomized, as we shall see below, the case of Tanzania presents a more complex picture, with central control combined with mass participation and a reliance on non-material incentives.

The second important point to be made in relation to the connection between ideologies and incentives, apart from the discussion of the influence of ideologies on the choice of means to reach a given goal, is the fact, as was mentioned above, that sometimes the ideologies themselves constitute the means.²³ In neoclassical economic theory, it is generally postulated that individuals are selfish, i.e. they obey individualistic maximization rules, based on utility functions that only contain the individual's own consumption of goods and services. This

²³ Cf. North (1981), Chapter 5.

type of postulate, however, sometimes creates a dilemma, in that it is frequently observed in real life situations that individuals choose courses of action that are suboptimal from the purely individualistic point of view. Obviously, something other than individualistically based calculations must lie behind their behavior. This 'something' may be ideology. For reasons of ideology, individuals in certain situations dispense with maximization of personal benefits.

This fact is consciously used by governments in all types of societies. As Mancur Olson has shown, large groups face a much more serious free rider problem than do small groups, when it comes to lobbying for the interests of the group, i.e. large groups are notoriously incapable of collective action.²⁴ The cost that the active individual has to bear easily outweighs the fraction of the collective benefits that accrues to him. The incentives to act as a free rider are strong for members of such groups. This fact is well accounted for within the framework of standard neoclassical theory. Nevertheless, we sometimes find that the free rider problem does *not* arise in settings where we would expect it to. Other mechanisms, traditionally not dealt with by economists, take precedence:

Strong moral and ethical codes of a society is the cement of social stability which makes an economic system viable. Without an explicit theory of ideology or, more generally, of the sociology of knowledge there are immense gaps in our ability to account for either current allocation of resources or historical change. In addition to being unable to resolve the fundamental dilemma of the free rider problem we cannot explain the enormous investment that every society makes in legitimacy.²⁵

Governments furnish ideologies which by creating a suitable view of the world consistently push individual decision making in a certain direction—the direction desired by the government—neutralizing, partly or completely, the influences emanating from individualistic values. Nyerere's *ujamaa* policy is an excellent illustration of this point. An old concept of joint family production has been taken as a basis for attempting to change individualistic (family) values towards a deeper solidarity within the larger (village) group.

As can frequently be observed in practice, the rise of ideologies is in a majority of cases associated with the identifiable, specific guidance of intellectuals. To be efficient, ideologies must contain certain features:

Because ideology consists of an interconnected comprehensive view of the world, it must explain how the existing structure of property rights and terms of exchange are a part of a larger system. It is also crucial to account for the past in terms consistent with this set of rationalizations.²⁶

²⁴ Olson (1965), especially Chapter 5.

²⁵ North (1981), p. 47.

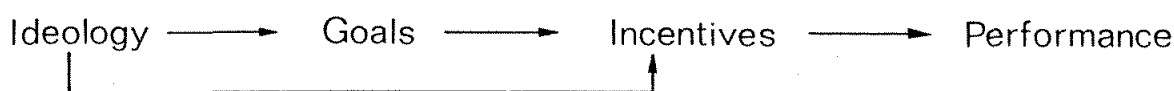
²⁶ *Ibid.*, p. 52.

A second requirement is that the ideology must be flexible. Otherwise it becomes worthless when external conditions change. It fails to capture new groups but it may also lose its grip on the old ones. Most important, however, is that a successful ideology must be able to cope with the free rider problem:

Its fundamental aim is to energize groups to behave contrary to a simple hedonistic, individualistic calculus of costs and benefits. This is the central thrust of major ideologies, since neither maintenance of the existing order nor its overthrow is possible without such behavior.²⁷

For a government in power, this is of supreme importance, for the costs of maintaining the existing order decrease to the extent that the system is considered a legitimate one. Ideology provides precisely this legitimacy. The less legitimate the system, as perceived by the citizens, the easier it becomes to induce free rider behavior, while systems with a high degree of legitimacy have considerably less to fear in this respect.

Figure 3: *The Determinants of Performance*



The discussion so far can be summarized with the aid of Figure 3. The forces in power—the ‘party’ or ‘government’—are assumed to be equipped with some type of explicit or implicit ideology which expresses what they want to do in general, and hence also in the economic field. This ideology, among other things, determines the goals of the economic system. Given these goals, a set of suitable incentives is designed in order that the economy may, in the ideal case, reach its goals at minimum cost. This cost minimization does, however, not necessarily obtain in practice. Ideological or other factors may preclude the economy from being efficient, e.g. by biasing the choice of incentives. In this manner, the economy may not reach the set goals.

In the next part of the essay we will turn to the goal structure of the Tanzanian economy and its relationship with the dominant ideology, in order to see what incentive systems have emerged and how these have affected the performance of the economy.

²⁷ *Ibid.*, p. 53. In the case referred to here, the free rider problem arises in the context of collective work. If a group of workers is made collectively responsible for meeting a given production target and the rewards are shared on a per head basis, it is of course to the advantage of the individual to shirk and let the others do the work.

Tanzanian Socialism

In 1961, Tanzania gained independence from Britain. The path followed by the new state in many respects came to differ from those of other newly independent African states. The components of the specific 'Tanzanian socialism' will be at the center of our attention here. In order to create a frame of reference for the discussion below, we shall start by characterizing Tanzania's goal structure, using the taxonomy proposed in Figure 1.

First of all, it is easily established that Tanzanian economic policies have been *'focused'*. The drafting of three consecutive five year plans, a fifteen year perspective plan, and the issue of a number of important party policy statements, all substantiate this point. Furthermore, the focus of these efforts has been strongly *development centered*. Although the focus of the development effort has shifted between sectors over time, the emphasis on development has been strongly present throughout, above all in the perceived need for Tanzania to mobilize its resources in order to catch up with the surrounding world. Finally, the development effort has been *distribution oriented*. The strong rural emphasis in policy making, the long term aim of restructuring the countryside (until the mid-1970s, when the basic industry strategy was launched)²⁸ and the explicit desire to play down the role of industry and investment—above all foreign investment—all indicate that economic growth has been a secondary objective to the struggle for greater equity, in rural areas as well as between rural and urban areas.

Let us return to the plea by Douglass North for 'a theory of institutions'.²⁹ The main ingredients of such a theory would be a theory of the state, a theory of property rights and a theory of ideology. There are three important parts of 'Tanzanian socialism' that we would like to single out in that context. First and foremost, we must take into account the highly charismatic leadership style of the country's first president, Julius Nyerere. Although it is always controversial to assess the role of a single individual in historic development, few would probably disagree with the view that Nyerere's personality has put a firm imprint on Tanzanian policy making.³⁰ On the more tangible side, a second important component is found in the fact that Tanzania gained independence without revolution, armed struggle and heroic guerrillas. Finally, the heritage of British colonial development strategy must also be taken into account.

²⁸ Cf. Coulson (1982), pp. 311–13, for a summary.

²⁹ Cf. note 5 above.

³⁰ Cf. Pratt (1976).

The first of these three components represents ideology as a driving force in development and, as we shall see, much of it has emanated from Nyerere's pen. The second concerns the theory of the state and here we shall see how the regime has experienced problems of legitimacy and has felt a need to somehow instil a pseudo-revolutionary spirit in the population as a basis for its power. The third factor, finally, locked Tanzania firmly into a 'traditional' pattern of capital-intensive, import substitution based development which would constitute a substantial stumbling block when attempting to translate the new ideology into practical policy.

We shall now proceed to study these three components more closely. Here we shall adopt a basically chronological perspective, in order to see how they gradually blended to form Nyerere's highly personal version of 'African' or 'Tanzanian' socialism.

The Formative Years

A dominating characteristic of the period between independence, in 1961, and the important declaration at Arusha, in 1967, is that a new state and a new ideology began to be shaped, while simultaneously the economy was largely allowed to carry on in its old tracks. Not until 1967 would a conscious effort be made to merge the three.

Nyerere's socialism carries distinctly moral overtones, and thus seeks legitimacy for the regime more in terms of what it stands for on moral grounds than in terms of what it will deliver in material ways. As Göran Hydén puts it, revolution in Tanzania should primarily be brought about as a protest against what is evil in this world:

It is a revolution that starts in the ideological superstructure and which will, hopefully, spread to the economic foundation. Via the creation of a new socialist man, it is hoped that it will be possible to achieve far-reaching changes also in economic terms. [...] [Nyerere's] reaction against capitalism is above all moral and has less to do with the thought that socialism will develop the productive forces faster than capitalism. Moral principles have a value of their own that cannot be invalidated simply because people in a society fail to live up to them.³¹

Several highly important features are contained in this characterization. Of perhaps greatest importance is the stress placed on basic and simple values of life. In the same way as Rousseau advocates a return to the life of the 'noble savage', Nyerere puts forth a picture of the 'noble African'. From this stem two further important strands in his ideology: on the one hand the very strong involvement in African affairs and African pride and, on the other, the rural emphasis in his de-

³¹ Hydén (1972), pp. 33, 35.

velopment policy. Both of these are aimed at welding the nation together and, by seeking legitimation in moral terms, at preparing the ground for a policy built on non-material incentives. We will enlarge on this below.

Of perhaps equal importance is the emphasis on a 'revolution from above'³² and the way in which this is to be carried out. The basic contention here is that violence and guerrilla warfare are not necessary parts of the struggle for socialism.³³ When it comes to instilling a new way of thought the main struggle lies at the ideological level. It follows logically that Nyerere leant heavily towards the Chinese model and away from its Soviet counterpart.

