Peter Gibbon (ed.)

Liberalised Development in Tanzania

Nordiska Afrikainstitutet, Uppsala

Liberalised Development in Tanzania

Studies on Accumulation Processes and Local Institutions

Edited by
Peter Gibbon

Nordiska Afrikainstitutet, 1995

Indexing terms

Accumulation

Economic development

Liberalisation

Mining industry

Privatisation

Tanzania

The opinions expressed in this volume are those of the authors and do not necessarily reflect the views of Nordiska Afrikainstitutet

Cover: Brigitte Gibbon

Language checking: Elaine Almén

© the authors and Nordiska Afrikainstitutet, 1995

ISBN 91-7106-370-6

Printed in Sweden by

Reprocentralen HSC, Uppsala 1995

Contents

Acknowledgements	5
 <i>Peter Gibbon</i>	
Merchandisation of Production and Privatisation of Development in Post-Ujamaa Tanzania: An Introduction	9
 <i>Chachage Seithy L. Chachage</i>	
The Meek Shall Inherit the Earth but not the Mining Rights: The Mining Industry and Accumulation in Tanzania	37
 <i>Andrew S.Z. Kiondo</i>	
When the State Withdraws: Local Development, Politics and Liberalisation in Tanzania	109
About the authors	177

Acknowledgements

I would like to thank all my former colleagues at the Scandinavian Institute of African Studies and SIDA who have supported this work through its various phases, in particular Ulrica Risso, Birgitta Daniels-Christmanson and Sonja Johansson who was responsible for most of the practical publishing work involved in this volume. On behalf of the authors I would also like to thank Yusuf Bangura, Adebayo Olukoshi and Knud Erik Svendsen for commenting on their original proposals to carry out the research described here.

Earlier drafts of certain sections of the work by Chachage and Kiondo have appeared in SIAS Research Reports Nos. 92 and 95, but these represent only a small fraction of what is presented here.

Copenhagen, February 1995

Peter Gibbon

LOCATION OF MAIN MINING AREAS, TANZANIA

TANZANIA, REGIONS AND DISTRICTS

Merchantisation of Production and Privatisation of Development in Post-Ujamaa Tanzania

An Introduction

Peter Gibbon

The empirical works featured in this volume were produced as part of a research programme on 'The Political and Social Context of Structural Adjustment in Sub-Saharan Africa'. The programme, which began in October 1990, was based at the Scandinavian Institute of African Studies but was conducted almost entirely by African scholars. Tanzania was one of three countries covered in detail. It was initially planned to support original work on a broader range of sectors in the country, but limited resources and researchers' other commitments eventually meant that only two topics could be researched and analysed in detail. Nevertheless, an understanding of changes in these sectors is critical for coming to grips with contemporary developments in Tanzania. Mining is the fastest growing area of economic activity and gold is now the country's single most important "cash crop". Somewhere between a half and one million persons are involved in the sector and related activities—the overwhelming majority of them of "informal sector" status—making it considerably bigger than the whole of the formal sector as a source of employment. Meanwhile, as formal employment collapses, the state withdraws from social service provision and ties between the state and the ruling party CCM are loosened, there has been an explosion—albeit on a rather more limited scale—of socio-economic activities organised in a "voluntary" non-party guise. On the one hand, most secondary schooling is now provided by non-state actors known as "District Development Trusts/Trust Funds", while on the other there are now hundreds of small registered groups of women engaging in cooperative income-generating activities under the auspices of District Community Development Offices.

Discourses central to the elaboration and legitimisation of current aid policies link together the expansion of informal sector activity and the rise of "grassroots" community development groups and NGOs on the one hand and a social transformation surpassing "statism" and linked to structural adjustment on the other.

In one version of these discourses the expansion of informal mining activity and the growth of voluntary development efforts are welcome and

predictable precursors and accompaniments of economic liberalisation—as well as, in the second case, of political liberalisation. They correspond to indigenous “private” economic and socio-political activity, long simmering but now at last unfettered as Tanzania stumbles away from the constrictive framework of state socialism. Ostensibly the World Bank shares this view. In reality however, its policies do not quite correspond to it. Nor, more fundamentally, does the discourse correspond to reality anyway. However, before these issues can be explored it is necessary to take a step back and recall how Tanzania entered its current development path.

STRUCTURAL ADJUSTMENT AND POLITICAL LIBERALISATION IN TANZANIA

In the late 1960s Tanzania, like a number of other African countries, had adopted a development model based on so-called “African socialism”, or *Ujamaa* as it was termed in Kiswahili. *Ujamaa* entailed extensive state social and economic intervention, including nationalisation of many foreign-owned enterprises, creation of a state import and wholesale trading monopoly, attempts to accelerate industrialisation through the creation of new state productive enterprises, and—above all—the physical relocation of the mass of the rural population in concentrated village settlements, where they were supplied with basic social services. At the same time the government reorganised/extended the traditional colonial apparatus of marketing boards, crop authorities and cooperatives in line with the new political structures, for the supervision and control of peasant agricultural production. Finally it dissolved, coopted or reorganised almost all autonomous popular organisations into branches or satellites of the ruling party, *Chama cha Mapinduzi* (CCM).

It is now clear that from the early 1970s severe economic problems began to incubate. Certain key parastatals such as the State Trading Corporation never functioned properly, but more critically production of cash crops began to stagnate or fall as producer returns to labour for them declined sharply. The latter was mainly the result of the major increase in unit marketing costs which followed the marketing system's reorganisation. Meanwhile, the state's and donors' attention was fixed mainly on promoting industrialisation. Manufacturing, which had taken 10–15 per cent of total investment in the early 1970s accounted for 35–40 per cent by the end of the decade (Svendsen, 1986:66). Yet the factories which were created operated at very low capacity and therefore productivity levels, as agriculture failed to generate sufficient foreign exchange for imports of raw materials or spare parts, or to supply domestic raw materials for processing (Havnevik 1994:53).

By the late 1970s these difficulties intensified under the impact of a number of external shocks—the break-up of the East African Community (1977) which implied a substantial increase in infrastructure-related imports, the doubling of oil prices (1979–80) and the war with Uganda

(1978–79), which led to a doubling of defence expenditure. Industrial production registered a massive fall from 1979 and agricultural production also declined or stagnated during the five years after this date. GDP growth stood at 2.1 per cent per annum in 1979–81 and only 0.6 per annum in 1982–84 (Havnevik:57). The coverage and quality of education, health and water provision all also declined, while many commodities became extremely scarce.

In an attempt to increase its external resource flows, Tanzania agreed a standby credit with the IMF in 1979. However, agreed budget ceilings were not observed by the government and the agreement was cancelled. Tanzania then turned to the World Bank for help. Eventually, in 1981, the latter offered support on the basis of Tanzania's agreement to an IMF structural adjustment programme. The main provisions of the latter were a devaluation of 50–60 per cent, a major budget deficit reduction, complete removal of some consumer and producer subsidies and slashing of others, positive bank real interest rates, increases in agricultural producer prices of 75–80 per cent, and major steps toward import liberalisation (Stein, 1991:92–93). The package was rejected outright by the Tanzanian government, which instead embarked upon a "clear reassertion of the directive approach, aimed at mobilising the export and agriculture sector toward specific production targets through a (theoretically) strict allocation of (state) scarce resources" (op. cit.). However, the resulting "National Economic Survival Programme" (NESP) suffered from unrealistic targets and a general failure to specify means (social and financial) of attaining them.

By 1982 it became evident that NESP was unworkable, and on the basis of a joint initiative between the Tanzanian government and the former World Bank president, Robert McNamara, a group of independent experts (the "Technical Advice Group") was set up to propose a compromise package of economic policy reforms. The latter recommended a devaluation, but not of the IMF-proposed order, and the preservation of existing government policies in most other areas of economic management. Neither the Tanzanian government nor the World Bank/IMF felt able to wholly accept this compromise, and the former proceeded to launch its own version of a structural adjustment programme (SAP). Additional Nordic government support was solicited for this project, but was not forthcoming as the Nordics instead recommended that the Tanzanians first reach an agreement with the IMF.

The "home grown" SAP of 1982–83 combined an attempt to preserve the basic structure of the parastatal sector with increased agricultural producer prices, reductions in consumer subsidies and a limited devaluation. It was accompanied by a major attempt—the Economic Sabotage (Special Provisions) and the Human Resources Deployment Acts of 1983—to suppress "second" and informal sector trading activities, which had burgeoned over the previous decade. However, as the overall flow of external assistance fell sharply (from USD 702 million in 1981 to USD 487 million in 1985), more concessions to the international financial institutions were

eventually made. The 1983–84 budget saw a reduction in spending on social services; that of 1984–85 saw the inauguration of the “own funds import scheme” which enabled residents to import goods on the basis of their private externally-held foreign exchange with no questions asked, further devaluation and subsidy removals, the introduction of school fees and a freeze on civil service appointments. However, most economic indicators continued to register a declining performance.

In 1985 Julius Nyerere retired from the presidency and was replaced by Ali Hassan Mwinyi. The following June, an IMF and World Bank-approved “Economic Recovery Plan” (ERP) was launched and an agreement was signed with the IMF leading to an IMF standby credit and the release of USD 96 million by the World Bank. The Plan comprised a series of further devaluations covering 1986–87; specified ceilings on budget deficits, domestic credit, external borrowing and public sector pay levels; specified reductions in external payment arrears; increases in producer prices; increased real interest rates; reduced income tax rates; and a reduction in the number of controlled price items (Stein, 98–101). An Open General Import Licence scheme was introduced, with substantial backing from the key donors. Under this scheme the general provision of import confinement and/or the requirement that licences be obtained by prospective importers of almost all goods was to be modified by a progressive deconfinement/abolition of licensing for most imports by 1990. Local importers could draw on donor commodity import support foreign exchange funds, provided they deposited 100 per cent cash cover in Tanzanian shillings with the Bank of Tanzania. Later, in 1990, the latter requirement was also considerably eased.

In October 1987 the standby accord was followed by a three-year IMF Structural Adjustment Facility. Both the latter’s disbursement, and release of the pledges of other donors, were however delayed until a further devaluation occurred in November 1988. The following year’s budget continued the trend of trade liberalisation. An export earnings retention scheme was introduced for exporters of “non-traditional” items, landlords were permitted to retain a third of any rents paid in foreign exchange, and Tanzanians working abroad were permitted to open foreign exchange accounts in local banks. In addition, a number of World Bank sector reform loans were negotiated, under which grants and loans were obtained against the promise of market-oriented reforms in agriculture and elsewhere (for details on agriculture see Gibbon, Havnevik and Hermele, 1993:52–71).

On the expiry of ERP in 1989, a second phase of structural adjustment was initiated in the form of the “Economic and Social Action Programme” (ESAP), covering 1989–90 to 1991–92. This was backed in July 1991 by a further IMF Enhanced Structural Adjustment loan of SDR 181.9 million. ESAP was further ranging than ERP and less concerned with government expenditure issues. Rather it was intended to build on the trade liberalisation which had been initiated, through liberalisation of foreign investment regulations, the financial sector, and agricultural marketing. This coincided

with the general change in emphasis of World Bank thinking toward promotion of the so-called "enabling environment" (see below).

The major area where reform actually occurred under ESAP was in foreign investment regulation, banking and the foreign exchange market. In 1990 a new, liberal Investment Act was passed. This provided both a series of new legal guarantees for foreign investment and certain new benefits. It was accompanied by the setting up of a single-stop Investment Promotion Centre (IPC). The Investment Act was amended in 1992 to allow foreign investors registered with IPC to by-pass certain licensing requirements and elements of the Companies Ordinance. Restrictions on the repatriation of dividends were also eased. There proved to be no great rush in foreign investment however, except in mining (see Chachage's contribution), banking (see below) and tourism, where the Sheraton, Hilton and Novotel chains all had hotels in Dar es Salaam at various stages in the pipeline by 1994.

Forex bureaux and local forex accounts were authorised in 1992, and foreign banks were allowed to conduct business in Tanzania the same year. The first to arrive were Standard Chartered and Meridien Biao; most forex bureaux however were locally-owned. A unification of bureau and official exchange rates occurred in 1993, along with the initiation of a regular foreign exchange auction.

The period 1989 to 1992 saw not only these economic reforms but also a series of important political ones. These centred around the dismantling of the single party state, and were presaged in February 1990 by a surprising contribution by Nyerere himself, apparently following an internal discussion amongst the CCM leadership. The erstwhile theorist of single-partyism now raised two main arguments for reviewing the necessity of that system. Firstly, CCM was "right now not close to the people ... (leaders) are closer to their offices and desks ... they seek leadership positions because of the money involved". A competitive party system would oblige CCM and its leaders to renew itself by reviving its original relationship with the people. Secondly, the original reason for a single party, namely the need to establish a common national identity, had now been largely attained and could anyway be safeguarded under multipartyism by outlawing regionalist or ethnic parties (*Sunday News*, 25 February 1990; *Daily News*, 26 February 1990).

Later the same year the government agreed to appoint a committee to review whether Tanzania should go multiparty, on the basis of a nationwide sounding of public opinion. The subsequent commission under Judge Nyalali gathered evidence for more than a year and in 1992 reported that although only a minority of respondents favoured a multiparty system, a majority wished to see changes which—theoretically at least—could be facilitated easiest through the introduction of multipartyism. This recommendation was rapidly implemented by the government, and a large number of opposition parties and independent newspapers sprang into existence.

Multipartyism also implied a general political reform in which CCM was separated from the state, according to Nyalali. This implied a separation of party and state functions and property, a closure of party workplace

branches, and a reconstitution of party "mass organisations" and those groups (like community development groups) which had been linked to them on a more autonomous and voluntary basis. This was likewise implemented, but in a patchy and uneven manner.

