

INSTITUTE OF CURRENT WORLD AFFAIRS

BSQ-52

July 3, 1982

Tanzania Will Try Co-Ops Again

by Bowden Quinn

Dar-es-Salaam, Tanzania -- Tanzania plans to take a giant step backward to try to stop a drastic decline in its agricultural production. The government wants to re-establish local and regional cooperative societies, which it abolished six years ago after charges that they were corrupt and inefficient. Officials apparently have given little thought to avoiding a repetition of those complaints.

"We're going back to square one," said Felix Temu, acting Secretary-general of the Union of Cooperative Societies. He envisions no major alterations to the system used in the early Seventies, which had the organization he heads at the apex of a three-tier pyramid with primary cooperative societies at the village level and a middle layer of regional cooperative unions.

This return to a system abandoned in 1976 entails the repeal of a law that had been hailed as a major advance in Tanzania's rural development: the Village and Ujamaa Village Act of 1975.

In May, Parliament passed two bills to replace the 1975 law: the Local Government Act and the Cooperative Societies Act. These laws separate the governmental and economic roles of the villages, which were combined in the Village Act.

The Cooperative Act in effect turns the calendar back to 1976, when government corporations called crop authorities took production and marketing powers from the local and regional cooperatives, which were dissolved.

Soon the crop authorities, which were given the task of increasing agricultural production, became the targets of the same charges of corruption and mismanagement that had sunk the cooperatives.

Cooperatives have two basic advantages over the crop authorities, according to Temu. First, they consolidate the crop marketing process, so villages don't have to deal with separate agencies for each export crop they produce and another state corporation for their grain crops.

Cooperatives also give the villagers a voice in the production process, Temu said. Co-op members will have the power to remove personnel found to be inefficient or corrupt. One of the flaws of the crop authorities is their staffs are answerable only to the agency offices in the cities, where peasant complaints are often unheard.

That charge was also made about the cooperative societies prior to 1976. They were said to be dominated by government officials and rich farmers who exploited the peasants. Villagers also complained of stolen moneys, payment delays, nepotism and favoritism.

---

Bowden Quinn is an Overseas Journalism Fellow of the Institute studying socialism in southern Africa.

Temu said these charges were unproven allegations, which led to the disbanding of the cooperatives without a proper investigation into their activities.

"The cooperative movement here has been the most successful one in Africa," he claimed. Under the crop authorities, "enormous amounts of money have been lost in the last four years," he added.

Tanzanian President Julius Nyerere told a recent meeting of the cooperative union that the old cooperatives had been guilty of capitalist exploitation of the peasants. Temu said Nyerere was "wrongly briefed".

"The government gives us the prices we pay for the crops and sell them at. The cooperative movement has never handled any pricing decisions at all," he said.

The return to a system found inadequate six years ago appears to be a desperate response to Tanzania's deepening fiscal crisis. Production of export crops—cashews, coffee, cotton, pyrethrum, sisal and tea—has declined since the early Seventies. Foreign currency earnings won't pay for all the oil and other materials the country needs to run its factories. As a result, factories are idle or operate far below capacity. Soap, sugar and other basic goods are in short supply. Food production is also down. The country had to import 280,000 tons of grain to feed its people this year.

The 1975 Village Act and the disbanding of the cooperative societies followed a food shortage in 1974 that had this country on the brink of starvation. Critics blamed the shortage of the government's forceful policy of agricultural collectivization. Since that time, Tanzania's much publicized agrarian socialist program of ujamaa (Swahili for "family") has been little more than a vague hope for an ideal and distant future.

The introduction of crop authorities and the step away from collectivized farming seemed at first to be a move in the right direction. Tanzania had record exports in 1978-79. Then the economic clouds returned.

The switch back to the cooperative system appears to be change for change's sake. Asked what lessons had been learned from the past, Temu staunchly defended the pre-1976 operation of the cooperatives. He saw no need for improvements.

Tanzania's crop season has already started, so the cooperative system won't be reinstated until next year. Perhaps in the interim new ideas will be added. At the moment, Tanzania is grasping at straws.