The main attraction of the former, and what certainly must have appealed to Nyerere, is the emphasis on the peasantry, on a fair distribution and on an institutional structure that is conducive to equality and a direct popular influence in matters of government. The Soviet model represents an antithesis, with its strong emphasis on accumulation and growth. With respect to equality and distribution, Stalin himself early on put this issue straight:

The concept of equality has its roots in the single farmer's perception of the world; the idea of sharing and sharing alike is the psychology of primitive communism. Equality in this sense has nothing to do with Marxist socialism. Only people who are ignorant of Marxism can maintain that the Russian Bolsheviks wish to gather all riches in a pile, later to distribute it equally. This idea has nothing in common with Marxism.³⁴

Nyerere's policy would show a very strong commitment to issues regarding distribution, and initially, before 1973, a firm stand against the Stalinist policy of using force in relations with the peasantry. Perhaps most important, however, during these formative years, was his stand against the Leninist idea of an elite revolutionary vanguard. Instead, much would be drawn from Chinese experience of relying on local people and cadres, rather than on a large state planning apparatus.³⁵ In terms of building a state, the two main supporting pillars of Nyerere's socialism can thus be seen to be voluntary participation and mass support. It follows that the new regime was faced with a double dilemma, attempting to secure both objectives.

In a situation where there had been no war of independence, the task at hand was not the modest one of gaining sufficient support to carry through some harsh transitional measures. Instead, it was a question of achieving a wide popular support for a far-reaching

³² *Ibid.*, p. 56.

³³ *Ibid.*, p. 34, note 1.

³⁴ Quoted in *op.cit.*, p. 35.

³⁵ Hydén (1975), p. 16.

restructuring of both the economy and the basic value systems amongst the population. Against this background, it may be a natural starting point to look at the formation of the party, party ethics and party policy.

TANU

The socialist oriented Tanganyika African National Union (TANU) party³⁶ was the designated heir when Britain in 1961 granted Tanganyika independence. It was through this party that Nyerere would create his own very personal version of 'African socialism'. The basic creed of the party, with respect to developing the economy, was that 'we must run while others walk.'³⁷ Much of the philosophy of Nyerere's rule is embodied in this statement. By emphasizing that the country was one of the poorest in the world, and that great efforts would thus be necessary from its inhabitants in order to rise, it was possible to instil the sort of pseudo-revolutionary spirit that was mentioned above, and thus to create a basic legitimacy for TANU as a state-bearing party. Furthermore, it was constantly repeated that the road to socialism would be a long distance race, with many hurdles,³⁸ and the party was presented as a coach, 'standing by the side to ensure that those involved in the race do not lose their stamina. They must constantly be reaffirmed that it is worth continuing the race.'³⁹

A corollary to this search for legitimacy is the desire to create mass support for party policy—in contrast to Lenin's elitist principle—and for this purpose an elaborate local party organization was built up. The characteristic ten-cell system⁴⁰ functions not only to control economic activities at the local level, but also to ensure a wide popular participation in party affairs, all aimed at an increased intensity of legitimation. This view of the role of the party not only as a controlling body, but also as a channel for popular influence on policy making, would later be expressed in the strict Leadership Code. Above all it would become an important ingredient in the *ujamaa* program to restructure the countryside.

During the first years of independence, however, the party was not successful in converting its ideology into practical policy, and in 1966 Henry Bienen concluded that

³⁶ In 1977, TANU was merged with the Afro-Shirazi Party of Zanzibar to form the *Chama cha Mapinduzi* (Party of the Revolution).

³⁷ Hydén (1975), p. 16.

³⁸ *Ibid.*, p. 17.

³⁹ *Ibid.*

⁴⁰ Cf. Hydén (1972), Chapter 3. The cell is the smallest unit of the party. It consists of ten neighboring households whose members elect a representative.

TANU does not provide an institution which can transform the economy and make itself more effective in the process; it is too weak and too loose and has too few material and human resources to tackle development problems.⁴¹

These first few years were successful, however, in shaping Tanzanian ideology, and many of the seeds of this ideology can be found in a TANU pamphlet from 1962, written by Nyerere. The opening line reads:

Socialism—like democracy—is an attitude of mind. [...] In the individual, as in the society, it is an attitude of mind which distinguishes the socialist from the non-socialist. It has nothing to do with the possession or non-possession of wealth.⁴²

In this we find a very typical and basic feature of Nyerere's socialism: the focus on the inherent qualities of the single individual, rather than on the traditional Marxist emphasis on the formal ownership of the means of production. Although he would probably be surprised to find one, Nyerere says that it would be quite possible for a millionaire to be a good socialist, since he 'may value his wealth only because it can be used in the service of his fellow men.'⁴³

From this highly individualistic approach to socialism and the way in which society should be organized, follows the strong identification with 'African' socialism, which is composed of equal and 'natural' obligations on behalf of both society and the individual:

For when a society is so organized that it cares about its individuals, then, provided he is willing to work, no individual within that society should worry about what will happen to him tomorrow if he does not hoard wealth today. Society should look after him, or his widow, or his orphans. This is exactly what traditional African society succeeded in doing. Both the 'rich' and the 'poor' individual were completely secure in African society. [...] That was socialism. That is socialism.⁴⁴

At this point we are starting to move, from the formulation of an ideology to the formulation of a new incentive structure. Nyerere's mention of the traditional African society and of primitive socialism relies on the long African tradition of the extended family, of taking care of one's family and relatives. Not only is this an attempt at finding legitimacy for the new policy, but it is also the underlying basis for the *ujamaa* program. Indeed, the Swahili word *ujamaa* means 'familyhood', and the intention was to extend the social protection existing within the family onto the wider concept of society as a whole. At the same time, these rights were also intimately linked to obligations:

⁴¹ Hydén (1972), p. 60, note 1.

⁴² Nyerere (1968b), p. 1.

⁴³ *Ibid.*

⁴⁴ *Ibid.*, pp. 3, 4.

When I say that in traditional African society everybody was a worker, I do not use the word 'worker' simply as opposed to 'employer' but also as opposed to 'loiterer' or 'idler'. [...] Not only was the capitalist, or the landed exploiter, unknown to traditional African society, but we did not have that other form of modern parasite—the loiterer, or idler, who accepts the hospitality of society as his 'right' but gives nothing in return! Capitalistic exploitation was impossible. Loitering was an unthinkable disgrace.⁴⁵

Here we have the basic principle of incentives to work: the *carrot* of moral rewards for providing for your nearest relatives, and the *stick* of social disgrace for those who do not pull their weight. The very strong presence of moral exhortation would permeate the entire *ujamaa* program. People were to feel strong 'natural' incentives to work, a point which is captured succinctly in an old Swahili saying: 'Treat your guest as a guest for two days; on the third day give him a hoe.'⁴⁶ At this point, we may again recall the statement by Alec Nove, on the necessity of creating a 'new man'.⁴⁷ Nyerere's program hinged crucially on it and, as we shall see below, in this respect, it has not been successful.

One reason for the absence of success on this point can be sought in the fact that much of the 'natural' African socialism had been lost during the colonial period. It was the pursuit of wealth, and the willingness to exploit others in this pursuit, that was alien to the 'traditional' way of life, and which had thus inflicted moral damage on the population.

This fact was well realized. Hence one of the first tasks for the party would be to reeducate the population, in order to bring back the old ways. '... in rejecting the capitalist attitude of mind which colonialism brought into Africa, we must reject also the capitalist methods which go with it.'⁴⁸ The 'methods' referred to above were connected with the pattern of landholdings. That land should be a marketable commodity was a notion completely alien to traditional African agriculture, and thus it was decided to enforce the principle that no man should be entitled to land unless he also cultivated it himself. The obvious aim of this principle was to stop large estates and absentee landlords, and an interesting parallel can be drawn to the similar principle of *trudopolzovanie* (self-labor) that was established at the time of the emancipation of the Russian serfs in 1861.⁴⁹

With these principles, the foundation of Nyerere's socialism was laid, and although it did not have any immediate impact on the econ-

⁴⁵ *Ibid.*, p. 5.

⁴⁶ *Ibid.*

⁴⁷ Cf. note 4 above.

⁴⁸ Nyerere (1968b), p. 7.

⁴⁹ Cf. Volin (1970), Chapter 1.

omy, we shall see that the same ideas would return with more force at a later stage. In the conclusion to the pamphlet mentioned above, Nyerere also emphasizes the difference between African and European socialism, by pointing out the latter's dependence on preceding capitalism:

As prayer is to Christianity or to Islam, so civil war (which they call 'class war') is to the European version of socialism. [...] The European socialist cannot think of his socialism without its father—capitalism. [...] We, in Africa, have no more need of being 'converted' to socialism than we have of being 'taught' democracy. Both are rooted in our own past—in the traditional society which produced us.⁵⁰

From the issue of the *Ujamaa* pamphlet in 1962, there followed five years of *de facto* separation of ideology from practical policy. The First Five Year Plan, which covered the period 1964–69, in many ways resembled that of neighboring Kenya (covering the same period). As Göran Hydén points out,⁵¹ both were rushed into existence, later to be substantially revised, and both were also distinctly lacking in political direction. Quoting Bienen and Leys,⁵² Hydén further notes that the plan had been too much the work of a small group of expatriate (French) planners and that many failures had resulted from the absence of strong political structures in which the planning process could be embedded. The plan had no goals; everything it contained was presented as an 'implication of the perspective objectives adopted for 1980; and even those were more categorical than specific.'⁵³

During the period prior to independence, policy had been characterized by two different principles: the 'progressive farmer' approach and the 'transformation' approach.⁵⁴ Under the former, priority was given to the allocation of resources to those areas, crops and people that promised the highest returns, and it is symptomatic that on the eve of independence, a visiting World Bank mission commended this approach, putting the full blame for agricultural stagnation on poor extension services and on extreme conservatism on behalf of the peasants.⁵⁵ Under the transformation approach, it was intended to promote the introduction of new techniques by moving people onto empty but fertile lands, on the assumption that they would be more prone to change when finding themselves in new surroundings. As a result, these new settlements absorbed substantial capital and manpower re-

⁵⁰ Nyerere (1968b), pp. 11–12.

⁵¹ Hydén (1975), p. 5.

⁵² Bienen (1967), Leys (1969).

⁵³ Leys (1969), p. 267.

⁵⁴ Temu (1979), p. 199.

⁵⁵ *Ibid.*, p. 199. Cliffe (1971), on the other hand, refers to this conservatism as a 'healthy scepticism' on behalf of the peasants.

sources, without yielding the expected returns and without the settlers developing a perception of these schemes as their own.