Simultaneously, and corresponding to its embrace of structural adjustment, CCM itself dropped the trappings of a socialist party, although it was still to retain the description "socialist" in its constitution. Amendments were made to the party's leadership code at a National Executive Committee meeting held in Zanzibar in 1991, when the prohibition on members undertaking private capitalist activities was lifted. Shortly afterwards, the requirement that party members undergo "ideological training" in socialist politics was also scrapped.

A third phase of economic adjustment was launched in 1993, the "Rolling Plan and Forward Budget" (RPFb). Its content had been foreshadowed in a series of agreements that the Tanzanian government had entered into the previous year in order to qualify for the second tranche of the IMF Enhanced Structural Adjustment Facility loan accompanying the previous phase. Whereas the first phase of Tanzanian adjustment had concentrated in practice on trade liberalisation and the second phase in practice on foreign investment deregulation, the third was to mainly address parastatal and civil service reform. "Reform" in these cases boiled down to reducing civil service numbers on the one hand, and closing down or selling off most parastatals on the other. In the case of the export crop marketing parastatals, most of which remained still intact, dissolution was to be a gradual process initiated by deconfinement of crop purchasing and decontrol of producer prices.

Civil service staff reductions of the order of 50,000 over the period 1993-95 were agreed between the Tanzanian government and the international financial institutions. The World Bank simultaneously asked for the rapid liquidation of 60 of the country's approximately 400 parastatals. A Parastatal Reform Committee (PRC) was created under George Mbowe in 1992 to work out the modalities for this and the transfer from state ownership of a majority of the rest. By 1994 however, civil service reductions remained off target and few if any parastatals seem to have been closed or subjected to changes of ownership. Three leather companies had formed joint enterprises, however, and the PRC had prepared a list of the most appetising potential sell-offs. These were mainly in the textiles, chemicals and paper sectors. Meanwhile other parastatals (including the National Bank of Commerce, Tanzania Harbours Authority and the Tanzania Railways Corporation) were undergoing "commercialisation" exercises, again mainly taking the form of staff cuts.

Agricultural adjustment, particularly in the export crop sub-sector, proved rather chaotic. The state-run cooperative unions, which in the early 1980s had replaced the crop authorities of the previous decade, underwent a serious crisis not as a result of a deliberate sector adjustment policy but because financial sector reforms led to action by the banks on their huge overdrafts. No new credit for crop purchases was issued to many coopera-

tives after 1992, with the result that crops could not be purchased. Private trade had been allowed in cereals for some time, but most export crops were only deconfined when—or after—the cooperatives had begun collapsing. Simultaneously, the state had hoped to maintain guide prices for most crops, and actually announced them in 1991. In an attempt to make some cooperative purchases viable in 1992, it then reduced them sharply, leading to widespread confusion and disillusion in the countryside.

By 1994 Tanzania had experienced a decade of adjustment, from 1984–86 unofficially and since 1986 officially. There have been some unquestionable gains associated with the period. The most important of these has been a renewal of supplies of consumer goods to the mass of the rural population, after a decade of increasing scarcity. This has been of particular benefit to women, who—if they can afford them—no longer have to scavenge their districts to obtain basic necessities. But at a macro-economic level the gains are less easy to perceive. During the decade prior to 1984, GDP growth had averaged just under 2 per cent per annum, below population growth. Between 1984–86 this rose to 3.3 per cent per annum, between 1987–90 to 3.7 per cent and between 1991–93 3.8 per cent. These later figures are all above the rate of population growth, and by comparative African standards over the same period are reasonably good. This is particularly the case since there was a 30 per cent decline in Tanzania's terms of trade during the period 1987–91 (World Bank, 1992a). However, doubts must be raised about the real level of expansion in economic activities which has occurred. According to the major account of Tanzania's "second economy" (Maliyamkono and Bagachwa, 1990), the latter accounted for at least 30 per cent of total economic activity in the pre-adjustment phase. Hence even if only a fraction of this had been subsequently officialised, courtesy of adjustment-related deregulation, GDP should have grown significantly. It has been estimated, for example, that the post-1989 partial incorporation of previously unofficial gold production in GDP (see Chachage's contribution) alone accounted for a one per cent growth in annual GDP (Economist Intelligence Unit, Tanzania Country Profile 1992–93).

Even taking account of the terms of trade data mentioned above, figures on export and import levels since 1986 have been disappointing. While imports have climbed steadily to around USD 1,500 million per annum in the context of trade liberalisation, exports have remained at between only USD 300 and 400 million per annum, as they were when adjustment started. At consistently over 20 per cent, inflation has also remained rather high. Of more concern still are the basic social indicators. Infant mortality (deaths per 1000 live births) fell from 122 in 1980 to 117 by 1985, but this fall then slowed to 115 by 1991. Life expectancy at birth, which had been 47.2 years in 1980, rose to 48.0 years in 1985 before falling to 47.3 in 1991. Primary school enrolments, which stood at 93 per cent of the relevant age group in 1980, declined to 72 per cent in 1985 and 63 per cent in 1991 (all figures from Global Coalition for Africa, 1992).

A more general socio-economic concern which has been widely voiced from a number of quarters, and which is directly relevant to the themes of this volume, is that the process of economic liberalisation in Tanzania has been characterised less by real economic and social progress than by an upsurge of what has elsewhere (e.g., Hermele, 1992) been called "wild capitalism". By this is meant the reappearance in free market guises, and on a larger and less controlled scale, of many of the much condemned pre-adjustment forms of "rent-seeking behaviour". Particular concern has been raised concerning an apparent breakdown in state revenue collection together with the related question of illegal imports, and the informal privatisation of important parts of the national patrimony.

In the 1993 budget a 24 per cent shortfall in revenue collection was reported. This shortfall mainly comprised non-collected import duties and taxes. Duties seem to have been unofficially waived on a whole range of privately imported consumer and luxury items during the 1990s, with the remarkable outcome that European-produced commodities from canned beer to automobiles now retailed considerably cheaper in Tanzania than in Europe itself. Meanwhile, large quantities of imported consumer goods which have been elsewhere declared dangerous or unfit for human consumption have found their way onto local markets. Corporate tax evasion, including by parastatals, is at a very high level but there have also been scandals about huge unpaid personal income tax bills by prominent individuals, including the foreign minister of the early 1990s, Ahmed Hassan Diria. Most significant of all however has been evasion of payment to the Bank of Tanzania of local currency "counterpart funds" against foreign exchange released for imports. Between 1986 and 1992 it is said that Tsh. 202 billion in foreign exchange was released to importers by the Bank of Tanzania, while only Tsh. 25 billion were collected in counterpart funds (Economist Intelligence Unit, Tanzania Country Report, Third Quarter 1993). Again, parastatals have been heavily responsible for this shortfall, but a very sizeable proportion is also attributable to private capitalists.

Amongst other sources, the 1992 Presidential Commission on Land Matters (United Republic of Tanzania/Scandinavian Institute of African Studies, 1994) provided evidence of large scale land alienation and appropriation throughout the country. The greatest *cause celebre* of this kind was the so-called "Loliondogate" scandal of 1993, when it transpired that the minister for tourism, Abubaker Yusuf Mgumia, had leased the entire Loliondo Game Controlled Area at Ngorongoro to an army brigadier from the United Arab Emirates as a private hunting ground. Of course "Loliondogate" was not an isolated case, but one whose specific circumstances facilitated exposure.

Many instances of "wild capitalism", including all those mentioned above, have an ethnic or religious dimension to them—at least apparently in the popular consciousness of mainland Tanzanian African Christians. While it would not be accurate to describe this group as the social basis for Nyerere and *Ujamaa*, it has nevertheless seen its relative economic, social and political position slowly but steadily eclipsed since Nyerere's retire-

ment. According to an influential trend in popular discourse, the principal beneficiaries of the Mwinyi-adjustment years have been the Tanzanian Asian and Arab ethnic minorities, Muslims and their international allies, and Zanzibaris. These beneficiaries have supposedly all risen in status and influence as a result of strengthened ties to the state, organised through the post-Nyerere leadership.

TWO NEO-LIBERAL DISCOURSES ON THE INFORMAL SECTOR, NON-GOVERNMENTAL ORGANISATIONS (NGOs) AND THE "ENABLING ENVIRONMENT"

The Academic Discourse

To properly appreciate the works by Chachage and Kiondo presented here, and the links between them, it is useful to recall the dominant discourses on the concrete issues which they address—the implications for African capitalism of an "unfettered" informal sector on the one hand, and the outcome for popular accountability and "civil society" of the rise of NGOs and associated voluntary initiatives on the other. These dominant discourses, which are mainly neo-liberal in content, played an important role in the formulation and legitimisation of structural adjustment programmes in less developed countries from the late 1980s. In regard to Africa the basic themes of the new discourse in the academic community emerged from the mid-1980s, as preparations began for the World Bank's major intellectual intervention of the late 1980s, *Sub-Saharan Africa: From Crisis to Sustainable Growth* (World Bank, 1989). Many of them found their way into this document and other related ones, sometimes however with a significant change of emphasis.

From the early 1980s a number of mainly American-based social scientists working on Africa began to link a critique of the African state and of economic development models in which it was ascribed a leading role to the notion that there were viable alternative (and complementary) "indigenous" economic and political forms already present in most African societies. According for example, to many of the authors in the collection edited by Rothchild and Chazan (1988), the African state lacked political legitimacy, was overdeveloped, unaccountable and lacking in "transparency". It had furthermore persisted with a basically alien economic development model in which it allocated itself a pre-eminent role, to the exclusion and at the expense of pre-existing privately-based activities, with disastrous results. It has hence simultaneously disrupted or destroyed viable and popularly-based forms of economic and political life, or in the words of Richard Joseph (1989) "divorced itself from the vital creative energies of the African people and their societies". On the other hand, these popularly-based forms of life exhibited considerable powers of resistance, and were currently wreaking their revenge on the post-colonial economic and political status quo by isolating and forcing into retreat the already ineffective state institutions.

The first of these forms was the informal economy, emanating from "Africa's long traditions of open, competitive marketing at flexible prices", and continuing to "flourish independent of and against legal powers; ... the continued existence of 'parallel' or 'black' markets ... demonstrates (its) vigour and persistence ..." (Hyden, 1990a). This economy, now also embracing manufacturing, construction, trade, services and repairs, transport and finance, although "essentially a response of African society to an unfavourable environment that promotes rural exodus but not the necessary urban jobs and constrains enterprise and initiative" had nevertheless become characterised by an unrivalled "internal dynamism", and by the "rise of a dynamic entrepreneurial class ... Its successful features appear to be sustainable because of their greater congruence with indigenous values and institutions and their adaptability to available technology, resources and socioeconomic conditions" (MacGaffey and Windsperger, 1990).

The second was grassroots community development organisations and the somewhat more formalised intermediary "non-governmental organisations" which often provided a framework for their activity. Like the informal sector, these organisations were dynamic repositories of indigenous know-how and institutions which mobilised local resources for development independent of and sometimes against state-led initiatives. The most positive assessment of this loose group of organisations is to be found in the work of Bratton (1989), who argues that—in contrast to the state—they are not only essentially participative, activist and voluntary in content, direct in their relations with social groups and based on a genuinely-shared base of core values, but are also essentially committed to organisational autonomy. They hence have a tendency to pluralise the "institutional environment" and promote a democratic culture. This is even held to in turn imply a natural tendency to move beyond providing material assistance or self-help into "development education", i.e., "teaching the poor to demand social justice".

In the key contribution to the *Long Term Perspective Study* organised by the World Bank to pave the way for its 1989 report, Hyden (1990b) calls on African states to once and for all abandon attempts to transform society on the basis of public sector institutions and on both donors and these states to instead sustainedly promote an "enabling environment" for "indigenous" economic and socio-political forms. In the first place, this meant that such forms should be "discarded or by-passed only when they are clearly unsuitable. Local community-based efforts, informal sector entrepreneurship and other spontaneous productive activities constitute the 'anchor points' on which development must be based". In the second place it meant that they should be connected with "the higher levels of social action" via a comprehensive and conditionality-backed reordering of the roles of government, business, NGOs and donors. At the outset, this required a removal of all "artificial restrictions" on the informal sector and private activity more generally; a removal of "societal restrictions" on women, who were at the core of the indigenous forms; a removal of donor restrictions on the types of projects they typically supported; "respect for

local know-how and values"; and more support for "intermediary organisations" (i.e., NGOs).

World Bank Discourse on the "Enabling Environment"

The other, and ultimately more decisive neo-liberal discourse on these subjects, was provided in the World Bank's eventual (1989) report. This took as its starting point a fundamentally similar diagnosis of the nature of the African state and used an almost identical language to propose a new development model. However, there were subtle differences of emphasis. The first of these was that while the "informal sector" was still analysed in much the same way as before, the principal economic emphasis was placed elsewhere.

According to this document, the main reasons for the lack of capitalist development on the African continent over the three decades of independence were the following formal sector policies:

Political rather than economic criteria guiding investment choice, location and management; regulations and wage controls that raised unit costs and undermined competitiveness; high costs passed onto downstream users of the output of heavily protected and inefficient basic industries; expatriates (being) ... removed before qualified nationals were available to take their place; and private investment crowded out where the state controlled powerful monopolies ... (op. cit.:110-11)

Correspondingly, the key economic aspect of the "enabling environment" (op. cit.:108) which should be put into place was improved scope for private formal sector ventures, partly through improvements to infrastructure and the banking sector but mainly through state withdrawal from involvement in production and most services, deregulation of the conditions under which the private sector operated, and improved incentives for investment. Deregulation implied the elimination of licensing restrictions and requirements, and establishing and enforcing the property and contract rights of enterprises—thus supplying "a positive environment for private entrepreneurship, which involves minimal control through regulation and investment in complementary services" (op. cit.:123). All this in turn entailed a reorientation of taxation away from business and toward consumers (op. cit.:143), a new "simple and transparent legal framework" and a "rigorous scrutiny of licensing and other regulations. The goal should be ... automatic registration that confers legal status on an enterprise and permits statistical monitoring" (op. cit.). The benefits of the "enabling environment" were held to be demonstrated by those countries (although only Ghana is mentioned specifically) which had already taken steps to create it. The central one was that "local capital accumulated through rent-seeking (begins) to move into productive activities" (op. cit.:137). No actual evidence of this was provided, however.