It is obvious, on the one hand, that both these parallel programs ran counter to Nyerere's basic principles of equality, of preferring distribution to growth and of promoting 'African' methods of production. In Peter Temu's words, the early path was 'a classic case of a neo-colonial, export-oriented, "dual economy" that every school boy knows by heart.'⁵⁶ On the other hand, it is equally obvious that the implementation of Nyerere's program would mean a complete reversal of existing trends and for this there was not enough muscle in the early period. Thus, pre-independence agricultural policy was continued until the Arusha Declaration in 1967. However, even if it did not have any impact on the economy, an ideology and a goal structure had been formulated and in 1967 they would bear fruit.

The Arusha Declaration

The real turning point came at a meeting in Arusha, northern Tanzania, in 1967. The program statement that was made in the 'Arusha Declaration'⁵⁷ picked up many of the ideas that had been expressed in the earlier *Ujamaa* pamphlet, but in so doing it also took a much harder stance. Capitalism was identified as the main enemy and major foreign interests in the country were nationalized.⁵⁸ To the outside world, it meant the ascendancy to power of socialism.

The real importance of the declaration, however, lay in the field of domestic policy. It was firmly established that Tanzanian officials should be dealing with the practical problems of the countryside and seeking to identify more closely with workers and peasants, rather than concentrating on making money in the capital. Furthermore, agricultural development became the central policy issue. Here we find two main pillars of Nyerere's program: the desire to avoid the 'urban bias' that has plagued so many other developing countries, and the stand against a pure Leninist elite party. The catchwords are mass participation and equality in distribution.⁵⁹

The basic creed of the Arusha Declaration was the policy of self-reliance and of moral exhortation to replace material incentives. At the outset of the Declaration, this policy is launched as a declaration of war:

⁵⁶ Temu (1979), p. 200.

⁵⁷ Nyerere (1968b).

⁵⁸ It should be noted that full compensation was paid to those foreign firms that were nationalized.

⁵⁹ At the same time, the party was to be the supreme political organ which was to guide government.

TANU is involved in a war against poverty and oppression in our country; [...] We have been oppressed a great deal, we have been exploited a great deal and we have been disregarded a great deal. It is our weakness that has led to our being oppressed, exploited and disregarded. We now intend to bring about a revolution which will ensure that we are never again victims of these things.⁶⁰

Here we find the platform on which the search for legitimacy was to be based. There is a marked desire to weld the nation together under TANU leadership. The conventional development philosophy was summarized as: 'Money is the basis of development. Without money there can be no development.'⁶¹ In the case of Tanzania, this was regarded as unthinkable. Instead, the country must base its development on self-reliance, on the exploitation of domestic resources, something that in essence boils down to land and labor—i.e. agriculture—and this makes it clear to every single peasant that it is up to him to contribute; there will be no help and thus the basis is laid for moral exhortation.

A good part of the declaration is devoted to showing the dangers of relying on foreign investment for development purposes. Not only are these sources unreliable but they will also seriously constrain the scope for domestic policy making. In his own very characteristic way, Nyerere explains the problem by resorting to a proverb: 'He who pays the piper calls the tune.'⁶² For Nyerere, self-reliance means independence—a point that was amply illustrated during the recent years' negotiations with the IMF and the World Bank, when views on the priorities in development were seen to differ considerably.

The focus on agriculture is also manifest in a firm stand against over-reliance on policies of industrialization:

Just as we have said 'Without money there can be no development', we also seem to say 'Industries are the basis of development, without industries there is no development'.⁶³

A policy of industrialization is seen to carry two main dangers: in a poor country it creates a strong dependence on external finance, i.e. on aid and on foreign investment, and—most importantly—in a poorly developed country, it sets the course of development toward a type of society that is very far removed from that envisaged by Nyerere:

The policy of inviting a chain of capitalists to come and establish industries in our country might succeed in giving us all the industries we need, but it would also suc-

⁶⁰ Nyerere (1968b), pp. 17–18.

⁶¹ *Ibid.*, p. 18.

⁶² *Ibid.*, p. 25.

⁶³ *Ibid.*, p. 26.

ceed in preventing the establishment of socialism unless we believe that without first building capitalism, we cannot build socialism.⁶⁴

It is not only the dangers of preserving colonial patterns and of creating a strong dependence on the industrialized world that are brought out. It is also emphasized that a policy of industrialization carries a high risk of creating an urban bias:

If we are not careful we might get to the position where the real exploitation in Tanzania is that of the town dwellers exploiting the peasants.⁶⁵

This brings us to the real core of the declaration: the emphasis on agriculture and on the need for *hard work* by the people. Given the desire for self-reliance, the only road open for development is that of developing agriculture. Labor and exertion become crucial variables. The very strong and repeated emphasis on the necessity for hard work brings this point home:

The energies of the millions of men in the villages and the thousands of women in the towns which are at present wasted in gossip, dancing and drinking, are a great treasure which could contribute more towards the development of our country than anything we could get from rich nations.⁶⁶

Hard work is thus seen as the root of development, but it has another dimension as well: a moral obligation to pull one's weight. Here we find the nexus between ideology and incentives. By basing the legitimacy of the regime on participation and the creation of a feeling of all being in the same boat together, the ground is also prepared for non-material incentives to work, of both the 'stick' and the 'carrot' type:

In our country, work should be something to be proud of, and laziness, drunkenness and idleness should be things to be ashamed of. [...] Nobody should go and stay for a long time with his relative, doing no work, because in doing so he will be exploiting his relative. Likewise, nobody should be allowed to loiter in towns or villages without doing work which would enable him to be self-reliant without exploiting his relatives.⁶⁷

The fairly strict tone of the Arusha Declaration also reflects the start of implementing ideology in practical policy. While, as we have said above, the First Five Year Plan was distinctly lacking in political direction, the Second Five Year Plan (1969–74) is very much a strategy

⁶⁴ *Ibid.*

⁶⁵ *Ibid.*, p. 28.

⁶⁶ *Ibid.*, pp. 30–31.

⁶⁷ *Ibid.*, p. 34.

statement, something that is captured by its subtitle: 'To Plan Is to Choose.'⁶⁸

The Second Five Year Plan starts out by laying down the policy of self-reliance as the mobilization of local resources while avoiding dependence on foreign resources and it also makes clear that the principle of ujamaa should be the centerpiece of development: 'The foundations of socialism must be built in the rural sector.'⁶⁹ Here we have an excellent illustration of how ideology acts as a determinant of the economic system. Below we shall see how the main principles of Nyerere's ideology also came to be the main pillars of the development effort.

In the section of the Second Five Year Plan which deals with rural development, the principle of voluntary participation is established. Although the program for restructuring the countryside into *ujamaa* villages was intended to be a comprehensive one, it was explicitly stated that nobody must be forced to join: 'The first essential for successful *ujamaa* is that it should come from the people rather than being imposed from above. The Government will thus leave decision making with the people.'⁷⁰ At the same time, comprehensiveness is also explicitly laid down: 'The frontal, or broad-based approach has been chosen because of the desire to mobilize the widest possible participation in socialist activity throughout the rural society.'⁷¹ The inherent contradiction between voluntariness and comprehensiveness—at least in the case of short term policy—has been well established by Soviet experience⁷² and, as we shall see below, it would become strongly felt in Tanzania as well, albeit with a different outcome.

The plan is also very specific on the role of the party:

Although the *ujamaa* program is founded on the principles of voluntary democratic activity, the Party and Government are not relieved of the responsibility of mounting a vigorous program of promotion, [however,] they must not try to run it; they must help the people to run it themselves.⁷³

This is vaguely reminiscent of Soviet administrative theory, where the party 'leads the economy but does not administer it.'⁷⁴ The party should guide the economy in general terms, but should not issue direct orders and, while in the Soviet case this is obviously not so, we shall see below that in the Tanzanian case the party was reluctant to issue direct

⁶⁸ SFYP (1969).

⁶⁹ *Ibid.*, p. 3.

⁷⁰ *Ibid.*, p. 27.

⁷¹ *Ibid.*

⁷² See Hedlund (1984), Chapter 2, *passim*, on the implementation of Soviet mass collectivization.

⁷³ SFYP (1969), pp. 27–28.

⁷⁴ Slepov (1951), p. 48.

orders before 1973, preferring instead to rely on moral exhortation and political campaigns.

Mwongozo: Party Guidelines

The second ideological milestone in Tanzania's development came in 1971. Prompted by General Idi Amin's military coup in neighboring Uganda, and its heavy anti-socialist imprint, Nyerere felt a need to rally his party and his socialism and an important document—*Mwongozo* (guidelines)—was issued.⁷⁵ In many ways this document is more revolutionary than the Arusha Declaration. For instance, it describes developments in Tanzania and in Africa as a revolution which is threatened by neo-colonialist forces. Consequently, a popular militia was established, and ideological mobilization was stepped up while attitudes towards domestic capitalists became harsher. Among other things, this meant that all private houses valued at above TSh 100,000 were expropriated, and as a result it is estimated that around one-fifth of the country's Asian population left in 1971 alone. Tanzania suffered a major brain drain via this socialist offensive.⁷⁶

Apart from such actions, however, which were aimed at reaffirming Tanzania's external socialist aims via a domestic purge, the *Mwongozo* also contained certain features that are of substantial relevance for the role of the ideology per se. The most important of these was the emphasis given to the party's anti-elitist philosophy. This had already been emphasized by Nyerere prior to the Arusha Declaration. On one occasion when students at Dar es Salaam University were protesting against a proposed program of combined study and 'National Service' (i.e. work details), he simply expelled those responsible and delivered a very firm speech:

But alas, we have been gathering glowing embers. They resist, they protest. The students from the University, these highly esteemed youngsters, do not want. What is it they do not want? Firstly, they do not want to live in camps. These highly esteemed youngsters say, you want to teach us discipline. Who says we do not have discipline? We have discipline. The youngsters do not want to live in camps. Secondly, they want *their* money; they say *their*, that they should have *their* money. The students at the University say, we demand *our* rights. *Our* rights! They demand *their* rights, these highly esteemed students.⁷⁷

⁷⁵ Cf. Hydén (1972), pp. 44–48.

⁷⁶ *Ibid.*, pp. 49–50.

⁷⁷ Nyerere (1968a), p. 45.

Nyerere then proceeded to declare—presumably to the dismay of the aspiring students—that the salaries of leading officials would be reduced considerably, starting with his own.

The stance adopted towards privileges and officials who distinguish themselves from the masses is repeated at Arusha and in the *Mwongozo* it is even codified. Here, paragraph 15 calls for an end to 'bosses'. Officials must cease to be arrogant and extravagant and instead allow a wider participation by ordinary workers and peasants.⁷⁸

Another important development was the growing ties with China. Nyerere visited the country in 1965 and 1968, and cultural exchange as well as trade grew considerably, culminating in the Chinese-built Tazara railroad, connecting Dar es Salaam with the Zambian Copperbelt. Nyerere was clearly impressed by the way in which the Chinese had approached agricultural development, without sacrificing the principle of equality, and above all he was impressed by their success in eliciting hard work without clearly perceivable material incentives. On both counts he found his own ideology reinforced and with the *Mwongozo* the similarities between this and the ideas expressed in Mao's revolution became even more evident.

Ten Years After: Ideological Retrospection

In 1977, a summary of the experiences of the first post-Arusha decade was issued and the picture presented is rather somber.⁷⁹ Already on the first page it is stated that 'Ten years after the Arusha Declaration Tanzania is certainly neither socialist nor self-reliant. [...] We have not reached our goal; it is not even in sight.'⁸⁰ While it is stated at some length that the policy pursued had in many ways changed basic institutions of the economy in a direction that was conducive to the building of socialism, it had only been possible to proceed part of that way. The Arusha Declaration had come just in time to stop nascent capitalism, but many of the problems attacked in the Declaration were still seen to linger a decade later. For example:

We fell into the trap of being 'modern' at all costs and invested in large capital-intensive factories when a number of small labour-intensive plants would have given the same service at lower financial cost and with less use of external technical expertise.⁸¹

⁷⁸ In practice, matters turned out to be different. When workers acted against the 'bosses' in the companies, with *Mwongozo* in hand, they were arrested by the police. (Cf. Coulson (1982), pp. 284–89.)

⁷⁹ Nyerere (1977).

⁸⁰ *Ibid.*, pp. 1–2.

⁸¹ *Ibid.*, p. 8.

The problem, however, was seen solely as one of degree. The economy was claimed to have been set on the correct course and, above all, success had been pronounced in restructuring the countryside. The villagization program had brought people together in concentrated settlements which facilitated the organization of a local network of village committees, and 'thus it is truer now than ever before that the people can determine their own rate of progress toward socialism and the human dignity which comes from economic sufficiency.'⁸² There are two highly important principles embedded in this statement; first, the high degree of local self-determination and, second, the indirect role of the party in *guiding* but not *controlling*. Particularly the latter is explicitly brought home:

But the real failure seems to have been a lack of political leadership. [...] We have continued to shout at the peasants and exhort them to produce more, without doing much to help them or to work with them in a relationship of mutual respect. Many of our leaders know nothing about agriculture and what is more, they do not want to learn.⁸³

The enforcement of the Leadership Code had to a large extent been lip-service while in office: 'Party leaders have been known to break the Code as soon as they cease to be leaders.'⁸⁴ Thus, it had not been possible to achieve a true transformation to the 'new man' which, in essence, was at the heart of the entire program. Not even among the leaders had this been possible, something that obviously had negative feedback effects for the rest of the population. Furthermore, 'another tendency which has grown up and which has to be fought, is for TANU leaders to expect payment for their services to the Party and the people.'⁸⁵ The 'new man' wanted to be paid for services rendered largely in his spare time.

Indications of the failure to create real support and genuine backing for the new policy are also found in repeated complaints of money still being the main motivating force and of remaining preferences for 'modern' ways of life and consumption: 'The present widespread addiction to cement and tin roofs is a kind of mental paralysis.'⁸⁶ Obviously, such attitudes were dangerous, since they ran counter to the very essence of Nyerere's beliefs in moral exhortation and 'African' ways.

The failure to elicit true participation is perhaps most pronounced in the case of labor discipline, where 'slackness at work and failure to give

⁸² *Ibid.*, p. 18.

⁸³ *Ibid.*, p. 20.

⁸⁴ *Ibid.*, p. 23.

⁸⁵ *Ibid.*

⁸⁶ *Ibid.*, p. 30.

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a hard day's effort in return for wages paid, is a form of exploitation; it is an exploitation of the other members of the society. And slackness had undoubtedly increased since the Arusha Declaration was passed.⁸⁷ Nyerere's judgement over those who abuse the new policy, in order to get a 'free lunch', is rather harsh: 'Defending negligence and slackness is not socialism; on the contrary, it is very stupid.'⁸⁸

This brings us back the problem of the role of the party and highlights the conflict inherent in attempting to effect a major transformation of society on a strictly voluntary basis, in a short period of time and without using force or coercion. Many officials found this situation difficult to cope with and departed from the principle of voluntariness in order to get things done. Such cases, however, appear to have been in the minority, and Nyerere condemns them by saying that 'Leadership by intimidation is not leadership.'⁸⁹ The majority of cases that remain are those where voluntariness is respected and where, instead, nothing gets done. As we will soon see, this seems to be the fate that would befall the comprehensive *ujamaa* program.

The basic dilemma of voluntariness in combination with comprehensiveness is obvious. Moral exhortation and political indoctrination was not enough to make Nyerere's program work. We will return to this at some length below.

An Approaching Crossroads

In spite of the realization that in the first decade after Arusha, there had been many shortcomings in policy making, nothing much seems to have been changed and at a party conference in 1982, Nyerere was forced to acknowledge the persistence of the old dilemmas. Although many people had worked hard to achieve the set goals, 'it is also true that there are too many others who during working hours just gossip, or leave their work place—now on the new plea that they have gone to look for some essential commodity.'⁹⁰

The lack of participation was seen not to be limited to the single individual; the growing bureaucracy also failed to deal with real problems: 'We act as if the only way to distribute and devolve responsibility is to start a Parastatal Corporation.'⁹¹ The real problem of course, is the continued passing of the buck: 'Year after year the reports of the Auditor General and the Tanzania Audit Corporation indicate slackness of

⁸⁷ *Ibid.*, p. 36.

⁸⁸ *Ibid.*

⁸⁹ *Ibid.*, p. 44.

⁹⁰ Nyerere (1982), p. 17.

⁹¹ *Ibid.*, p. 18.

continued passing of the buck: 'Year after year the reports of the Auditor General and the Tanzania Audit Corporation indicate slackness of the worst kind, but nothing is done.'⁹² Nyerere's analysis of the situation is rather to the point:

Perhaps most fundamental of all our failures to abide by our own decisions has been the failure, at all levels, to understand and practice the principles of *self-reliance*. First we have thought of self-reliance as an end, a goal, of our efforts which we shall one day reach. We have not recognized that it is also a means to reaching that end.⁹³

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As we have seen above, the basis for Nyerere's socialist strategy has been that of instilling a pseudo-revolutionary spirit, of making everybody feel part of a national effort, and of relying on moral exhortation rather than on material incentives. If we return to the terminology used in the first part of the present essay, Nyerere's ideology has been the driving force in creating a state that seeks its legitimacy in mass participation, in the struggle for a common goal and where the role of the state bearing party has been intimately linked to this search for legitimacy, as a channel of communication. We have also seen how this ideology has been very explicit in formulating a goal structure that is *focused, development centered and distribution oriented*.

Furthermore, the role of ideology in determining the economic system has been so strong that sometimes means have become ends in themselves, as was pointed out by Nyerere above. At the core of the problem lies the incentive system that has been produced by this ideology. As we have seen this is a complicated mixture of centralized and decentralized carrots and sticks. There are elements of central control, but without sufficient punitive measures to make them effective; there are elements of decentralized decisions, but without rewards that are clear enough to make them interesting. With the exception of the fact that the non-material nature of incentives is a clear and direct derivative of ideological principles, it is difficult to fit this system into the taxonomy of Figure 2 above.

It now remains to investigate how this system has performed, and from repeated statements, it is clear that the necessary participation has not been forthcoming, and that the conflict between voluntariness and comprehensiveness has been left unresolved. Yet, Nyerere sticks to his guns:

⁹² *Ibid.*, p. 19.

⁹³ *Ibid.*

Instead of revising policy, the basic creed of *kila mtu afanye kazi* (everybody must work) is repeated; 'For I stress, no-one in this country has the right to wage-employment. What we do have a right to, is an opportunity to work. That opportunity exists. It exists on our land.'⁹⁵ From this it follows that agricultural policy in general, and the *ujamaa* program in particular, was the real pivotal point of Nyerere's attempt to 'run while others walk.' To this—and then in particular to the problem of designing an efficient set of incentives—we shall now turn.

⁹⁵ *Ibid.*, p. 65.