The language of the informal sector as the "seedbed of African entrepreneurship" is preserved in this discourse, as are many of the specific pro-

posals to remove various restrictions from the latter. However, few other specific measures are proposed for encouraging the sector, for the burden of the exposition concerns showing how informal sector operators will benefit on a "trickle-down" basis from economic deregulation in general. It is worthwhile drawing special attention in this context to the emphasis of the World Bank report on the strategic importance of foreign direct investment, which hardly features in the academic discourse described. Repeated attention is drawn to transnational capital as a critical component of formal sector private capital. Transnational capital occupied not a relationship of competition with local capital, but rather should be seen as an underutilised potential resource to it. This was because it was the bearer of innovation, technical know-how and market intelligence. Dropping restrictions on foreign investment (a key part of the "enabling environment") thus meant a smoother—not to say automatic—transfer of these resources to local enterprises. Moreover, informal enterprises were predicted to share this benefit (op. cit.:145).

African Mining and the "Enabling Environment"

The international financial institutions' more specialised discourse on African mining, which by and large has been subsequently adopted by recipient countries, embodies a further shift from the academic discourse described above. In common with the former, it is sharply critical of most of the policies which governments pursued during the 1960s and 70s (while neglecting donors' own role in formulating them) and like its own general institutional discourse it is strongly supportive of foreign direct investment. On the other hand—unlike this institutional discourse—it drops completely the "seedbed of entrepreneurship" formulation, is instead sharply critical of the informal sector, and indeed comes down firmly in support of policies to encourage the formal sector at its expense.

The adoption of the general discourse on the "enabling environment" coincided with the mining section of the World Bank Africa Technical Department engaging in its first serious review of policies for over a decade. This review had three elements: collection of materials on changing patterns of investment during the 1980s, the formulation of new policies to be embodied in *From Crisis to Sustainable Growth*, and the launching of an African mining policy study (eventually published in August 1992).

A treatment of investment trends is found in a 1989 paper by Fozzard, a senior geologist at the Bank (Fozzard, 1989). This noted an increasing polarisation of production towards six countries (Botswana, Zaire, Zambia, Namibia, Zimbabwe and Guinea—South Africa was not considered), whose potential was "not necessarily the highest on the continent". It further—and more significantly—noted a considerable fall in Africa's relative production levels. Whereas between 1960 and 1970 the real value of African production of selected major minerals more than doubled, between 1970 and 1987 it virtually halved. Over the same period the value of pro-

duction in Asia and Latin America rose. For 1947–87 as a whole, Sub-Saharan Africa's share of developing world mineral production fell from 23 per cent to 10 per cent. (All these figures were based on officially-recorded production only.)

The immediate cause of this decline was said to be a fall in exploration-related investment, which in Africa currently represented an exploration investment/sales ratio of 1.5 per cent as against five to ten per cent in Australia and Canada. The "obvious" solution was a loosening of investment regulations and the adoption of investment promotion policies for foreign companies. In *From Crisis to Sustainable Growth* these are spelt out in terms of "iron clad guarantees" on repatriation of earnings, including making it possible for overseas mining houses to operate entirely through off-shore accounts, "appropriate rules" giving access to land, exploration licences and mining rights, "appropriate" marketing and export arrangements and "objectively applied labour regulations". Ideally, these should be assembled into a liberal mining code, as introduced in 1986 in Ghana. Meanwhile, African governments should abandon trying to run parastatal mining operations, which had proved grossly inefficient (World Bank, 1989:127).

The World Bank's African mining strategy document took these conclusions one step further by advocating the outright privatisation of state mining companies and complete withdrawal of the state from mineral marketing functions (World Bank, 1992b:52–56). However, its most interesting feature was a wholesale attack on smallscale or artisanal mining, from an explicitly "large-scalist" perspective. This attack started out from downplaying the employment significance of small scale mining, which was estimated to provide employment for only about one million people *on the continent* (1992b:43). It went on to identify small scale production not with budding entrepreneurship but rather with "problems of law and order, safety, environmental degradation and loss of potential government revenue" (op. cit.:42). It is worth quoting at length from the argument in support of this contention:

Typical artisanal goldmines in Tanzania are a good example. These are up to 35m deep and workings are laid out with no knowledge of rock stability. Operators and government officials estimate a 5 per cent per annum fatality rate and an injury rate substantially higher ...

The problems are not limited to the mining site. Informal villages spring up which have little or no basic sanitary services and which often bring law and order problems. The shift from farming to speculative digging has reduced food production which threatens famine ... The greater availability of money has created pockets of inflation, putting pressure on the price of (necessities) and further impoverishing those who do not participate in mining.

In many places severe environmental side effects require urgent attention. When large numbers of artisans are working, it is common to clear the bush by burning ... thus destroying the flora and driving out wildlife. Sterile waste is piled on what little topsoil exists and streams become silted and polluted with mercury ...

Government revenues are lost because existing marketing arrangements permit sales only to the government or its designated agents ... Often a

government purchasing agent is not even geographically close to a mining area. Miners therefore deal with illicit buyers who discount the price paid by up to 50 per cent but who pay promptly in an acceptable mix of currency (op. cit.:44).

Lying behind this hostile discussion is the assumption that artisanal mining was sterilising/misusing large new sites of high potential exploitation, which could be far more profitably developed by large scale companies. This assumption provides the background to the report's proposal for a form of "regularisation" of small scale mining which involves a transfer of mining rights from the latter to large scale companies:

This is the most effective way to formalise many diggings. Once depth, falling grades or metallurgical difficulties start limiting production the small scale miner will move on. If however he can sell his rights to a mining company he may prefer to continue as an employee. In successful cases, the mine is developed more rationally on a larger scale which results in greater production, increased revenues and taxes for the government (op. cit.).

It has to be stated that the assumption described above is not supported by available evidence from most African countries. As Chachage's contribution shows, the main tendency is actually for both small- and large scale miners to be most interested in long-established mining sites, usually originally opened up and then abandoned by a previous generation of large scale companies.

Also notably absent from the document is any reference to the alleged "learning experience" function of transnational companies in relation to small scale producers. The benefits of the presence of large scale transnational companies are considered so obvious they do not need to be spelt out. It is frankly acknowledged instead that small scale and large scale mining are basically competitors over scarce resources—a competition in which the World Bank comes down firmly against the "informal sector".

Non-Governmental Organisations (NGOs)

As in the case of the informal sector, while the World Bank's (1989) discussion of NGOs adopted much of the language of their academic advocates, a gap can be detected between the tone of this discussion and the nature of the relevant policy proposals which emerge from it.

NGOs are discussed in two contexts in *From Crisis to Sustainable Growth*. The first is the report's rather thin discussion of the general "crisis of governance" affecting Africa. This is analysed in terms of an absence of countervailing power sources and means of holding the state accountable. NGOs are introduced into this discussion (op. cit.:60) partly as a means of "stimulating greater citizen involvement" (in what is not stated), but mainly as channels by which "national policy makers" may be linked to the "grassroots". The content of this link (which can be just as easily conceptualised in terms not only of democratic accountability but also patron-client relations) is not spelt out. Nor is the relation of NGOs to the overall

process of democratisation; indeed, a general discussion of the latter is conspicuous by its absence. The other context of discussion of NGOs is substantively confined to business associations "which help entrepreneurs to pool their interests and mobilise resources" (op. cit.:135-6). These, it is stated, should be encouraged as part of general support for a more "enabling environment".

It seems clear both from the 1989 report and other World Bank writings that, for the international financial institutions and other donors, while there is a serious interest in NGOs it is less in their broader socio-political functions and more in their status as alternative aid recipients to the state. Also included in the *Long Term Perspective Study* was a paper by G.B. Baldwin, a retired World Bank economist, who analyses NGO "advantages" in this respect primarily in terms of the character of their leadership, their development record, their relative flexibility and low costs, etc. Listed alongside weak absorptive capacity amongst their "disadvantages" is their apparent indifference to issues of recurrent revenue and their "political risk (fragile relation with governments)". Baldwin went on to state that "it is important to avoid the politicisation of African NGO activities" and that the "best solution" to the risk issue was that "NGOs accommodate government mainly by keeping a low profile, avoiding confrontation and collaborating selectively ... such collaboration results in a constructive blurring of NGOs and government contributions, allowing each to claim some of the credit" (ibid:97).

The Informal Sector and NGOs: Critical Academic Considerations

It is worth pointing out that in the cases both of the informal sector and NGOs, the distance between the World Bank's neo-liberal policy discourse and the neo-liberal academic one are strictly pragmatic and/or interest derived, that is, designed to give a heightened prominence to considerations of policy implementation and/or the interests which the World Bank sees itself as representing (donors in general, transnational capital, etc.). There is no acknowledgement, let alone discussion, in World Bank publications of academic contributions critical of the neo-liberal academic positions described here on the informal sector and NGOs.

No academic commentators on the informal sector in Africa today dispute the growth of new economic processes or the expansion of traditional "unofficial" ones. However, what tends to be challenged are the idealising aspects of some of the neo-liberal formulations and the resulting fudging of issues of differentiation, discontinuity and conflict. (Ironically, the World Bank's own writings show a greater awareness of this conflict dimension.)

The claim that petty trade, smuggling and black marketeering are each different aspects of a single indivisible "informal" trend with common properties is most obviously open to challenge. Whereas most informalisation implies small- or micro scale operations carried out mainly legally by virtually powerless people, smuggling and black marketeering involve often

colossal sums of money or high-value contraband being illegally traded by persons acting with the protection of the powerful. Furthermore, petty trade is primarily a mechanism of survival while smuggling and black marketeering are more means of accumulation.

It may be observed that this claim to homogeneity is underpinned by a failure to recognise the role of formal sector resources within informal sector enterprises. Middle-class part-time informals with access to government resources and contacts are clearly in a position to extract higher returns for their activities than unemployed and propertyless full-time participants. As Chew (1990) points out, for this reason middle-class entrants rarely if ever abandon formal sector employment entirely, however lucrative their "sidelines" may be. Illicit subsidy of informal enterprise may indeed be one important source of genuine accumulation within the latter.

These points also raise the need for a critical appraisal of the rigid distinction in the neo-liberal literature between "informal" activity on the one hand and rent-seeking on the other, where the latter is confined to state-based forms of accumulation. This in turn relates to the argument that informality is "endogenous" and congruent with (unspecified) indigenous values and institutions, while "rent-seeking" and statism are external in origin.

A tension worth exploring here is the exact relation of smuggling, black marketeering and related phenomena to "rent-seeking". The neo-liberal literature simultaneously sees the former as "private" and as intimately linked to the state. This comes out clearly for example in Kasfir's discussion of Ugandan magendo—which is described in one breath as "autonomous economic activity" in which the state is "merely an incidental resource" (1984:94, 85) and in the next as dependent on state institutions for supplies of foreign exchange for imports, for connivance at smuggling these in and contraband out, for generating huge mark-ups through the setting of low official prices and high exchange rates and for assistance in diversification into "legal" activities through passing new land laws. Of course, this does not exclude the possibility of a certain level of productive reinvestment of profits/rents from such operations, as MacGaffey's (1988:184–5) work on Zaire's "new bourgeoisie" shows. But even here it seems that an at least as likely destination is "export to foreign bank accounts" (*ibid.*).

The more realistic proponents of the neo-liberal position, like MacGaffey, are also more cautious about the possibilities of significant levels of accumulation from non-state connected informal activity. She and Windsperger (*ibid.*) point to Zairean small scale traders reinvesting in transport, more capitalised forms of trade and real estate. However they also argue that the classic informal sector accumulation which occurred in parts of Asia and Latin America is likely to be less common in Africa due to the absence of industrial and other "micro-enterprises" underwritten by state support, credit and the presence of a formal manufacturing sector which could supply fully-trained skilled workers and a market for products. Although it is not clear why industrial micro-enterprises should be

considered the main possible transitionally-capitalist ones, similar conclusions are suggested for Tanzania by Ærøe's (1991) work on the booming small scale construction sector. Here what is clearly absent is a significant number of indigenously-owned semi-formalised enterprises which could serve as a platform for more intensive accumulation. Part of the reason appears to be the tendency for larger/better connected actors to engage in what Ærøe calls "downward plundering", i.e. the seizure of business from small scale operators partly through the laws of competition and partly through the manipulation of social and political power. These latter contributions implicitly raise the more general issue of the differentiation of forms of accumulation, which will be returned to below.

Most of the neo-liberal literature on informality also tends to play down issues of structural change internal to the sector. The impression is given of more or less continuous expansion. While this may be true for the sector generally it is certainly not true at the sub-sectoral level. Havnevik (*ibid.*:124–78) demonstrates the tremendous expansion in productive and extractive non-agricultural activities by peasants in a cash-crop area of Tanzania during the height of the economic crisis of 1979–84. These had a predominantly survival significance and mainly involved craft or workshop production of substitutes for non-available manufactured goods (and repair of such goods still in circulation). More recent scattered evidence suggests that much of this sub-sector (e.g., production of traditional sandals, tailoring, etc.) has been eliminated through the greater availability of imported goods, and—as Chachage's contribution shows—that the most dynamic areas of current informalisation are now in natural resource exploitation and services.

The most obvious criticism of neo-liberal writings on NGOs is that it is almost entirely normative and appears to have been carried out largely in the absence of any empirical investigation. A key work of criticism here is Fowler's (1991). On the basis of evidence from a number of Sub-Saharan countries Fowler argues that NGO-state conflicts are largely conjunctural rather than structural and that the main impetus for them comes from forces within the state. These in turn are largely aroused by the perceived threat of NGO development (not advocacy) activity to the patronage networks of the state in general, or particular politicians or other individuals. This in turn explains the main emphasis of the state in its handling of NGOs, which is not suppression but requiring them to fit into state-directed, non-participatory systems of development administration, such as District Focus for Rural Development in Kenya. Insofar as they are successfully absorbed into such systems (and the evidence suggests that in most cases they are) a high degree of NGO leader-political elite interpenetration follows. Fowler goes on to argue that the tendency is for such forms of control of NGOs to be strengthened by the typical ways in which aid is supplied. Through the project form, aid moulds NGOs essentially as substitute providers of public service systems. So advocacy work is weak and is likely to remain so.

Ngau (1987) provides an example of how in such contexts NGO activities may come to weaken rather than strengthen "civil society". Under conditions of increasing political monolithism and factionalism, national and local politicians in Kenya took over the leadership of self-help organisations from upper-middle and rich peasants and formulated projects which were almost entirely "large, symbolic and non-basic" (e.g., cathedrals and stadiums). Popular participation was increasingly replaced by compulsory taxation. The overall effect was to undermine collective organisation, intensify coercion and spread cynicism.

More generally, the whole approach of seeing "civil society" as being (re-)constituted through the activities of NGOs implies that the former was more or less a *tabula rasa* prior to the rise of the latter. In works which in other respects share some aspects of the new paradigm, Berry (1990) and Bayart (1986) demonstrate the shallowness of this view. A pluralistic and heterogeneous civil society has existed alongside the state in Africa ever since the latter's colonial imposition. It has embodied forms of compulsory as well as voluntary organisation, elements of which are variously (and sometimes simultaneously) patriarchal, authoritarian and democratic. It embodies traditional alongside modern idioms of accommodation and resistance and local, regional and national institutions. Moreover, the state itself has frequently played an important role in promoting institutions now hailed as unambiguously "civil" (NGOs, traditional and religious authorities, etc.). In any case, the location of an institution in civil society tells us nothing about its political significance, which is determined rather by what it does, the nature of constituencies it represents, how it represents them, and its relation to outside forces, etc.

MERCHANTISATION OF PRODUCTION AND PRIVATISATION OF DEVELOPMENT

If the neo-liberal model for characterising economic and socio-political change in Africa is inappropriate for grasping the real changes underway, how should these be understood? The final section of this introduction attempts to extract the central theme from each of the contributions to this volume.

Merchantisation of Production

On first impression, the neo-liberal interpretation of contemporary developments in Africa is thoroughly vindicated by an examination of trends in the mining sector in Tanzania. As Chachage shows, relatively high production levels at the time of independence rapidly collapsed as the state moved in and intervened in both the production process and minerals marketing. Secondly, as the economic crisis which began in the late 1970s deepened, mining witnessed a major process of informalisation. Informal "small

scale" mining became extremely extensive by the mid-1980s, although its real proportions went unrecorded and will probably never be known. In the late 1980s a highly permissive liberalisation occurred, which coincided with a spectacular growth in officially-recorded production. Today (1994), alongside a still very substantial informal mining sector, may be found significant numbers of local and foreign companies. This indeed suggests a shift from "informal" into "formal" and "rent-seeking" into productive activities. However, the reality is very different. The latter can only be uncovered by directly addressing the issues of who is accumulating, how and with what consequences. Chachage begins his exploration of these questions through a focus on social relations in the sector.

His starting point in this respect is an elaboration of the relevant social division of labour. This is more or less common to all the Tanzanian mining areas. At the top of the pyramid are claimholders, dealers and brokers. Claimholders are companies or individuals—or in a few cases, groups of individuals—who have pegged claims (a rather complicated process) and who have bought mining licences (a relatively expensive one, costing a minimum of USD 400 per square kilometer for a Tanzanian and USD 2000 per square kilometer for a foreigner). Claims may be bought commercially or simply allocated by village government. Some big claimholders obtain larger tracts of land direct from the Ministry of Water, Energy and Minerals or through the Investment Promotion Centre. Some individual claimholders are better-off peasants, but most are urban-based businessmen, bureaucrats or ex-bureaucrats (e.g., the Mwanza Regional Development Director has a major claim in the Lake Victoria goldfield). Since the mid-1980s claimholders have been organised by the state into "Regional Miners' Associations", for the purpose of regulating other categories of mineworkers. Only a very small number of claimholders mine themselves. Most corporate claimholders do some mining on their own account, but this is not their main activity. The latter consists in letting all or part of their claims to the small scale/informal sector "pit owners" (see below), in exchange for 30 per cent of the total take, and/or a monopoly over sales by these tenants. Claimholders themselves normally employ only security guards to count what has been produced.

Companies, individual claimholders and all other miners can legally sell only to licensed dealers and their brokers. The latter act in effect as commission agents to the dealers. The nature of the licensing requirements means that dealers are restricted to the ranks of the wealthy. A dealers' licence requires the lodging of a bond of Tsh. 5 million (USD 10,000) and certified sales of at least USD 200,000 per annum. Amongst dealers are a high concentration of non-African Tanzanians. Dealers normally buy from companies, large claimholders or at auctions. Brokers generally buy from pit owners or (surreptitiously) from the miners who work for them.

The "pit owners" are not owners but lease sites from a few metres of strike length upwards. They normally provide tools, equipment and food for workers. They recruit and manage the mine labourers. A few better-off ones lease more than one pit and own relatively advanced equipment

(compressors, etc.). The great majority of "pit owners" are however sponsored, that is, their tools, food supplies and working capital are provided by others in return for a further share of the take (normally another 30 per cent). There are four main species of sponsor: claimholders themselves (who in this case end up with over half the take), dealers or brokers, urban businessmen, and women food-crop farmers. Dealers and brokers normally provide sponsorship on the basis of tied sales agreements.

The mine labourers are also paid on the basis of a percentage of the take (not of proceeds but of the actual ore/rock). There are two peripatetic groups of specialised workers—loaners (blast setters) and shorers, responsible for the architecture of pit construction. These categories have normally had some formal sector training. The rest of the labourers are diggers, working in groups of five to 20 and—in gold mining anyway—processing workers such as crushers, grinders and amalgamators.

Although the same occupational categories are present in all the mining areas, the inter-relations between them differ sharply from one area to another. In particular, differences are found in who exercises effective ownership and how they do so, how surpluses are generated and disposed of, and what the implications are for local development and social relations.

Chachage identifies two basic patterns in this respect. The first and dominant one is found in the ruby mining areas of Mahenge. Here effective control over the sites is exercised by an alliance of corporate claimholders (five Thai-owned companies) and individual Tanzanian claimholders, all except one from outside the area. These claimholders are organised into a "Morogoro Regional Miners' Association" (MOREMA) which has close relations with the district and regional authorities. The "formal sector" Thais mine themselves but mostly sublet to the small scale/informal sector pit owners. Most pit owners are dependent on broker-sponsors. Control over the sites—which basically means excluding unauthorised pit-owners or other small scale miners from them—is maintained by physical force.

The Thais generate their surpluses from their own mechanised production (which involves land clearance by graders followed by mechanical excavation and separation of stones from earth by high pressure water jets) (20 to 30 per cent of their stones), but mainly from "rent" from pit owners (70 to 80 per cent of their stones). The product is disposed of internationally, partly in triangular trade (stones are either legally exported or smuggled abroad, where they are sometimes directly exchanged for imports). The small scale/informal sector pit owners sell the remainder of the product to the dealer/broker/sponsors. The dealers also mostly dispose of their surpluses internationally.

There is little integration of ruby mining into the social development of Mahenge. About one third of local male villagers are engaged in mining, but the bulk of miners come from outside the area and live in camps at the sites themselves. There is some expansion of commercial food crop agriculture at a distance from the mining sites, but not in their immediate vicinity due to widespread land alienation to the Thais. Little or no expansion of

commerce is visible in local villages. There has been considerable destruction of the formerly very important local river fishing activity by the combined effects of pollution, warming of water temperatures and siltation—all mainly due to mechanised mining activities. The main trend in local politics is the growing popularity of *Chama cha Maedeleo Wilaya ya Ulangu*—basically an anti-mining pressure group.

More helpful than viewing this chain of developments as merely an instance of the “regularisation” of informality is to see it as an instance of a specific form of capital accumulation. Here it is useful to recall Lenin’s (1896) distinction between a “Junker” route to capitalist accumulation (op. cit.:193–254), in which former feudal landlords with the help of the state retained their huge estates and converted themselves into capitalist farmers—but on the basis of retaining bonded labour and labour extensive forms of extraction; and an “American” one (op. cit.:71–192), where resource-poor settlers with free access to land due to a land reform which they had themselves struggled for, and practised a more highly dynamic labour intensive agriculture in which some became capitalists and others labourers. The form of capitalist accumulation in Mahenge resembles the Junker one in important respects. Accumulation is dependent on a state connection for claimholders’ entry and maintenance of position (as monopolists of land/partial monopsonists of sales); it involves the use of a mechanised technology, but in a labour extensive way; it restrains local differentiation; it is not associated with local reinvestment; it supports only limited accumulation in supporting sectors; it plunders local nature, and it depends for its reproduction on restrictions on political democracy (prevention of conditions under which a more equitable distribution of claims can be organised for). However, the “ruby” route also differs in one highly important way from the Lenin’s Junker route. While the existence of semi-tied labour is a feature of both, in the “ruby” route this tying is based on freely-entered into contracts rather than extra-economic coercion and exploitation occurs mainly in exchange (which, however, is not itself free) rather than in production. Coercion is present in the exchange relation, but mainly deployed to defend capitalist property rights from those with whom no contractual relations have been entered. In other words, the central feature of this accumulation form is the semi-free articulation of (small scale/informal sector) production with merchant (supposedly “large scale”) capital, whether this is the capital of corporate claimholders who double as dealers or regular dealers themselves. The domination of the mining areas by this accumulation form does not at all involve a transition from “rent-seeking” to productive modes of operation. Indeed, it rather involves its opposite—a “merchantisation of production”.

Privatisation of Development

Similarly to Chachage’s, Kiondo’s contribution at a superficial glance suggests support for the neo-liberal thesis. It demonstrates a vast expansion of

"voluntary sector" activity, by community development groups and by NGOs, corresponding to a decline in centrally-provided social provision and political power. However, on closer examination the main feature of this expansion turns out to be not an expansion of public accountability and genuinely participatory development but rather a privatisation of development in various forms.

Three main forms of development privatisation may be identified from Kiondo's account. The first and most novel is the rise of non- or only very narrowly accountable bodies as the main providers of public goods. These include private capitalist undertakings providing some health services in Ilala; new (i.e., non-Christian) ethnic or religious "community"-based education and health providers in many areas; the further assumption by certain of the latter of generalised charity functions (provision of free food and clothing to "their" communities); and the takeover of education and health provision for employee/client groups by corporate actors of various kinds, both private, parastatal and governmental (e.g., the Army and Prisons Service). However, its two most important guises are the ongoing "donorisation" of important social services in many areas, and the direct takeover of formerly local government functions by privately-run trusts and foundations in both these and others.

Like (Christian) "community" provision of social services to client groups, donorisation is not exactly a new phenomenon. What is new is that in the present situation, despite claims to the opposite, it is almost impossible to hope that the projects concerned can ever be locally fully financed. This is less a question of their scale, which remains more or less unchanged, than the steady collapse of most local revenue-collecting authorities. This is only a part of a more general collapse of local state capacity, which another aspect of donorisation in fact directly contributes to. This is the employment by donors of local authority staff, on the basis of special "allowances", supposedly to indigenise/promote local ownership of the donor projects. This practice leads to a concentration of the most able local authority staff on basically non-local authority duties.

Kiondo's research shows that local authority staff are typically "seconded" to another type of local development institution also. This is the District Development Trust/Fund/Foundation. These funds have normally been regarded as Tanzanian versions of Hometown Associations, and indeed they continue to share some characteristics of the latter. But unlike West African Hometown Associations they have become the main authorities levying local taxes and cesses in some parts of rural Tanzania. In Hai, local funds collected local taxes and cooperative society cesses, in Newala and Kondoa they collected development levy and in Bukoba they collected crop cesses. Despite this, each of these organisations was essentially privately-run, and the mass of the local population was excluded from any influence over them. Sometimes this occurred informally, sometimes it was formalised with voting powers restricted to card-holding "members" resident outside the "home" area.

A second form of privatisation which Kiondo's research identifies is the constitution of "development providers" in a private commercial mode, that is, as individual enterprises. The great bulk of "grassroots" voluntary development organisations turn out to be business operations constituted on a semi-cooperative basis. In Ilala, trading activities predominated, in Hai what by Tanzanian standards can only be called big business activities did so. Here some "community development groups" had entry fees which prohibited the participation of most local women, budgets of up to USD 70,000 per annum and made profits of up to USD 34,000 per annum. Besides entry fees, these organisations were heavily dependent on external resources.

Overall, probably around one half of all community development organisations were linked to external donors/sponsors/patrons. The normal form of assistance they provided to the groups was capital in various forms (e.g., capital equipment or cash).

Some of the Funds/Trusts/Foundations also had private business undertakings as an integral part of their activities. The Newala Development Foundation operated a commercial minibus service in "partnership" with its main patron. It was also sponsoring a "community bank" which was empowered to lend money outside the community. The Kanyigo Development Association in Bukoba meanwhile ran a petrol station, ostensibly as a means of financing its provision of a local secondary school.

It could be added that such forms of privatisation have also creepingly affected public sector provision. For example, parental contributions/supplements to public education are now very extensive indeed. At primary school alone parents are supposed to pay Universal Primary Education Tax (although probably only a minority do), non-voluntary contributions to buildings and furniture and registration fees of different magnitudes. These probably amount to around TSh. 5000 (USD 10) per pupil per year, even before costs of school uniform, personal equipment, books, transport, etc. are taken into account. Better-off parents also invariably pay fees for private tuition and transfer costs to "better" schools.