The Ujamaa Experiment

Next to *safari*, meaning 'travel', *ujamaa* is probably the best known Swahili word. *Ujamaa*, which literally means 'familyhood', became the hallmark of Nyerere's ambitious attempt at restructuring the Tanzanian countryside, and in a longer perspective, society, in a communal, socialist direction. Here it is particularly difficult to disentangle political from economic motives. Most likely, the former run the deepest, but that should not be taken as a complete disregard of the latter. In socialist thought, there is a very strong conviction that simply abolishing private ownership will by itself constitute a powerful stimulus to improving productivity. As Maurice Dobb notes:

To anticipate this [the promotion of 'collective consciousness'], and to take account of it in the structure and functioning of a planned economy, is *not* just wishful utopia-spinning—it is, indeed, a crucial article of faith of a socialist.⁹⁶

Whichever motives were stronger, it is obvious that in the land tenure issue we have the real centerpiece of Nyerere's program:

And in rejecting the capitalist attitude of mind which colonialism brought into Africa, we must reject also the capitalist methods which go with it. One of these is the individual ownership of land. To us in Africa land was always recognized as belonging to the community.⁹⁷

The above quotation is taken from the TANU pamphlet written by Nyerere in 1962 which introduced *ujamaa* as the brand name for Tanzanian socialism. It would not, however, be until after the Arusha Declaration in 1967 that this principle was adopted as the basis of practical policy. In the meantime, there was some scope for peasant initiative parallel to the official policies centered on 'transformation' and on 'progressive farmers'. One of these spontaneous initiatives led to the creation of the Ruvuma Development Association (RDA) which is of such principal importance that some details of its experience are warranted.⁹⁸

The Ruvuma Development Association

The RDA was started already in 1963 by local peasants in the Ruvuma region and its importance lay in two facts; firstly that it was a creation

⁹⁶ Dobb (1966), p. 56.

⁹⁷ Nyerere (1968b), p. 7.

⁹⁸ See further Hydén (1980), p. 75 and Coulson (1982), Chapter 22, Appendix.

from *below*, much in contrast to later attempts by the government to introduce cooperation from *above*; and secondly, that it adhered closely to the principles of cooperation and self-reliance, principles that would later be at the heart of the Arusha Declaration.

The relative success of the RDA was due to a philosophy that was very different from that embraced by the government at the time. Instead of rapid transformation and capital-intensive techniques, it aimed at slowly developing and strengthening existing social patterns and techniques of production in the direction of cooperation and self-reliance. It is unquestionable that the RDA and other voluntary cooperative settlements were a source of inspiration for the *ujamaa* program; they showed what could be done with limited resources but with hard work and personal commitment:

The RDA grew slowly, mainly by welcoming, and giving discipline and coherence to, existing villages or groups of settlers. Large numbers of villagers were not involved: at no time did any single village have more than forty families, except for Litowa which at the end had about sixty including various staff and the teachers in the primary school. Several prospective villages were either refused registration or had their registration delayed for several months until their commitment to working together became clearer. Slow, steady, progress was made. While traditional villages stagnated, and the settlement schemes of the Village Settlement Agency (where those who joined had been promised that in a few years they would be rich enough to own motor cars) collapsed, the RDA villages became self-sufficient in food, improved their health and nutrition, built a school and water supplies, and started village industries. Slowly other villages asked to join.⁹⁹

Nyerere is quoted as having told the people of Litowa, the main settlement of the RDA, to develop their village 'as a practical example of *ujamaa* where I can send people to see it in practice.'¹⁰⁰

The Arusha Declaration and Ujamaa

In 1967, this inspiration was converted into practical policy. Shortly after the Arusha Declaration, a booklet entitled *Socialism and Rural Development*, was issued where the main features of the *ujamaa* village program were outlined.¹⁰¹ The ideological content was very strong. The basis for life in the new villages should be living together, working together and sharing the proceeds. Furthermore, the links with the traditional African way of life were purported to be very strong. Nyerere underlined the respect for others, the importance of common property and the *obligation to work*. Very much to the point, Samuel Mushi has

⁹⁹ Coulson (1982), p. 264.

¹⁰⁰ Hydén (1980), p. 100.

¹⁰¹ Nyerere (1968b).

referred to this approach in the *ujamaa* program as 'modernization by traditionalization'.¹⁰²

The new program, however, was not merely an ideological vision; it was also a rural development strategy. In stark contrast to prior capital-intensive policy, it was highly labor-intensive and rested firmly on developing traditional techniques. Moreover, in contrast to prior attempts at capturing the peasantry via the cash nexus and profit incentives, the new program relied on moral exhortation and on non-economic incentives to work. A presidential circular clearly stated that individualistic, material incentives should be suppressed:

All Government policies, and the activities and decisions of all Government officials, must ... be geared towards emphasising the advantages of living together and working together for the good of all, they should be angled at discouraging the continuation of private individual farming, and should attempt to dampen down the urge for private expenditure on consumer and farm durables in favour of communal expenditure on things like cooperatively owned farm implements, stores, water supplies, good houses, dispensaries, nursery schools, roads, community centres, and so on.¹⁰³

The very same year of the Arusha Declaration, 1967, saw the beginning of a hunt of 'kulaks', i.e. medium-sized, 'progressive' farmers who employed permanent labor and who supposedly displayed 'capitalist' behavior. Material incentives were deemed to be wrong and the *Socialism and Rural Development* pamphlet explicitly pointed out that it was a mistake to hire other people to do the job.¹⁰⁴ The party officially disapproved of hiring permanent labor.

As indicated by Ellen Hanak, the 'kulak' hunt turned out to little else than a gesture:

Why the leadership went after African 'kulaks' is probably a matter of ideology uniting against a straw man. [...] Despite the massive attention the 'kulak hunt' received among the academics ..., there are only very few cases where pronounced capitalist farming was detected: wheat in the Mbulu district of Arusha and maize in Iringa's Ismani district and on the lower slopes around Kilimanjaro. Beyond that, the only 'kulaks' to be found were the occasional large-scale coffee, cashew, or other cash crop farmer.¹⁰⁵

A collective effort should be made and this had to come from the peasants themselves:

Attempts to start socialist villages were to be made in all parts of the country, based on the voluntary participation of the peasants. Neither threats nor promises of

¹⁰² Mushi (1971). See also Hydén (1980), p. 98.

¹⁰³ *Presidential Circular* (1969), p. 27.

¹⁰⁴ Nyerere (1968b), pp. 112–15.

¹⁰⁵ Hanak (1985), p. 50.

government aid were to be used. Instead, peasants were to be provided with practicable suggestions as to how they might start to co-operate with each other under the specific circumstances in their area, and it would be up to them to decide how much of their labour and other resources they invested into communal ventures.¹⁰⁶

In lieu of rapid transformation—which has had such disastrous results in other attempts at socialist reconstruction—Nyerere was very explicit about going slow, making sure at each step that the peasants followed of their own volition. Lenin's old, repeated and ignored, warnings about the use of force and coercion in relations with the peasantry come across very strongly here. As Nyerere himself expressed it: 'You can drive a donkey to water, but you cannot make it drink.'¹⁰⁷

In the long run, a three-stage process was envisaged; first, people would move together, construct their own houses and cultivate their own plots; second, joint cultivation of a communal plot would be started; and third, when fully mature, the village would be registered as a producer and marketing cooperative.¹⁰⁸ When stage three had been reached, the transformation of the countryside would be complete. Private production would have withered away to mere kitchen gardens and communal activities would dominate. Moreover, the *ujamaa* villages would be the only officially recognized links in a new, cooperative trading network.

The actual impact of the *ujamaa* program, however, was limited. Under the initial principle of voluntariness, the program never really got off the ground; by 1971 only about 6 percent of the population lived in *ujamaa* villages and out of 2,668 such villages then in existence, 2,410 had not yet passed beyond the first stage, i.e. they featured no communal production.¹⁰⁹ Nor was the impact on agricultural output very encouraging when communal production existed. In Tanga region, Michaela von Freyhold found that

Productivity of labour in communal farming was about the same as in private farming in some villages, and less in others. In no village was the productivity (hectares cultivated per man-hour) higher than on the private farms of the same area. The methods of cultivation and the crops were the same and little advantage was taken of co-operation: people just worked side by side in the same way as before. [...]

Yields per hectare were lower than in private farming in almost every village because the villagers were encouraged by official policies to aim at maximum number of hectares rather than maximum yields.¹¹⁰

¹⁰⁶ Von Freyhold (1979), p. xii.

¹⁰⁷ Nyerere (1973), p. 61.

¹⁰⁸ Nyerere (1968b), p. 138 and United Republic of Tanzania (1971), p. 55.

¹⁰⁹ United Republic of Tanzania (1971), p. 54.

¹¹⁰ Von Freyhold (1979), p. 91. Cf. McHenry (1979), pp. 153–55, for similar findings.

Communal production was not allowed to interfere with work on the private plots:

The villages made token efforts for a year or two, usually clearing less than 1 acre of communal land per adult member, and doing so in such a way as not to interfere with the agricultural activity on their private farms. Since planting was often late, weeding neglected, and the fields not properly protected from birds, pigs, and monkeys, the yields were very low, and the resulting income seldom exceeded 100 shillings per household per year.¹¹¹

oh) Göran Hydén summarizes: 'Virtually all studies of *ujamaa* production conclude that productivity on the communal farm was considerably below that on the private farms.'¹¹² The communal share of agricultural production quite probably never went beyond 1 or 2 percent.¹¹³

Nor could it be claimed that communal production was a success from the point of view of distributive justice:

29) In all cases, a proportion of the product, if there was any, went to finance village activities. In effect, participants in communal production were being taxed to pay for village needs, and the more one participated, the more he contributed to the welfare of others. Such behavior was in accord with *ujamaa* ideals, yet conflicted with prevalent values. Villages were taxed for doing what was wanted of them—i.e., work on the communal farm - but not taxed for doing what was not wanted of them—i.e., work on private farms. The incentive effect of the system of distribution was, therefore, counterproductive.¹¹⁴

The End of Ujamaa from Below

All in all, it soon became clear that the *ujamaa* drive had failed. Where voluntariness and non-material incentives worked, they were not allowed to have an impact, and *vice versa*, where conditions were such that they could not reasonably be expected to be efficient, they were to be implemented on a large scale.

Beginning with the former problem, as early as 1969, the Ruvuma villages—the ones that actually functioned according to the principles sketched by Nyerere—were closed down, by presidential decree, and all the assets were confiscated. The same fate was met, in 1968, by those villages in Tanga region that had been created by the TANU Youth League 'in a half-conscious effort to defuse struggles in the capitalist es-

¹¹¹ Coulson (1982), p. 245.

¹¹² Hydén (1980), p. 119. Cf. Lofchie (1978) and Ergas (1980).

¹¹³ Coulson (1982), p. 246.