A third form of privatisation of development activities was the articulation of "development providers" to the private economic or political ends of certain individuals in the different organisations, or closely associated with them. The commonest type of association here was the articulation of these organisations as client groups to a particular patron, who then used them for his or her own ends. Of course, this did not exclude the possibility of more general benefits becoming available in the process.

"Grassroots" community development groups tended to be patronised by a variety of institutions or individuals. Some were dependent on northern NGOs (NNGOs) or individuals in them, some on bilateral donors or their individual employees and some on individual politicians. Of course, individual careers in both NNGOs and bilateral aid agencies have been becoming increasingly tied to establishing "successful" links of precisely this kind. Tanzanian politicians at the highest level were also found taking an active interest—and making substantial investments—sometimes

in groups which on the face of things seem unlikely to have been particularly influential. Community development groups might also be directly articulated with private financial gain by individual members or sponsors. Kiondo provides a graphic example of the attempted "hi-jacking" of a number of groups in Tanga in this way.

Mention has already been made of how the same phenomenon is visible in certain Trusts/Funds/Foundations. Here one can distinguish between individual and conjunctural articulations of such bodies to private ends, and structural articulations. One or two examples of the former have already been provided. Another is the way in which the Newala organisation's collection of crop cess allows private accumulation based on cheating by local large scale traders. More structurally, the Trusts/Funds/Foundations tend to collectively benefit "hometown" politicians and businessmen in status/prestige terms. At least two funds which Kiondo discusses, and possibly a third too, were set up specifically to build political constituencies. Economically as well there are structural benefits for certain groups. The local elite's education costs seem everywhere to be subsidised through them. In fact, a not entirely cynical position would be to see these bodies as mechanisms for taxing the mass of the population in order to provide services which will only ever be consumed by the local middle class. These are of course exactly the terms of the critique of the social welfare dimensions of the post-colonial state (basic foodstuff subsidies, etc.) advanced by neo-liberals; but for neo-liberalism "voluntary" development is supposed to be in some way morally superior.

Of course, like liberalisation generally, there are some general benefits arising out of these trends. Some people are provided with incomes and /or services which otherwise might be absent. But a number of negative consequences may also be identified. The first of these is that state capacity has been further eroded by them, mainly through the officially-condoned and donor-led diversion of scarce financial and human resources to non-state organisations. A second is that there has been a general strengthening of the power of local elites through these changes. This is positive insofar as these elites are obliged to begin undertakings which may have some wider benefits, but negative insofar as it opens up opportunities for them to broaden the scope of their extractive activities and to monopolise political "gatekeeping" functions. A third is that associated with this there are some signs of an ethnicisation of social development. In Kondoia it seems that different ethnic elites are setting up their "own" funds, and the hint of a similar trend is present in Bukoba. Finally, there seems a well-established tendency for the privatisation of development to be associated with an intensification of existing regional disparities. The best-resourced communities (which generally means those which benefited most from missionary presence) are in the best position to promote their own development, win the presence of NNGOs and bilateral donors, and so on. The main countervailing trend here is the equally disturbing—but so far limited—one of Middle Eastern "NGOs" and donors picking up hitherto neglected Muslim areas.

Some Countervailing Trends

It would be one-sided to present the merchantisation of production and the privatisation of development as the only, as opposed to the dominant, trend which can be identified from Chachage's and Kiondo's contributions. There are also important—but subordinate—countervailing trends in both sectors.

In the case of mining, one could say that there is a *systematic* countervailing trend. This compromises an alternative form of capitalist accumulation, close or identical to Lenin's "American road". At the country's main tanzanite mining site (Mererani), effective control over 75 per cent of the claim area is exercised as elsewhere by corporate claimholders (one junior British company, two companies owned by non-indigenous Tanzanians). The other 25 per cent was after 1991 controlled by the small scale /informal sector producers. This occurred through the local pit owners infiltrating and capturing the claim holders' organisation, the Arusha Regional Miners' Association (AREMA) which had been awarded the 25 per cent block and intended to exploit it through the formation of a private company. The pit owners, through AREMA, have subsequently tried to invade/capture a further 25 per cent block, which is now defended for its corporate owner by the Tanzanian National Service.

Even more than in Mahenge, corporate claimholders in Mererani generate surpluses almost exclusively from rents to pit owners, and tied sales agreements with them. Probably 90 per cent of total production on corporate-owned sites is smuggled out and disposed of internationally. On the claim collectively held by AREMA, pit owners retain 90 per cent of their takes, paying a rent to AREMA of 10 per cent for general services. They organise auctions to market their product collectively. Of course, they also smuggle stones out of the country for sale, but the proceeds are normally brought back in cash. Surpluses tend to be disposed of in investment in mining equipment (15 of the 90 pit owners had compressors) or in local non-mining activity.

As a result of the latter, and in sharp contrast to Mahenge, Mererani had been transformed into a "mining village". There had been a vast expansion in commercial activity and investment in transport. A "labour aristocratic" rental quarter has emerged, alongside another slum one. There was a significant expansion of commercial agriculture in neighbouring villages. Some farms here had been purchased by pit owners. The latter were also subscribing substantially to the construction of a self-help secondary school. AREMA dominated village government and was using the latter to try to win back land allocated to outsiders.

If events in Mahenge betray the existence of a "ruby" route to accumulation, then those in Mererani suggest the existence of an alternative "tanzanite" one. Here accumulation by small scale/informal sector operators was taking place—accumulation which however was dependent on collective organisation for entry and both collective organisation and competitive efficiency for possible expansion. As a form of accumulation it was

rooted in exploitation in the production process rather than trade. An albeit inferior technology and larger labour supplies were used intensively, resulting in significant levels of internal differentiation. There were considerable levels of small scale investment in the direct locality, some of which was supporting accumulation in agriculture, commerce and crafts. Some limitations to the plunder of nature were being observed. Finally, the expansion of this accumulation form depended on the extension of political democracy.¹

Countervailing trends on the social development front were less systematic and coherent. A few "advocacy" NGOs were present, notably in Dar es Salaam, as were a few rural community development groups which were not entirely economic in their orientation or which had a circle of beneficiaries wider than their own memberships. There were also examples of patronage of such groups where the patron either sought not to or was unable to significantly benefit from his / her ties to the group. At another level there were also signs of a few public bodies emerging as providers of new services: village governments had begun organising nursery schools in Newala, for instance.

But more important was evidence of struggles at a number of levels and from a number of different sources against the privatisation of development, or at least for some more popular form of development. In Tanga, groups of women and peasants were struggling either for real freedom to organise independently of CCM or for a new leadership of existing cooperative unions. A state official in the same district played an important role in blocking the formal privatisation of some village cooperative projects. Others in Mtwara were resisting the total by-passing of regional government by the Newala Development Foundation. The latter was also being opposed by groups of workers being obliged to pay taxes to it. However, in all these latter cases, privatisation does not appear to have been opposed in principle, nor was any alternate social or political project implied—unless it was a return to a statist one. Hence amongst the major issues facing critical social scientists in Tanzania today remains the construction of alternative state and non-state social development projects, as well as their linking to already-present alternative economic development projects.

¹ Unfortunately there are also countervailing trends in the Mererani case. The Dar es Salaam-based *Business Times* reported early in 1995 that the part of the Mererani site controlled by AREMA had been reallocated to a new district council, founded through the subdivision of an existing one. AREMA was disputing this allocation (*Business Times*, 2 February 1995).

REFERENCES

- Ærøe, A. (1991). *Rethinking Industrialisation: From a National to a Local Perspective*. Handelshøjskolen, København, Ph.D. Series 7.91.
- Bayart, J.-F. (1986). "Civil Society in Africa", in P. Chabal (ed), *Political Domination in Africa*. Cambridge University Press, Cambridge.
- Berry, S. (1990). "De Facto Democratisation: Some Reflections on Rural Development in Africa", in Carter Centre African Governance Programme, *African Governance in the 1990s*, Conference Reports Series Vol. 1. Emory University, Atlanta.
- Bratton, M. (1989). "The Politics of Government—NGO Relations in Africa", *World Development*, Vol. 17, No. 4.
- Business Times*, Dar es Salaam.
- Chew, D. (1990). "Internal Adjustments to Falling Civil Service Salaries: Insights from Uganda", *World Development*, Vol. 18, No. 7.
- Daily News*, Dar es Salaam.
- Diamond, L. (1987). "Class Formation in the African State", *Journal of Modern African Studies*, Vol. 25, No. 4.
- Economist Intelligence Unit (various years). *Tanzania Country Profile; Tanzanian (Quarterly) Country Reports*. London.
- Fowler, A. (1991). "The Role of NGOs in Changing State-Society Relations: Perspectives from Eastern and Southern Africa", *Development Policy Review*, Vol. 9, No. 1.
- Fozzard, P. (1989). "Mining Development in Sub-Saharan Africa: the Level of Investment and its Relationship to the Enabling Environment". Paper given at Mineral Exploration Programmes Conference, Madrid.
- Gibbon, P., K. Havnevik and K. Hermele (1993). *A Blighted Harvest? The World Bank and African Agriculture in the 1980s*. James Currey, London.
- Global Coalition for Africa (1992). *Annual Report, 1992*. Global Coalition for Africa, Washington.
- Havnevik, K. (1994). *Tanzania: The Limits to Development from Above*. Scandinavian Institute of African Studies, Uppsala.
- Hermele, K. (1992). "Stick and Carrot: Political Alliances and Nascent Capitalism in Mozambique", in P. Gibbon, Y. Bangura and A. Ofstad (eds), *Authoritarianism, Democracy and Adjustment: The Politics of Economic Reform in Africa*. Scandinavian Institute of African Studies, Uppsala.
- Hyden, G. (1990a). "The Changing Context of Institutional Development in Africa", in *World Bank Long Term Perspective Study of Sub-Saharan Africa: Background Papers, Volume III, Institutional and Sociopolitical Issues*. World Bank, Washington.
- Hyden, G. (1990b). "Creating an Enabling Environment" in op. cit.
- Joseph, R. (1989). "Governance in Africa", in Carter Centre African Governance Programme, *Perestroika without Glasnost*, Conference Report Series, Vol. 2, No. 1. Emory University, Alabama.
- Kasfir, N. (1984). "State, Magendo and Class Formation in Uganda", in N. Kasfir (ed), *State and Class in Africa*. Frank Cass, London.
- Lenin, V. I. (1896/1967). *The Development of Capitalism in Russia*. Progress Publishers, Moscow.
- MacGaffey, J. (1988). "Economic Disengagement and Class Formation in Zaire", in Rothchild and Chazan (eds), op. cit.
- MacGaffey, J. and G. Windsperger (1990). "The Endogenous Economy" in *World Bank Long Term Perspective Study*, op. cit.
- Ngau, P. (1987). "Tensions in Empowerment: The Experience of the Harambee Self-Help Movement in Kenya", *Economic Development and Cultural Change*, Vol. 35, No. 3.

- Rothchild, D. and N. Chazan (eds) (1988). *The Precarious Balance: State and Society in Africa*. Westview, Boulder.
- Stein, H. (1991). "Economic Policy and the IMF in Tanzania: Conditionality, Conflict and Convergence", in H. Campbell and H. Stein (eds), *The IMF and Tanzania: The Dynamics of Liberalisation*. SAPES Books, Harare.
- Sunday News*, Dar es Salaam.
- Svendsen, K. E. (1986). "The Creation of Macroeconomic Imbalances and a Structural Crisis", in J. Boesen, K. Havnevik, J. Koponen and R. Odgaard (eds), *Tanzania: Crisis and Struggle for Survival*. Scandinavian Institute of African Studies, Uppsala.
- United Republic of Tanzania/Scandinavian Institute of African Studies (1994). *Presidential Commission on Land Matters in Tanzania*. Two Volumes. Uppsala.
- World Bank (1989). *Sub-Saharan Africa: From Crisis to Sustainable Growth*. World Bank, Washington.
- World Bank (1992a). *Trends in Developing Economies*. World Bank, Washington.
- World Bank (1992b). *Strategy for African Mining*. African Technical Department, Technical Paper No. 181. World Bank, Washington.

The Meek Shall Inherit the Earth but Not the Mining Rights

The Mining Industry and Accumulation in Tanzania

Chachage Seithy L. Chachage

Thailand has the reputation of being one of the largest suppliers of cut rubies (80 per cent) and sapphires reaching the world market. Besides being mined in Thailand, gems are smuggled in from neighbouring Cambodia and Burma or from other countries. Early in the morning, it is said, the main street of Bo Rai (a small town in south eastern Thailand) is crammed with trusty steeds which have carried hundreds of people to engage in the buying and selling of uncut rubies. There are about 50 murders a year in this little town and its environs, the only place in Thailand where the police carry automatic rifles.

A substantial amount of these rubies and sapphires come from Tanzania. One of the major ruby producing districts in the latter is Ulanga district (Mahenge) in Morogoro region, an area covered by relic forest reserves and woodlands with several river valleys, seasonal streams and perennial rivers draining water to Luhombero river in the east. Within Ulanga, one of the settlements which has been heavily invaded by miners is Lukande, 15 km south east of Mahenge town.

On 29 January 1993 at around 4.00 p.m. one Tanzanian miner was shot dead and two others were injured by two Thais from Tom Mines at Lukande. The episode began with accusations that Tanzanian miners were mining illegally in the areas licenced to the Thais. Way back in October 1992, Hon. Augustine Mrema, the Minister for Home Affairs, had visited the area. Miners had informed him that it was difficult for Tanzanians to mine as most of the areas had been given to Thais. Allegedly Hon. Mrema told the miners to work in one of the areas (it was to be named after him) and get themselves a claim as soon as possible. This was the area in which the fracas occurred.

As soon as Mrema left, the miners went to work. The area proved to be very productive. When the small miners decided to peg a claim for the area, the Zonal Mining Officer in Morogoro told them categorically that they could not have it, since it belonged to somebody else. Soon after, the District Commissioner visited them and repeated the same message. The miners refused to accept the position. The District Commissioner then threatened that if the miners continued to behave the way they were doing, they would have to face the consequences.