¹¹⁴ McHenry (1979), p. 168.

tates by convincing the militants to move out and start their own enterprises.¹¹⁵

The principle was clear. No voluntariness outside the scope of strict party control would be tolerated. Nyerere repeatedly maintained that the main responsibility for mobilizing the rural population to join *ujamaa* villages lay with TANU.¹¹⁶ The opposition from the local party leaders against the RDA had started immediately, in 1963, and it had grown very rapidly thereafter. The villages were successful not only economically, but also in terms of democratic interaction among the villagers, who frequently used their democratic training to argue against party policies when these were found to be somehow unsound. It took Nyerere's personal support to overcome this resistance. In 1969, however, the bell was to toll. The Central Committee of TANU was reshuffled in order to give more influence to the regional leadership. This in turn gave the death blow to *ujamaa* from below:

In July 1969 the new Committee met in Handeni to discuss *ujamaa* for a whole month, and decided that its members, in groups of three, would spend five weeks living in some of the most advanced *ujamaa* villages in the country, including four of the RDA villages. These visits confirmed their worst fears: the RDA was an autonomous organization receiving funds and personnel from abroad, and promoting a form of socialism which did not depend on a strong central party. If RDA organizations became the norm nationally, the professional politicians would be in a much weaker position.¹¹⁷

In September, the Central Committee, under the chairmanship of Nyerere, decided by 21 votes against 3 that the Ruvuma Development Association had to be dissolved.¹¹⁸ An efficient set of incentives, that were moreover ideologically desirable, was disposed of because they conflicted with a higher-order principle: that of party control over all development activities.

At the very same time, however, the very same set of incentives was attempted on a nation-wide scale, under strict party guidance. However, the commitment and zeal that had been an important part of the success of the RDA and other early attempts at voluntary cooperation proved difficult to reproduce on a larger scale. The principle of *ujamaa* was not very attractive to the bulk of the peasantry.¹¹⁹

¹¹⁵ Von Freyhold (1979), p. 73.

¹¹⁶ McHenry (1979), pp. 112–13.

¹¹⁷ Coulson (1982), p. 271.

¹¹⁸ *Ibid.* The abolition of cooperatives in 1976 provides a direct parallel: 'The killing of the coops in the prosperous areas ... may have been a convenient way to neutralize any potential source of organized power independent of the party.' (Hanak (1985), pp. 51–52. Cf. Hydén (1980), p. 133–34.)

¹¹⁹ It is perhaps indicative of peasant attitudes towards collectivisation that when a progressive farmer, whose land had been confiscated for a collective settlement, assas-

It seems then that this type of strategy can work only under very special circumstances and on a small scale. Thus, for example the Israeli *kibbutz*, which in the same way as the *ujamaa* villages rests on ideological considerations, is an efficient form of organization and the problem of distributing the surplus has been solved. The principle of voluntary membership is strictly adhered to and very strict screening of potential members takes place before their entry. Finally, stern social control—'public opinion'—is brought to bear on the issue of what constitutes an 'honest day's work'. However, the *kibbutz* members constitute a small minority of the total Israeli population, and the experience of the *kibbutz* movement is hardly generalizable to society as a whole.¹²⁰ In Tanzania, only the RDA villages came close to working under *kibbutz* principles, building as they did, on similar ideals.

The vast majority of *ujamaa* villages could not be created by means of voluntary cooperation alone. On several occasions government officials attempted to force the peasants to start villages.¹²¹ As time went by, the party adopted a firmer stance. After the dissolution of the RDA villages, the entire program was put under party supervision.

Then, in 1970, a national campaign of 'persuasion' was launched, started in Dodoma under the personal supervision of the president, and later known as 'Operation Dodoma', to be followed by a number of similar 'operations' or 'campaigns':¹²²

One method to achieve this was the collection of tax arrears after the local rate had been abolished, but only outside *Ujamaa* villages. Another method was the granting of extensive land rights to *Ujamaa* members only, turning those who lived outside into squatters. Such pressures were increasingly coupled with aid (or aid promises) of water supplies, the training of village medical helpers, the construction of dispensaries and schools. The most effective combination of compulsion and aid proved to be the distribution of famine relief in 1971 to *Ujamaa* villages only, forcing outsiders to work on the communal farms of villages where they were not members or to start their own.¹²³

Between 1970 and 1971, the number of villages doubled and by 1973 it had reached 5,631, with a total membership exceeding two million people. Then, however, it stagnated again.¹²⁴ Michaela von Freyhold, having experienced the first two years of persuasion first hand, upon

minated the Regional Commissioner, he quickly became something of a folk hero among peasants of all strata.' (Lofchie (1978), p. 474.)

¹²⁰ For a lucid discussion of these matters, see Barkai (1987).

¹²¹ Coulson (1982), pp. 242–43.

¹²² McHenry (1979), pp. 133–34, provides a list.

¹²³ Von Freyhold (1979), p. 47.

¹²⁴ Hydén (1980), p. 103.

returning in 1973 found herself greeted in the following manner: 'So you were here during the days of *Ujamaa*.'¹²⁵

'Persuasion' often proved inefficient as well. Still, regional and local party officials were under strong central pressure to increase the number of *ujamaa* villages. This in turn left some room for the *ujamaa* villagers to maneuver. Michaela von Freyhold reports how in Tanga region the peasants struck 'bargains' of a *patrón-cliente* type with the district administration which allowed the villages to 'secure for them more tangible benefits, for example, water supplies, schools, dispensaries and famine relief.'¹²⁶ By the same token, once the funds that could be employed for such purposes dried up, the incentives for starting villages disappeared as well. The party officials were facing the harsh reality:

Paternalism and coercion could not substitute for the kind of mobilization, training and planning that would have allowed the villagers to bring progress to themselves instead of expecting it in the form of gifts from the administration.¹²⁷

That strategy, however, was politically unpalatable. It was not possible to accept that the purpose behind the *ujamaa* drive had been mistaken.

Villagization: Enter Compulsion

In 1973 when Tanzania was ravaged by severe drought, it was clear that a crossroads had been reached and in September the president made a *volte face*. The policy of villagization was introduced, which required all Tanzanians to be resettled into registered villages by the end of 1976: 'the largest resettlement effort in the history of Africa.'¹²⁸ The principle of voluntariness was dead.¹²⁹ There was no time for planning or for discussions with the people involved.

Dean McHenry refers to the transition from persuasion attempts to a 'strategy of inducements', under which officials gradually switched from persuasion and moral incentives to straight material incentives as they grew tired of failing to reach the expected goals under the official policy. Then, finally, under the 'strategy of compulsion' the ultimate consequences of the inability to provide sufficient material

¹²⁵ Von Freyhold (1979), p. 58.

¹²⁶ *Ibid.*, p. 449. For a catalog of the types of aid provided, see McHenry (1979), pp. 128–31.

¹²⁷ Von Freyhold (1979), p. 50.

¹²⁸ Hydén (1980), p. 130.

¹²⁹ *Ibid.* This was one of the very few public statements by Nyerere that never ended up being published in his name, in spite of—or perhaps due to—the far-reaching consequences of that decree.

incentives had to be faced and resort made to straight coercion.¹³⁰ The militia which had been created in 1971 was used to force peasants into the villagization program. When the militia failed, the army came in 'to prove the overwhelming power of the new state.'¹³¹

Compulsion and harassment was resorted to across the entire country. People were taken from of their old smallholdings, loaded on trucks and dumped in the new areas. The houses of the old settlements were often burnt down to make sure that no return would be possible.¹³² As pointed out by Phil Raikes, 'the coercion of the mid-1970s took forms and reached levels which would be considered an outrageous intrusion into the rights of the individual in most Western countries ...'¹³³ Later on, in 1978, government officials were posted permanently in about half of the 8,000 villages in the country. The party wanted control from within.¹³⁴ Even though both persuasion and inducement continued to form part of the government strategy, these milder forms were relegated to mere supplementary measures.

These developments illustrate in an important way the difference between introducing cooperation from *below* and from *above*. In the former case, cooperation is chosen by a set of individuals who are motivated by the idea of cooperation as such and the problem of material versus non-material incentives will not present itself. This was the case of the RDA. If, however, cooperation is to form the basis of a broader development strategy, the set of people who are motivated by cooperation *per se* will be too small and larger numbers will have to be induced to join. If this is made via material incentives two things will happen; firstly, a conflict will emerge between the material incentives to join and the non-material incentives to function in the cooperative and, secondly, resources will have to be put into an agricultural sector which acts as a drag rather than as an engine of growth. Should, on the other hand, compulsion be used, history offers ample illustration of the likely outcome. This very basic dilemma—between above and below—was the case of *ujamaa*.¹³⁵

¹³⁰ McHenry (1979), Chapter 5.

¹³¹ Von Freyhold (1979), p. 56.

¹³² Coulson (1982), pp. 250–52. McHenry (1979), pp. 138–45 gives a number of concrete instances. The new sites frequently were unplanned. Moore (1979), provides an account of the villagization process in Mwanza region. His conclusion is that 'Unfortunately, although the process offered a unique opportunity to test established geographic principles, in practice very little planning of any kind occurred.' (*Ibid.*, p. 67.) 'The villages had to operate virtually without any guidelines from either the national or the regional administration. Government attention was rather of a negative kind, such as the resiting of homesteads which were considered poorly located ...' (*Ibid.*, p. 79.)

¹³³ Raikes (1986), p. 133.

¹³⁴ Hydén (1980), p. 136.

¹³⁵ See further Hedlund (1985).

Under the forced policy of villagization it was possible to reach the first stage of the *ujamaa* program, i.e. that of bringing people to live together in larger villages. At the end of 1975, almost the entire rural population had moved into such villages.¹³⁶ Altogether the operation probably involved no less than five million people.¹³⁷ As we have noted above, however, the second stage involved communal production, based on moral exhortation and non-economic incentives and this stage was only reached in a small number of cases. It is hardly surprising that Louis Putterman, in a study of Tanzanian agriculture in 1980, arrived at the conclusion that 'nearly all village land is cultivated by individual households for private subsistence and cash income.'¹³⁸

Neither is it surprising to find that this was due to the combination of force and the excessive size of the establishments. Whereas the Ruvuma Development Association, with a single exception, did not feature any villages in excess of forty families, the 1975 Villages and *Ujamaa* Villages Act established a minimum of 250 families, and the prime minister put the upper limit at no less than 600 families.¹³⁹ Villages of that size were bound to face a severe free rider problem:

The bigger the village, the more difficult it was for the members to achieve a common sense of purpose. Within a small village it was easier for people to meet, to discuss things informally and to agree on what they wanted to do and it was easier for the leaders to communicate their proposals to the members and to secure their support. Within a small village it was also easier for all to see who was doing his share and who was not so that a shirker might meet with disapproval from others even before the leaders felt they had to introduce any sanctions. Small villages would also often be socially more homogeneous, combining people who had either a similar social background, for instance ex-sisal labourers, or who were of the same tribe, clan or lineage. Frequent face-to-face contacts and some sort of a common social identity made it easier for members to trust each other and to reach a common understanding. Big villages with several hundred members had none of these advantages. People had nothing in common with each other, did not know each other and had no reason to trust each other. The leadership was remote and often overwhelmed by the task of organizing activities in which so many were supposed to participate. Communal production was correspondingly low in these large villages.¹⁴⁰

Individualism took over, because it provided stronger incentives, in particular where the villagers were poor and could not afford to see their food supply diminish.¹⁴¹ 'Material progress became once more associated with individualism, and *Ujamaa* with self-contained sharing

¹³⁶Coulson (1982), p. 249.

¹³⁷Hydén (1980), p. 130.

¹³⁸Putterman (1980), p. 128.

¹³⁹McHenry (1979), p. 174.

¹⁴⁰Von Freyhold (1982), p. 86.

¹⁴¹Hydén (1980), p. 115.

of poverty without all those modern things which everybody wanted.¹⁴² Force could not be used extensively to create viable collective production. As Nyerere himself remarked, 'How can you compel people to go into *Ujamaa*, to share their labour and so on? We think it's a jolly good thing ... but socialism is a matter of conviction. And you can't convince by law.'¹⁴³

Nevertheless, Nyerere never ruled out the use of compulsion (usually in the form of fines) in the case of communal production as well. He was aware of the existence of the free rider problem and conferred the right to impose sanctions on shirkers on the village committees. The argument, however, was phrased in moral terms. Sanctions were necessary 'to ensure that the mass of the people shall never have any reason to lose their enthusiasm through the feeling that they are being exploited by the few who do not want to work but do want to profit.'¹⁴⁴ To use the terminology coined by Albert Hirschman, in order to ensure loyalty to communal undertakings, exit to the private sphere had to be barred.¹⁴⁵

Will Communalization Reappear?

Andrew Coulson is careful to point out that the villagization program cannot be said to have failed, since after all, the program provided social services and infrastructure in rural areas to a larger extent than before. However, 'the acid test is production over time; if food and cash crop production do not increase faster than population growth, it will be hard to provide the promised, social services, or to invest in industries.'¹⁴⁶

It would become increasingly clear with the passage of time that production would have to be the central objective. Several years during the 1970s saw bad harvests, and food had to be imported, in spite of the explicit goal of national self-sufficiency in agriculture. These difficulties continued during the 1980s. Thus, agricultural production has remained at the center of attention.

At the same time, communalization may reappear on the political agenda:

During 1980 and 1981, the Tanzanian political leadership publicly renewed its old commitment to communalization. It was clear that unless there was a severe and unsurmountable trade off between the objectives of communalization and growth in

¹⁴² Von Freyhold (1982), p. 76.

¹⁴³ Quoted by McHenry (1979), p. 109.

¹⁴⁴ Quoted in *op.cit.*, p. 170.

¹⁴⁵ Hirschman (1970).

¹⁴⁶ Coulson (1982), pp. 261-62 (quotation from p. 262).

output, vigorous attempts would have to be made to give content to the bare framework.¹⁴⁷

In 1980, a call was issued for all villages to establish a collective plot of at least 100 acres.¹⁴⁸ During the conference which celebrated the twentieth anniversary of the Arusha Declaration, held in December 1986, the head of the Ideological Department of the party, the Minister of Local Government and Cooperatives, Kingunge Ngombale Mwiru, likewise stressed that the problems facing Tanzania were due to the insufficient and inconsistent socialist transformation of the country, not least the failure to collectivize agricultural production.¹⁴⁹

Unfortunately, there is little to indicate that communal production within the village framework has any future, if judged on purely economic grounds. Paul Collier, Samir Radwan and Samuel Wangwe have used the results of a 1980 Household and Village Survey to provide an updated evaluation of the relative virtues of communal and private production in the villages. On average, they found that some 20 percent of village labor and 8 percent of village land was used communally. This in turn yielded less than 2 percent of the total production.¹⁵⁰ The implications of this finding are clear. By misallocating labor in the villages, income levels are depressed. What is more, the incidence of this reduction of incomes falls on the poor, because the latter contribute more of their labor time to communal activities than do the non-poor.¹⁵¹

This problem is frequently compounded by the tendency not to distribute the fruits of collective labor to the individual contributors, as for example when the proceeds are used for communal investment in the village instead of being shared out between the village members. This, Putterman found in a survey of communal and private production in the villages in the late 1970s, was one of the strongest determinants of the size of the collective sector.¹⁵² The implications of failing in this respect are clear enough in a situation where the households calculate utility in a non-altruistic fashion:

Suppose that by using improved techniques, division of labor, or some mechanized operations, a crop can be grown on the scale of the village at 20% higher labor and land productivity than in the household plots. If 40% or more of that net produce is not distributed, the direct comparison of incomes per hour still favors private culti-

¹⁴⁷ Collier, Radwan and Wangwe (1986), p. 6. Cf. also Putterman (1986), p. 137.

¹⁴⁸ Putterman (1986), note, p. 155. In practice, much less has been achieved, however.

¹⁴⁹ Reported by Larsson (1987).

¹⁵⁰ Collier, Radwan and Wangwe (1986), pp. 115–16.

¹⁵¹ *Ibid.*, p. 120. The figures given are 28 and 20 percent respectively, but these figures do not correspond well with the average which is also reported to be 20 percent (*ibid.*, p. 15).

¹⁵² Putterman (1986), p. 234.

vation. [...] It is ironic but not entirely surprising, then, that by using collective labor as a simple tax, villages undermine the chance that joint production will be grasped as an alternative to that by the household.¹⁵³

Thus, communal production has failed, not only the acid test of production, but also a test that should be more important in the Tanzanian, distribution oriented, context: the test of equality. As a result, a general shift has taken place away from communal production, towards block farms: communal land subdivided into 'private' plots where the choice of crops is made by the village authorities but where the proceeds accrue to the individual families. Nevertheless, communal production is the envisaged end result. Block farms are seen as mere intermediary building blocks.¹⁵⁴

Time has caught up with Tanzania's ideologically determined economic system. Twenty years ago, it was hailed in many quarters as an important innovation:

After 1967 Tanzania became a political Mecca for liberal and socialist progressives from all over the world, anxious to see a challenge to neo-capitalism. Praise of Nyerere and Tanzania was dished out almost unreservedly, particularly by socialist academics who exploited the new situation to prove the relevance of Marxist analysis to the African realities. [...] The academic issues were all shrouded in a political euphoria, notably about the potential for socialist transformation created by the new strategy.¹⁵⁵

However, the original principles upon which the ujamaa program was built died quickly. 'Experiences with communal agriculture generally were bad. It was not rational for the peasants to devote much time to such work if the possible result was hunger.'¹⁵⁶ Villagization had nothing to do with communal effort based on voluntary decisions taken by the peasants themselves and non-material incentives. Party control of the process meant something very different.

Thus, to what extent collective production is actually decided by a democratic process is debatable. We have already noted that a 1980 government decree calls for a minimum size of the collective land of each village, although village democracy has other obstacles that must be overcome in the process. Putterman summarizes on a slightly worried note:

¹⁵³ *Ibid.*, pp. 235, 236.

¹⁵⁴ The block farming system aims at increasing productivity above the level that can be attained in a system based on completely private plots. Mechanized operations are to be performed smoothly across the entire village field, modern techniques are to be adopted by all and economies of scale are to be realized in the use of labor (Putterman (1986), note, p. 157).

¹⁵⁵ Hydén (1980), p. 97.

¹⁵⁶ McHenry (1979), p. 217.

be overcome in the process. Putterman summarizes on a slightly worried note:

To give an entirely negative picture would be erroneous from the author's standpoint: signs of local democracy are real and impressive ... The point, however, is that encouragement of this delicate process from above has been chronically blemished by the antidemocratic predispositions of many bureaucrats and party (CCM) officials.¹⁵⁷

Consequently, attendance at village meetings is often poor.

What is even worse, from the point of view of democracy, is that precisely those party officials who press for collective production and non distribution of the results are frequently those who have a strong *personal* interest in this process, one which they do not share with the majority of the villagers. The village chairmen are party officials. The appointment must be approved by the party and

... since the late 1970s, [they] have been the recipients of party allowances usually representing a nontrivial income source. Insofar as the prestige of chairmen and other village leaders is measured by projects and tangible wealth at the village level, rather than by income distributed to villagers from village enterprises, and insofar as leaders have means of manipulating decision-making processes and of commanding support from other villagers, allocation decisions can be expected to be biased toward *nondistribution*.¹⁵⁸

In this way, strong vested interests are created in maintaining a system where what the villagers conceive as positive incentives are not allowed to come into play. Instead of providing material benefits to a poor population, or, alternatively, relying on the *spontaneous* use of idealistic incentives in voluntary cooperation, resort is made to moral exhortation and pressures of various kinds. Peasants are seen as uneducated and inherently conservative and unresponsive. The main task of their leaders is to educate them politically so that they may overcome this 'irrational' tendency. Yet, in all probability, this is doomed to fail:

What is systematically overlooked is the fact that objective benefits are often nowhere to be found and that the peasant is being educated most effectively in the *futility* of cooperation—as well as in the message that such cooperative effort is *for the government*, not for him/herself—repeated negative experiences.¹⁵⁹

Instead of creating viable economic units that were able to function efficiently and independently of outside help, i.e. villages that were self-reliant, party control has brought a dependent set of client-like organi-

¹⁵⁷ Putterman (1986), p. 247.