These did not take long to materialise. By December 1992 the road to Mahenge was blocked using the Thais' machines but under the direction of the district authorities. In this way the miners were cut off from all supplies, including medical facilities. The road was reopened only after friction and threats between the Thais and the local miners. The Thais claimed that they were simply implementing a district authority directive.

A day before the shooting took place the District Commissioner had announced that all local miners without claims had to clear the areas within three days. After the shooting, the police went to the local miners and started harassing them on the pretext that they had to show the exact place where the miner had met his demise. The Thais concerned (Prichan Chan and Ton Ina) were supposed to be taken to court. At the same time, the radio reported that the deceased person was a Kenyan who was in the area illegally. The way the news was reported suggested that this justified the killing.

In fact the deceased, Hussein Matonya (39 years old) hailed from Dodoma (central Tanzania) and one of the wounded, Jumanne Ibrahim (22 years old) hailed from Morogoro town. The miners decided to give Matonya a proper funeral in Mahenge town rather than bury him in the forest. They also wanted to make the district authorities aware of the outcome of the latter's own threats to the miners. About 4,000 people from the mining settlement thronged Mahenge town with the cadaver and took it to the mortuary in the District Hospital, before going to the Chama Cha Mapinduzi (CCM) office where they asked the Chairman to permit them to sleep. The Chairman allowed them to do so. Food was provided by "brokers" (unofficial mineral dealers). At six o'clock in the evening, the miners lowered the party flag following all the rules. They raised it the next morning in the same manner.

The burial took place late in the afternoon. Just as the funeral was finishing the paramilitary Field Force Unit (FFU) arrived from Ifakara town (about 80 km north of Mahenge town) and ordered the town's residents and traders to remain inside their houses or close their shops, claiming that there was a "state of emergency". All means of communication (including telephone services) were cut off to make sure that the outside world was not informed of what was happening. Officially, the FFU came to quell rioting miners who had stormed the town, and were causing havoc there. It was alleged that the miners had forced themselves into the CCM office, insultingly lowered the party flag and used it as a bed-sheet.

Although it was very late, the miners were ordered to evacuate the town immediately. A lot of them were hurt on the way, as they had to walk in the dark. Within a few days, some of the "brokers" were accused by the authorities of instigating the miners behaviour and were remanded in custody. Above all, they were told to stop meddling with the case of the Thais as it was none of their business. To date no further action has been taken by the authorities. It is said Hussein Matonya was a second victim. Another person had died earlier under similar circumstances.

The story did not end there. Systematic harassment of the small scale miners by the authorities now became the order of the day. This culminated in the razing of the miners' camp at Kijiweni ("jobless corner" in Swahili slang) which was alleged to harbour criminals. The destruction was carried out by the police in collaboration with Morogoro Regional Miners Association (MOREMA) and the Thais, who provided the graders and the labour for the task. Soon afterwards the miners built another camp called Mazimbu—the name of the South African National Congress (ANC) refugee camp in Morogoro.

While the Thais displayed a willingness to provide graders for such tasks, and even for work on one or two roads in the district (one of them going to the District Commissioner's house) as part of their contribution to district "development", in the company of the Zonal Mining Officer they meanwhile refused to help a dying person with medicine or transport. The Zonal Officer had come to visit the Thais. He categorically told the miners to go to hell as nobody had asked them to stay in the forest.

Many mining areas in Tanzania have similar stories to tell—from Ruvuma and Rukwa to Dodoma, Shinyanga and Mwanza, from Arusha to Tanga and other regions, especially since the late 1980s when many foreign companies started taking over areas which were being worked by local small scale miners.

THE POLICY ISSUE

A substantial transformation of official attitudes towards private investment in the mining sector and natural resources in general took place in Sub-Saharan Africa in the late 1980s. It is now generally accepted by most governments that large scale private investment in non-ferrous metals and gemstones is necessary if any meaningful development of the sector is to take place. The adoption of Structural Adjustment Programmes (SAPs), advocated by the World Bank since the early 1980s, were instrumental in this change of attitude in many countries. One of the cornerstones of such programmes was that governments should adopt measures to make their countries more attractive to foreign investment generally.

The World Bank is of the view that recent experience in mining in Africa has been marked by inefficiency, stagnation and loss of markets, caused by low levels of private investment. The latter has been scared off by state ownership, restrictions and controls over mining, cumbersome regulatory procedures, unattractive taxation arrangements and unstable macro-economic performance. Sub-Saharan Africa, it is stated, missed the benefits of the boom in prices of minerals in the 1970s–80s. Accordingly, it needed to create an "enabling environment" for the mining industry which would make possible a new type of partnership between foreign private mining companies which have the capital and expertise and host governments:

Taking a minority interest in new ventures is sufficient for governments to keep abreast of mine developments and protect national interests. All this will require African governments to rethink their roles and their policies for the mining sector. The main elements of an enabling environment relate to foreign exchange regime, taxation, repatriation of profits, and the regulatory and institutional framework. By financing specialised advisory services, the donor community could help African governments to negotiate technically sound and fair mining agreements. (World Bank, 1989:122)

The World Bank argues that there are vast opportunities in the world market especially in gold, diamonds, gemstones, industrial minerals and rare earths. Successful harnessing of these resources will be possible with the involvement of foreign private corporate interests.

The "Ghana miracle" of gold production since 1986 is depicted as the best example in Africa of a successful implementation of such prescriptions. According to the World Bank, Ghana's gold production rose from 277,000 ounces in 1983 to 400,000 ounces in 1989 (and later to 1.2 million ounces in 1993) because it was able to attract foreign investment and managerial and technical expertise. It had done so by introducing a new mining code, taxation rules and a regulatory framework which were attractive to foreign investors (*ibid*:127).

Such policy reforms have also been introduced in Tanzania. This study tries to establish and examine their consequences. In the process it also attempts to critically consider the more general appropriateness of the assumptions underlying the current policies of the World Bank. The consequences of its shift in policies remains unexplored in the existing literature. So too, incidentally, do those of its previous policies which supported certain forms of state ownership or stood for "equal partnership" between governments and foreign companies—a policy which is now held responsible for the decline in private investment and production. In any case, all claims to the effect that there was a decline in mineral production are based on official statistics excluding all so-called "artisanal" activities which, for example, account for over 40 per cent of gold production in Africa.

Observable trends in new investment in the sector do not support the World Bank's optimism. It has been noted that "newly liberalised investment codes have not precipitated a rush by private companies and the investments that have been made have tended to be cautiously selective both in terms of countries and commodities" (Andrews, 1991:50). Ghana's meteoric gold boom, whatever its relation to a more "enabling environment" cannot be generalised to all countries in Africa given the specificity of Ghana's geology, its history of large scale mining investment and the extremely high levels of donor support for its structural adjustment process. Moreover, almost all the recorded increase in production there comes from a single company, Ashanti Gold Fields, which was already present prior to 1982–83.

SOME THEORETICAL ISSUES

Economic liberalisation and the operation of market forces, rather than use of the state to determine the allocation of resources, which were being resisted by the Tanzanian government in the late 1970s on the pretext that they endangered its "socialist" policies and industrialisation programme, were by the early 1980s being supported by local economists and some sections of the government bureaucracy. This support was justified ideologically in terms of defense of the welfare of the peasants. It was also consolidated by studies of the "informal sector" or "second economy". These studies were conducted to account for the way the poor people coped with the crisis and to show that there was an already existing platform for "dynamic private economic activity" in Tanzania. They concluded that there were a host of activities outside official circuits in which people were engaged, which provided them with survival and even accumulation mechanisms as entrepreneurs or low income earners, given the failure of the official economy to provide sufficient commodities and income earning opportunities (Bagachwa, 1981, 1982). Unrecorded mining activities were regarded as part of the "second economy". According to these local economists, as the Tanzanian government stubbornly stuck to "socialism", activities in the second economy grew at an annual (nominal) rate of 31 per cent between 1978–86 as opposed to the 19 per cent annual growth for official GDP in nominal terms (Malyamkono and Bagachwa, 1990). Such studies also estimated that the sector was employing 23 per cent of the total estimated labour force (10.3 million) by 1991.

Certain authors, for example, Tripp (1989:45–6), are of the view that individual strategies for survival and pressure "from below through a parallel marketing system ... laid the basis for many of the liberalisation measures that the state adopted later". Therefore the "informal economy" was a catalyst for change as it forced an involuntary "redefinition of the boundaries of state control". Liberalisation involved the state gradually recognising that "(real) way people go about procuring their livelihood", and at bottom, involved a necessary and inevitable political acceptance and harnessing of popular economic activities.

Others, particularly MacGaffey (1983, 1987, 1991), Kasfir (1984) and Rothchild and Chazan (1988) have further implied or claimed an essentially political role for the "second economy" and the class formation in African societies associated with it. The "second economy" is seen as an "initiative from below", and as autonomous from and even antipathetic to state-based economic activity. The latter is depicted as essentially parasitical, while the former is held to lead to the development of productive enterprise.

As noted by Bangura and Gibbon (1992:15), one of the major problems with this position is that it "posits two contrasting models of resource allocation with different structures of opportunities—one based on state interventions leading to price distortions and economic rents for a privileged few; and a second based on free competitive markets which allocate

resources optimally". In other words, this position is dualistic and, ironically, itself state-centred. What it fails to grasp are the multiple linkages between the "first" and the "second" economy on the one hand, and the uneven and often contradictory forms of economic relations found in the "second economy" on the other.

While the "first" and "second" economy can be analytically distinguished, in practice they are interwoven in a single system. The "second economy" is dependent on the "first" most obviously in the sense that the latter provides its operations with gigantic subsidies, for example in the utilisation of government resources of various kinds for private ends. Successful "entrepreneurship" in the second economy, as opposed to mere survival, tends to depend on the manipulation of both official connections and private opportunities. It definitely does not depend on the strength of some "moral" choice between state and non-state "alternatives".

But more problematic than this is the suggestion of MacGaffey and others that the "officialisation" of the second economy, and its linking to foreign direct investment through a removal of state controls, will lead to spontaneous and harmonious growth. It has already been indicated that the "second economy" comprises both a mass of survival and a small minority of accumulation activities. It should also be pointed out that it embraces further sets of oppositions too. One of these is that already mentioned between the relative presence and absence of linkages to the state. Another is the further related one between sets of activities characterised by fierce internal competition and sets of activities characterised by monopoly. For monopoly or near-monopoly conditions may reign in parts of the second economy just as much as in the first. Indeed, it is arguable that the "second economy" probably actually conceals a "third", "fourth" and "fifth" economy, made up respectively of survival activities, accumulation activities occurring under competitive conditions without a state connection, and accumulation activities occurring under monopoly conditions with a state connection.

Economic liberalisation involves a "freeing" of each of these economic forms, as well as the arrival on the scene of foreign direct investment. The latter also comes in all shapes, sizes and possible forms. Given that it itself only enters through the establishment of state connection, its relations with state and ("first" and "second" economy) state-linked monopolies are likely to be negotiated and harmonious. On the other hand, its relations with local ("second economy") accumulation activities—and in some cases survival activities—occurring under competitive conditions without a state connection, may be antagonistic.

While different monopolistic capitals (local and foreign) may be able to resolve their differences amicably, it is likely that both will find most interesting those sectors where it is already possible to make a profit under non-monopoly conditions. Hence economic liberalisation is likely to signal increased conflict over sites of accumulation. Mining, for example in Tanzania, provides a graphic example of this process. Although established for some decades, small scale "artisanal" mining has increasingly provided

a site for both popular survival and some limited accumulation activities under competitive (although not always strictly competitive) conditions. This has been inadvertently aided by the incapacity of the state to properly organise its own mining operations or effectively regulate small scale miners. However, since economic liberalisation *officially* occurred in 1986, "Investment Promotion" has become a major priority. In effect, this means selling off mineral rights to foreign companies. As will be seen, in general only a certain kind of foreign company has been attracted. What has tended to attract those which have come is less Tanzania's uncharted mineral wealth, and more the resources currently being exploited by precisely the small scale miners. This study traces the process involved and the maze of contradictory changes which have followed.

STRUCTURAL ADJUSTMENT AND THE PLUNDER OF MOTHER NATURE IN TANZANIA

Although much of Tanzania's economic performance in the 1960s and 1970s was apparently satisfactory, with a balance of payments surplus up to 1977, signs of difficulty were present from 1973 onwards. By 1980 these difficulties had reached crisis proportions. GDP growth, which had been declining, became negative during the period 1981–83. Cash crop production, which had been on a downward trend for almost a decade, slipped further. Officially marketed food production, which had been rising, also went into decline. As a result of reduced export earnings and higher import bills, persistent and growing balance of payments and budgetary crises were generated. By 1980 the value of exports was equivalent to only 43 per cent of imports and the trade gap exceeded Tsh. 6 billion. Foreign reserves which peaked at USD 281.8 million in 1977 fell to USD 20.3 million by 1980 (equivalent to coverage for less than one week's imports). Inflation rose sharply, to around 30 per cent per annum, and industrial capacity utilisation fell to between 20 and 30 per cent. The result was an acute shortage of most basic consumer goods, with shops virtually empty by 1982 (Stein, 1992:5).

From 1978–79 onwards, Tanzania attempted to negotiate balance of payment support from the International Monetary Fund (IMF) and the World Bank. The IMF set preconditions, especially concerning devaluation, which the government refused to accept. However, the effect of not coming to terms with the international financial institutions was eventually that Tanzania was obliged to undertake a basically similar programme of adjustment without external support. From 1983 state expenditure was reduced across the board and a series of devaluations were initiated. Simultaneously, efforts were made to control the growing wave of parallel market activity, which had sprung up in response to shortages and to low returns in the formal economy. With the signing of the IMF accord in 1986 external assistance increased from USD 287 million (1985) to USD 680 million (1986).