¹⁵⁸ *Ibid.*, p. 248.

¹⁵⁹ *Ibid.*, p. 252.

zations into the rural world. In Coulson's words: 'Only a bureaucracy distanced from peasant life could have forced through measures as draconian as villagization, and with so little productive effect.'¹⁶⁰

At this point, the logical question to ask is *why* the bureaucracy has been so removed from rural life. One of the standard explanations of why a squeeze has been put on the peasants is based on the concern for the urban poor. Low prices on agricultural goods, selling via government controlled marketing chains etc., can be given a rationale in this concern. This may, however, not be the whole truth. Hanak has argued that there is even more to it:

... post-independence economic and political developments have fostered the consolidation of one of society's groups—the African public officials—to such an extent that it has assumed the role of a ruling class. ... the term its members have chosen for themselves [is] 'leaders'.

From the rather varied range of interests which were represented in the early post-independence leadership, what has evolved is a remarkably homogeneous, self-identifying group, united by a common ideology. In short, the ideology which bonds them fuses a point of national identification—Tanzanian socialism or *Ujamaa*—with a standardized legitimization of extra-economic methods of surplus appropriation from the 'workers and peasants', (the indigenous term for the 'masses')—through their leadership role in exhorting the rest of society to work hard for the good of the nation.¹⁶¹

According to Hanak, this new ruling class had no reasons to strongly support the market economy at the time of the Arusha Declaration. Since no African capitalist class existed, 'the transition to an explicitly socialist ideology was for the most part a relatively smooth, internalizing process among those already sitting in the Party and public administration.'¹⁶²

The leaders—at all levels of Tanzanian society—also see themselves as modernizers. When this modernizing ideology was grafted on to a traditional, essentially oligarchic and authoritarian leadership style,¹⁶³ the squeeze of the peasantry can be explained:

Simply stated, the logic is as follows: Increased production is for the good of the nation, and hence for the good of the individual peasants. Knowledge of modern science, which the leaders have acquired through access to relatively superior education, legitimizes their role as the instructors of the masses, whose poverty and lack of development stems from their clinging to traditional methods. This is the basis for exhortation. When the peasants prove impervious to the leaders' explanations of why they should grow certain crops or employ certain techniques, firmer methods of persuasion become justified. This can still have a benevolent legitimization

¹⁶⁰ Coulson (1982), p. 262.

¹⁶¹ Hanak (1985), p. 53. Cf. Putterman (1986), p. 150.

¹⁶² Hanak (1985), p. 54.

¹⁶³ Regarding the latter, see Coulson (1982), Chapter 25.

(peasants not knowing what's good for them); but by no means need to be—as the good of the nation is in all cases a higher good than the good of the individual. And since the commandeer cannot possibly know the variety of individual circumstances, he will feel obliged to define a standard norm to which everybody must adjust, invariably rendering most exhortations counter-productive.¹⁶⁴

Ujamaa and villagization are among the best examples of what this fatal combination of *Besserwisserei* and authoritarianism may lead to in Tanzania. The role of Nyerere in all this was to turn the existing attitudes among the leaders—viz. that the peasants do not know what is good for them—into a coherent official ideology which was to determine the fate of the peasants.

Unfortunately, we may not yet have seen the last of communal agriculture in Tanzania. Nyerere has repeatedly shown that he has a strong, ideological, preference for this mode of production, and Nyerere's word also still carries a lot of weight, as far as policy implementation is concerned. As Phil Raikes puts it, when it comes to 'the direct effects of state policy towards agriculture, ... there is little evidence that lessons from the past decade have had much impact ...'¹⁶⁵ Should communalization be pushed again, it presumably has to be introduced by means of coercion, simply because experience has demonstrated that no other policy will do.

The conclusion that collective production may be impossible without coercion receives support from a recent effort at formal modeling of communal versus private production as well. Louis Putterman discusses a situation where peasants are given a *voluntary* choice between production on private plots and a collective village field, the sizes of which are determined by *democratic voting* in the village assembly by all adult villagers.¹⁶⁶ Each household is free to select its degree of participation in collective production, its labor effort on the private plot and the amount of leisure it wants. The model identifies the circumstances under which a transition from household based (private) production to collective production will take place as a result of free choice, i.e. it demonstrates that given certain conditions, collective farming is a viable proposition. More generally, it shows what determines whether a village operating on the basis of Putterman's principles will end up with only household based production, only collective production or a mixture of the two modes.

The model is tested on a sample of Tanzanian villages, but unfortunately, the tests, which deal with the determinants of choice are by and large inconclusive. Hence it is difficult to know what—given a free

¹⁶⁴ Hanak (1985), p. 55–56.

¹⁶⁵ Raikes (1986), p. 133.

¹⁶⁶ Putterman (1986). Cf. also Putterman (1981).

choice—would work in favor of ‘collective’ and ‘private’ cultivation, respectively.

However, the model, as well as the general discussion in Putterman’s book, point to a central problem that makes compulsion a likely outcome if collective production is to be pursued: that of incentives. One of the main difficulties of collective production is to monitor the work effort.¹⁶⁷ Putterman assumes that monitoring is costless, but that is of course not the case in practice. Then, two options remain. In the first of these, payment takes place on a per hour basis without taking into account how much work each individual performs. This subsidizes shirkers and encourages low productivity. By the same token, there will be a tendency for less land to be allocated to collective work. Thus, the monitoring problem poses a formidable obstacle to collective production.

If this is to be avoided, according to Putterman, social pressure will have to come into play:

By trying to reduce *actual* labor differences, this practice leads the collective sector to penalize those who would prefer to contribute less effort, a tendency that may well produce hostility on part of some members.¹⁶⁸

Thus, Putterman shows that poor monitoring may lead to an underallocation of both land and labor to the collective sector, and if the latter is to be increased, monitoring being costly, avoiding compulsion—be it ‘social’ or be it institutionalized—will be difficult.

¹⁶⁷ Cf. Alchian and Demsetz (1972).

¹⁶⁸ Putterman (1986), p. 121.

Conclusions

In all economic systems, productive activities are carried out by individuals. These individuals are motivated to act by the incentives provided by the system in question. It is often postulated that in a socialist society, the type of motivation needed differs from that prevailing in a capitalist economy. In particular, material incentives are thought to have a far less important role to play when it comes to stimulating output.

This type of thinking has been central, for example, in the economic philosophy of Julius Nyerere. The economic system in Tanzania after the Arusha Declaration in 1967 has been strongly development centered, with an emphasis on distributional aspects, and the goals have to a very large extent been based on the concept of 'African socialism' developed by Nyerere before and after 1967.

pre 1967
post 1967
'African socialism' stresses 'collective', non-material incentives to production: moral rewards and exhortation. These incentives were, however, not implemented until the year of the Arusha Declaration: 1967. Before that, the Tanzanian leaders, including Nyerere, by and large relied on traditional incentives of a material and individualistic type. With the Arusha Declaration, a deep-going change began to be implemented. Tanzania turned to a policy of self-reliance based on a largely non-capitalist mode of production, with agriculture conceived as the central sector of the economy and with moral exhortation under party guidance as the leading incentive.

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The new principles found their main expression in the ujamaa policy. Instead of farming individually, each on his own smallholding, farmers were to be concentrated in villages where the land was to be cultivated communally. Actually, such villages were already functioning at the time, having been established on a voluntary basis. The most well-known initiative had been the creation of the Ruvuma Development Association in 1963. This grassroot organization adhered strongly to the principles of cooperation and self-reliance, i.e. precisely the principles that constituted the foundations of the official ideology.

?
The RDA functioned well according to collectivist principles. However, this and other similar ventures were not allowed to continue in operation, because they represented efforts that had been conceived outside the scope of strict party control. At the same time, the ujamaa drive was launched on a nation-wide scale and on mainly the same principles as those characterizing the RDA. However, the latter effort failed. The principles of voluntariness and cooperation which worked in the small, spontaneous setting could not be replicated on a large scale. By 1971, a mere 6 percent of the population lived in villages and the vast majority of these villages featured no communal production.

Where communal production was attempted, the productivity on the communal plots fell short of the results obtained from private production.

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The principle of moral exhortation had failed. Non-material incentives were not enough to get villages started, let alone to get communal production going. As a consequence, in 1973, it was decided that the entire rural population should be resettled into villages, the ultimate aim of which was collective production. The movement of the population was compulsory and was carried out with the aid of the militia and the army. Communal production, on the other hand, was to be voluntary. As a result, the rural inhabitants are now concentrated in about 8,000 villages, which do, however, not feature much collective production.

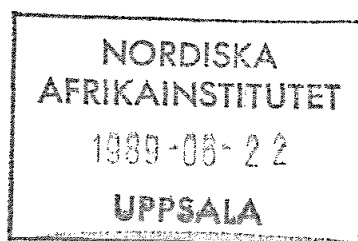
Communalization may still return as an important political goal, in spite of the fact that both from the efficiency and from the distributive point of view, collective performance has been poor indeed. The political leaders by and large have goals and interests which have little in common with those of the villagers. These goals, via a traditional and authoritarian leadership style are communicated to the latter.

Thus, it may be impossible to avoid coercion if communal production is to be carried out on a large scale. Monitoring of collective work is difficult. Consequently it is not easy to pay the participants according to their performance. Shirking results and this in turn requires the use of force to keep collective production going. The matter is further complicated by the fact that the proceeds of collective efforts are not often distributed to those who made the effort. Thus, unless the Tanzanian leadership chooses to forget about collective production in the future, the chances are that it will have to be implemented in the Soviet way.

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