Over the decade since welfarism was officially replaced by adjustment, the government has liberalised crop marketing and the distribution of most inputs, deregulated exchange and interest rates and dealings, removed all forms of subsidies and price controls, introduced user-fee charges for most services and thrown the country's doors open for foreign investment. In some cases this has led to fundamental changes. Deregulation of exchange rates, for example, saw the Tsh. decline from 8 to the USD in 1980 to 17 in mid-1985, to 155 in 1989 and to 500 by early 1994. Similarly major changes have occurred in some relative commodity prices and in the proportion of state budgets going to the social sector. On the other hand, the state marketing and distribution system underwent little change until comparatively recently.

Despite the major injection of new external funding, economic performance since agreement was reached with the international financial institutions has been mixed. GDP growth has averaged between three and four per cent. The best performance was between 1986 and 1989, however. Amongst the export crops, only cotton has shown a clear improvement in production levels, and even this has fallen back recently. Food crop production fared much better, especially in the case of the major staple, maize, whose sales in 1988–89 were 80 per cent higher than in 1981–82 and 25 per cent higher than in 1984–85. Industrial capacity utilisation has also seen some improvement, rising from 26.5 per cent in 1986 to 32 per cent in 1988–90, but is still below the levels attained in the 1970s. From 30 per cent in 1982, inflation dipped to 20 per cent in 1989 but has since increased to 27 per cent (1993).

Beside the more predictably "difficult" areas of maintaining popular living standards and public investment, attaining adequate export growth has been a serious problem throughout the liberalisation process. Much of the post-1986 growth in the Tanzanian economy appears to be the result of the recording of previously "second economy" activity or the effect of the reappearance of incentive goods, on the basis of "own funds imports" and donor support for the Open General Import Licence. But a continuing problem has been that of generating the levels of foreign exchange earnings necessary for sustained long term growth.

As has been noted, at the outset of the crisis in 1980, exports covered 43 per cent of import requirements. By 1985, they covered less than one third. Under structural adjustment the position has actually worsened. Exports financed only 28 per cent of imports in 1992 and 25 per cent in 1991 (Economist Intelligence Unit, *Tanzania Country Profile*, various years). The balance of payments position has deteriorated correspondingly. On the other hand, within this single trend, other important sub-trends should be noted. The first is a general stagnation in traditional as opposed to so-called "non-traditional" exports—mainly manufactured and semi-processed goods; minerals; forestry and marine products; and services such as tourism, etc. Table 1 shows the trend in the growth rates of major traditional exports.

Table 1. *Growth rates of volumes of exports, 1961–1990 (%)*

Commod/yr	61-90	61-66	67-74	75-80	81-85	86-90	81-90
Coffee	1.5	14.7	0.5*	-2.8	-8.6*	6.0*	-2.0*
Cotton	-1.2	19.3	-1.7*	-7.5*	-16.9	8.3*	2.9*
Sisal	-11.9	-0.6*	-9.2	-15.5	-34.8	-2.1	-21.51
Tea	4.4	10.7	6.9	4.9*	-6.4*	7.9*	-1.8*
Tobacco	8.9	32.3*	7.9	18.8*	-14.7*	-4.8	-1.7*
Cashewnuts	-6.8	10.1	7.3	-22.8*	5.4*	-19.6*	-10.2

* Not statistically significant at 5 %

Source: Luvanga and Musonda, 1992.

Traditional exports fell from around 70 per cent of all exports by value in 1981–86 to about 46 per cent in 1990–91 and 41 per cent in 1991–92. Therefore 54 per cent and 59 per cent respectively of total exports came from non-traditional sources in the latter two years. Earnings from non-traditional exports decreased from USD 242 million in 1980 to USD 86 million in 1986 but a substantial recovery took place from 1987 when they accounted for USD 146 million. Average annual growth in the export value of these goods in the period 1986–90 was almost 24 per cent (*Tanzania Economic Trends*, Vol. 5 Nos. 1 & 2 1992, Table 6a).

A second sub-trend is that the “success” of non-traditional exports is only a relative one. The absolute levels attained in the late 1980s have not been consolidated and in the last few years have actually slipped. Indeed, if it was not for the officialisation of the gold and gemstone trades, non-traditional exports would have fallen back to their 1987 levels.

However, all these figures should be taken with a certain amount of scepticism. There is strong reason to believe that certain forms of “non-traditional” economic activity have been not only consistently under-recorded, but probably remain so. This is partly suggested by the continued prominent role played by so-called “own funds imports” since 1984. To ease import compression in that year it was declared that Tanzanians could use forex funds unofficially held overseas to import goods to the country. It was assumed that the result would be a one-off boom in imports as these resources were used up. However, on the contrary it appears that they have been consistently replenished through unrecorded exports, since imports through this scheme doubled in value to 35 per cent of all imports between 1984 and 1988 and reached almost 50 per cent by the end of the decade (Bagachwa, 1989:29–30). As a result of this scheme, registered import/ export companies had already risen in number from 104 in 1980 to 1,787 by 1986 (Maliyamkono and Bagachwa, 1990:111).

According to estimates by the Board of External Trade unrecorded exports of both traditional and non-traditional products could amount to more than USD 1500 million per year. These estimates are based on calculations from impounded products like minerals, trophies and crops (Ngogo, 1993:9). Table 2 shows some estimates of unrecorded exports. Obviously, compared to the recent BET estimates, these are conservative; but they are indicative. Imports through the “own account imports”

scheme are financed through illegal activities such as smuggling, and the general plunder of natural resources. Often, those involved also benefit by evading import duties and taxes too.

Table 2. *Estimates of unrecorded foreign exchange receipts* (USD million)

	1988	1989	1990	1991
<i>Agriculture</i>				
Coffee	12	13	7	7
Cardamon	7	7	8	8
Food crops	10	10	11	11
Ivory trophies	135	138	143	153
<i>Mining</i>				
Gold	28	29	30	32
Other minerals	10	10	11	11
<i>Manufacturing</i>				
Wood, shell, ornaments	15	16	17	18
<i>Services</i>				
Tourism	70	71	74	79
Housing	35	36	37	40
<i>Sub-total</i>	335	343	351	374
<i>Export under-invoicing</i>	49	54	56	60
<i>Grand total</i>	384	397	407	434
(total official exports	372	380	394	422)
(own-funded imports	465	344	319	409)

Source: *Tanzania Economic Trends*, Vol. 5, Nos. 1 & 2, 1992, Appendix I.

There is evidence that real (and probably ecologically irreversible) "growth" has occurred in activities exploiting wildlife products (ivory, crocodile skins, ostrich and other exotic birds) forest products (black woods, mangrove, mahogany, medicinal plants, etc.), marine products (prawns, lobster, *beche-de-mer* (sea slugs), etc.) and mineral products. A partial shifting from illegal to legal circuits has occurred in each of these areas, especially minerals, giving for the first time the semblance of an indication of the real scale of activity in this sector.

Wildlife trophy sales (almost wholly illegal) were estimated to have reached over USD 150 million in 1989 (Maliyamkono and Bagachwa, 1990:29–30). Despite a minimal seizure rate, 564 tusks (worth USD 0.15 million) were recovered by Dar es Salaam police in May 1993 alone. As far as forestry products are concerned, an average of 60,000 *mpingo* black wood trees are being cut each year. A cubic metre fetches USD 11,000 (at 1993 prices)—almost the same as a kilogram of gold. A host of exporters of these rare species have invaded the southern part of the country. According to Maliyamkono and Bagachwa (op.cit.) a large majority of trade in cardamon, coffee and overseas tourism was also passing through illegal channels, which by the end of the 1980s had also expanded to include unregistered housing services to expatriates valued at USD 33 million annually in forex.

Official figures state that in 1988 mining accounted for only 0.5 per cent of GDP and 0.8 per cent of formal wage employment—i.e. 8,500 people (Jourdan 1990:2). In 1989 it grew officially by only 1.1 per cent. Yet two years later mining was growing at an annual rate of over 20 per cent and gold was on its way to becoming the major official foreign exchange earning commodity, following the adoption of a government policy of buying gold at parallel market rates.

In the wake of this decision, cumulative official gold purchases increased from 116,000 grammes (1989) to 1.65 tonnes in 1990, 3.6 tonnes in 1991, 7.24 tonnes in 1992 and 11.2 tonnes by the first half of 1993. At a value of USD 29.2 million in 1991, the official export value of gold had already surpassed the value of coffee (the major traditional export). In 1992, total mineral export earnings were USD 53.1 million. Of this, gold accounted for 76 per cent, diamonds for 15.6 per cent and other gemstones for 6 per cent. Nevertheless, the bulk of high value mineral production continues to be smuggled out of the country. Estimates indicate that the country produces between 10 and 16 tonnes of gold annually while the Bank of Tanzania has been able to purchase only around three to four tonnes. About 80 per cent of gemstones are believed to be exported unofficially.

By 1992 it had become evident that the process of (partial) "officialisation" of hitherto illicit activities had become accompanied by one of (partial) de-officialization of legal ones. Just as "own funds imports" continued to boom, so it became clear that "official" importers were flagrantly and on a spectacular scale evading the basic requirements of import support and the open general import licence regarding the deposit of coverage in local currency in Tanzanian banks for the forex they were obtaining. Simultaneously, evidence suggests that tax evasion—often officially sanctioned—had reached a colossal scale. For example, the government lost Tsh. 715 million (USD 1.5 million) through tax evasion by manufacturers of aluminium articles and soft drinks in 1990–91 alone (*Daily News*, 7 February, 1992). The government has also been sanctioning tax defaulting by giving exemptions against its own regulations. In the same year exemptions worth Tsh. 406 million were granted although regulations prohibited this (*Mzalendo*, 6 September, 1992).

There is an inextricable linkage between these booming "new" exports, corporate fraud against the state and the ongoing significance of the "own funded import scheme". The former two, recorded and unrecorded, fund the last, as well as unknown levels of unregistered and unrecorded imports also. Liberalisation has resulted in the expansion of combined legal-illegal import-export trade and provides conditions whereby previously mainly legally-marketed commodities can enter illegal circuits, and illegally-acquired goods can enter the market legally. What is taking place in Tanzania under the guise of structural adjustment is an intensification of parasitic forms of capitalist accumulation corresponding to the traditional international division of labour, based on the plunder of minerals and natural

resources in general, with the import/export (or "container") bourgeoisie at its centre.

A HISTORICAL OVERVIEW OF MINING IN TANZANIA

The catalogue of Tanzania's minerals ranges from precious metals (gold, silver and platinoid) to base and other metals (zinc, lead, copper, nickel, tin, tungsten, cobalt and beach sand minerals) to ferrous metals (iron and chromium), and to precious stones and gemstones (diamonds, rubies, tanzanite, gem garnets, emeralds, tourmaline, spinel, zircon, sapphire and peridot). Also found are industrial minerals (graphite, mica, kaolin, bauxite, etc.), energy minerals (coal, gas, uranium, petroleum etc.) and evaporites (salt, soda ash, gypsum limestone, etc.).

Mining activities in Tanzania are historically traceable to the pre-colonial era. Some of the known activities at this time consisted in the mining and working of iron, copper and salt. Gold was also exploited on some scale by Arab traders (Parker, 1992; Iliffe, 1979; Koponen, 1986; Kjekshus, 1977). These activities became significant during the German colonial period (1884–1917), with renewed interest in gold and the discovery of other minerals, including mica, garnet, coal and uranium (World Bank, 1961:253). Just before the First World War, there were six mining companies (Frankel, 1938:164). Of particular importance to the German rulers were mica (in the Uluguru mountains, Morogoro)—because of its use in electrical insulation and the making of bomb casings—and gold (in the Lake Victoria zone), given that Germany had entered the gold standard by 1870.

To encourage private companies to exploit minerals, the German colonial government introduced the concession system, whereby companies were given exclusive mining rights to large areas which were auriferous. It was in this way that the gold syndicate, *Koncession Fuer Edelmetallien* (The Gold Syndicate Concession for Precious Metals) discovered the "Bismark Reef" near Geita town. The company worked the reef outcrops for some time but later abandoned it for strategic reasons. By 1910, there were also some 76 prospecting fields (of various minerals with gold dominating) on which 111 claims had been pegged (Lemelle, 1986:54). By 1914, the Sekenke Mine in Mwanza had extracted gold to the value of GBP 250,000 and a 15 rupee piece known as the Tabora Sovereign was minted by the colonial state (op.cit.).

The British Period

British rule (1918–61) was associated with a resumption and intensification of mineral prospecting. For Britain the 1920s were characterised by a crisis of accumulation as a result of which there was intensification of exploitation of agricultural raw materials and minerals—particularly gold for the

Central Reserve Bank—from the colonies (Brett, 1973:285). Between 1920 and 1925 gold prices rose dramatically. These prices led to adventurers rushing to the colonies in search of gold and quick wealth. It was known that Tanganyika had gold, and reports had circulated since 1902 that it was to be found at Lupa, an area north of Mbeya. The rush started in 1922:

... this river has beckoned all sorts and conditions of men and women. In the early years the Lupa drew to it not only prospectors and men with previous mining experience, but also butchers, bakers and candlestick makers, cook's sons and Duke's daughters, runaway sailors from ships..., clerks and counter-hands, men who had chucked up steady jobs, and women who had left their menfolk busy planting up a *shamba*, big game hunters, public school-boys and 'Varsity graduates, surveyors and cow punchers, actors, hair dressers and piano tuners, Dutchmen, Frenchmen and Dagoes, Jews, Gentiles, and Pagans. During the period of world depression, scores of planters and farmers, transport riders, white hunters and retrenched Civil servants, aye, and their womenfolk, too, from Tanganyika itself and other parts of East Africa found in this region a raft or two to tide them over the low waters of these years. (Reid, 1934:162-3)

There were no big companies operating in mining in the early 1920s, since these had been confiscated as "enemy property". It was basically artisanal miners who became central in these years. By 1923 there were nearly 150 European small scale miners in Lupa (Department of Mines, 1925), all in search of alluvial gold. This number rose to 300 by the end of 1931 and to over 1,000 by 1936. During the same period, the number of Exclusive Prospecting Licences increased from 75 to over 400 (Lemelle, 1986:291; Department of Mines, 1931-36; Oates, 1934:48). The total labour force at Lupa grew from 5,000 to over 20,000 over the same period (*ibid*). According to estimates there were 32,000 Africans employed in the mining sector as a whole by 1938, of whom 27,580 were employed in gold mining alone. This number does not include the host of other people involved in numerous other activities—including food suppliers (so-called native food buyers), etc.

By late 1936 there were 58 Africans with prospecting rights on the Lupa gold fields (54 "natives" and 4 "Somalis"—all so-called *pata mali* (get rich)) (Department of Mines, 1936; Mlagala, 1973:122). Out of the 93 alluvial gold miners in Lupa in 1951, 51 were Africans. On the eve of independence Africans remained the only significant group (Khamsini, 1978:56). The condition for getting a claim was payment of a fee of 10 shillings, as well as, of course, the ability to read the ordinances, fill in the forms and read a field compass. Although their number was small, these African small scale miners were a source of competition and agitation to the Europeans, because of competition for labour and the fear that their existence encouraged "illicit" transactions in gold. (Already by the late 1920s "Illicit dealings in gold between Natives and the shadier elements of the mixed population had come to light" (Reid, *op. cit.*:166)).

Table 3. *African labourers in the gold mining industry, 1938*

District	Labourers Employed	Labourers Required	Remarks
Musoma	3,475	5,100	3,475 labourers on rolls, given average daily turn out of 2,082. 3,050 required daily.
Mwanza	1,250-1,400	5,000-6,000	Number uncertain
Singida	2,200-2,300	2,200-2,600	Average daily turn out 50% of number on rolls. Daily force required 1,100-1,300.
Lupa	20,370	20,000-25,000	On alluvial work 17,400 on reef 2,970 Total 20,370
Round Total Figures	27,000-28,000	32,000-39,000	

Source: Longland, 1938; Lemelle, op. cit.:331.

By 1936 African small scale miners constituted a permanent force, and as a result "two years later, several Asian artisans had been displaced by Africans" (Roberts, 1985:559). Other Africans operated independently on a group basis, relying on the local merchant class as an outlet. Some relatively well-off diggers were by then each employing about 200 to 300 workers, whose make-shift huts were scattered all over the gold fields (ibid.). With the introduction of the "pan" as a recovery method, the "panning boy" became the unit of labour, while prospecting and finding gold was mostly done by large unsupervised gangs of 15 to 30 people.

By 1925 awareness of the presence of a reef in the Lake area was widespread. Despite this awareness, large investors were not enthusiastic about Tanganyika or its supply of gold (Lemelle, op. cit.:79). Among the reasons for this state of affairs was the fact that the field was primarily an alluvial one considered unsuitable for large scale exploitation, while its reefs were not proven to any depth. Other reasons were that after 1925 the price of gold had been fixed at USD 4.86 and that the weakness of the colonial state apparatus at this time made it unable to facilitate capitalist production on a large enough scale for it to be profitable. (Lemelle, op.cit.:79; Frankel, op. cit.:259) The colonial state looked to agriculture (mainly peasant agriculture in the inter-war period) as the main source of raw materials, rather than mining. Meanwhile, settlers in this period were not favoured very much, given the resistance which even Germans had met from the producers. The anthropologist Malinowski in these years had advised the colonial agents to desist from any "direct exploitation" which involved a substantial transfer of land, as this was "one of the main causes of trouble on a large scale and lasting for generations". "Direct exploitation" of labour was also another source of chronic trouble, as far as he was concerned (Malinowski, 1927:2 & 39; Brett, op. cit.).

The tendency to look at mining as a secondary activity changed in the second half of the 1920s, when the government began to actively encour-

age large scale concerns to invest in mining. However these efforts did not yield much. In 1927, a South African company—Serenge Concessions—took an interest in Lupa. It was hampered by the low price of gold and lack of state-sponsored investment incentives and therefore wound up within a few months. The following year, a London based Indian miners' development syndicate tried to establish itself in the same area, but left almost immediately because of communication problems and the difficult local conditions. Another company from South Africa, the Central Mining and Investment Corporation attempted to do some exploratory work in 1930, but wound up almost immediately given the world recession and the fixed price of gold.

However, with the continuing gold rush by small scale miners, there was a doubling of production from 1929 levels by 1932. Production continued to rise until 1936. In the second half of the 1930s dry-blower machines were introduced by small scale gold miners, thus allowing production of gold during the dry season as a continuation of alluvial production during the rainy seasons. However, by this time the rush had already subsided, as many of the diggers were able to find more reliable sources of income in other sectors and alluvial gold production was increasingly being replaced by the more technically demanding reef mining. Big capital had begun to renew its interest in gold mining.

Sekenke became the most important gold mine in the late 1930s. It had been taken over by South African Central Gold Mines Company in 1928 although it was not developed until later. Other companies (mainly South African and British) which undertook development in Mara and Musoma areas included the Tanganyika Diamond and Gold Development Co. (South Africa), Anglo-Transvaal Consolidated Investment Co. (South Africa) and South Nyanza Development Co. (British). There were also some Asians from within the country and outside with interests in mining. One such was Nanak Chande, among the wealthiest Indians in the Lake Victoria area, who owned two mines managed by a South African Boer. The Soriano Group from Asia, with interests in the Philippines, took over a major mining reef which had been previously developed by East African Gold Fields in Lupa (Roberts 1986:556). Asians moreover by now comprised most of the skilled employees found in the industry.

By the early 1940s gold was well-established as the most economically important mineral and its production had peaked at an average of four tonnes a year. By this time the output value of gold was only exceeded by sisal. However, the government gained very little revenue in the form of royalties, rents and fees from gold mining. Out of its revenues from the industry, the government was only able to compensate "for earlier deficits incurred by the Offices of Mines and Geological Survey". The price of gold throughout the period remained low, since it was mainly purchased by the financial institutions (such as the Bank of England) which had a low demand for the commodity. As a result, the government invested little in the industry, either in the form of labour recruitment, provision of infrastructure or economic protection. In the case of the Lake Victoria area the

government's attitude towards the industry was largely negative, reflecting the greater importance attached to cotton production.

With the advent of World War II gold production began to decline, mainly because of "war economy" supply priorities. From 1941, "mining companies were denied priority for supplies of machinery, gold prospecting was banned until the end of the war, and labour became genuinely scarce" (Roberts, *op.cit.*:560). The relative fortunes of gold declined further with the discovery of diamonds at Mwadui in Shinyanga in 1939 by Dr. Williamson.¹ By 1945 diamond exports accounted for the single largest component of export value and gold production had declined to an average of two tonnes a year. Production of diamonds was able to rise steadily as it was backed by a "number of Indian merchants in Tanganyika and a task force of Italian prisoners of war ... By 1946 [there were] 6,000 workers ... with their families ..., and over 200 armed guards" at Mwadui (Epstein, 1982:89). Active government support for diamond mining, including taking up equity in the private companies and even proposing nationalisation (in 1946), was due to the fact that diamonds "earned at that time more foreign exchange for (the colonial government) than almost any other export, and the British ... (were) understandably concerned with preserving its value" (*ibid.*:90).

Minerals contributed a record three per cent to GDP by 1950. At around 15 per cent of total exports by value, their overseas earnings were nearly as much as those of coffee or cotton. Diamonds accounted for roughly two-thirds of mineral production by 1960, although by this time gold production had again risen to 3.5 tonnes from its previously low levels (World Bank, 1961). However, there was little underlying improvement in the significance of gold. With the government's actions in the 1940s, coupled with the relative unimportance of gold in the international monetary system which was to last until 1970, it remained unprofitable for large companies to develop gold mining. Throughout the period prior to 1970, the gold price stood at below USD 35 per ounce.

Many of the most important gold mines of the inter-war period, including Sekenke, were closed by the late 1940s. The only big mine which continued to operate until the early 1960s and produced well over half of total gold production was that owned by Tanganyika Concessions at Geita. This remained the largest gold mine in East Africa, employing around 2,200, until it was closed in 1966. Although greatly improved in terms of efficiency from the 1950s, it constantly faced financial problems. The only other remaining gold mining activities by the 1950s were those of the medium scale companies which operated in Lupa (Saza and Ntumbi), Mpanda

¹ In actual fact Williamson only "discovered" where others had already done so. "Kimberlite was first discovered at Mabuki [near Shinyanga—C.S.L.C.] in 1923. South African capital was at once interested and concessions for diamond mining were rapidly extended ... The production has been chiefly from gravel concentrations lying on the Mabuki pipe and from gravel near pipes at Kizumbi. In 1926 and 1927 diamonds to the value of GBP 140,000 were thus won, after which date the slump in world prices led to a rapid decline in production" (Reid *op cit.*:170).

(Mukwamba), Mwanza (Geita and Mawe Meru), Musoma (Buhemba and Kiabakari), Singida (Sekenke-Iramba), Shinyanga (Nzega) and Ruvu River. The small scale producers who had emerged in the 1930s using labour intensive methods, and whose activities were articulated with merchant capital, were also still in operation. Some of those who had been previously employed the mining companies which were closing down joined the ranks of "artisanal" miners barely surviving on the activity.

The Independence Period

Commercial gold mining declined rapidly before and soon after independence from three tonnes per annum in the early 1960s to 10 kg in the early 1970s. It officially ceased entirely in 1972. The Three Year Development Plan for Tanganyika (1961–64) which had been prepared by the World Bank considered that the development of the country depended fundamentally on the transformation of agriculture and animal husbandry. A contribution from mining to development was merely something to be hoped for—probably in the future. On the other hand the plan's authors advised the government to modify its mining policies "as necessary, to increase the attraction and (give) encouragement to further prospecting by private interests", chiefly through providing favourable tax incentives in the early stages of mine development (World Bank, 1961:8, 269). In any case, since many of the companies which had been previously interested in gold prospecting were South African based, trade sanctions on South Africa from 1961 made it impossible for them to operate in Tanzania irrespective of the tax regime. Those which were not South African were also disadvantaged by the fact that they could not import cheap mining inputs from South Africa.

However, the disappearance of large scale operations and officially recorded production did not eliminate gold mining and other mining activities. The large number of skilled people experienced in loaning (setting charges), gold prospecting and underground mining methods who were laid off by the companies which closed down increasingly moved into artisanal mining. The latter, continuing to rely on the market provided by Asian, Arab and Greek merchants existed throughout the period when large scale mining companies ceased to operate. Most of the gold produced in this way was smuggled into Kenya (Jones, 1981:113, 122) before being trans-shipped elsewhere. Intensification of "artisanal" production further increased with the laying off of more miners in 1976 as a result of a decline in diamond production.

The international scene in regard to gold demand began to change from 1969. From this year, the demand for industrial gold began to rise by 12 per cent per annum. Simultaneously, there was a huge increase in the US budget deficit and a corresponding decline in US gold stocks, which created a crisis in confidence in the dollar as a universal currency. Consequently, the price of gold began to rise from 1971. Further price

increases were to be fuelled by a surge of speculation on the free gold market, as a result of which the price rose to USD 49.25 per ounce by 1972 (Green, *op.cit.*:3).

The international financial chaos of 1973 together with the inflationary fears accompanying the threatened devaluation of the dollar sent the price of gold to USD 132 an ounce, whereafter it fluctuated inversely with movements in the US dollar value. The price rose dramatically from USD 330 to USD 507 an ounce in 1982, before collapsing in early 1985 to USD 300. Later in the year it sharply rose again, only to ease back to USD 400 after 1986 (Green, *op.cit.*:3–4). Since 1986 it has fluctuated between USD 300 and 400 an ounce.

With the opening of a free market in gold from 1971, the nature of the gold market also substantially altered. While two-thirds of gold had been bought by the monetary authorities between 1948 and 1965, which in turn had kept the price of gold below its value and its supply constant, 60 per cent of gold coming into the market by 1986 went into jewellery, 14 per cent to industry and 14 per cent to private bar hoarding, while bullion coins took up the balance (*ibid.*:5). Switzerland emerged as the fulcrum of the European industry, with a concentration of private bank-owned small refineries. Major end-markets included the Middle East and India, where there was very high demand for jewellery. Therefore, there was a renaissance in gold mining internationally from the early 1970s reminiscent of the nineteenth century boom.

The Tanzanian government's own attempt to take advantage of the new profitability of gold through the establishment of the State Mining Corporation (STAMICO) proved to be doomed. STAMICO took over the Buck Reef Mine in Geita in 1971 and attempted to reactivate production of gold from alluvial sources by using large scale production techniques (Jones, *op.cit.*:111). Production did not actually begin until 1981 and lasted only until 1989. Eight years of production officially yielded just 800 kg of gold, including only 116 kg in its last year of operation. Irrespective of the other problems faced, such large scale operations required a massive injection of capital from the government if they were to bear fruit. This was not possible at a time when the state had already begun to face a fiscal crisis.

Attempts by STAMICO to attract large capital in the 1970s and early 1980s in the form of aid or joint public-private investments also failed, even with the new government mining law which came into force in 1979. Under this law, government participation in such ventures was no longer mandatory, and local small scale miners could legally peg claims and work on them. Independent gold mining companies began to appear in 1984, on the basis of the framework set by the same 1979 Mining Act (amended further in 1982–83). This framework was liberalised further in 1987–89, when a gold and gemstone trade rationalisation policy—allowing for privatisation of minerals trading activities—was introduced. Associated with the introduction of this policy, the Bank of Tanzania itself entered the gold

buying market on the basis of offering world market prices with "no questions asked".

During the following three years (1989–92) the government granted eight reconnaissance licences, 75 prospecting licences and 17 mining licences. By 1992 there were also 67 companies licenced in minerals drilling (*Daily News*, 5 August, 1992). In addition to gold these licences covered minerals and metals such as nickel, cobalt, precious metals, diamonds, graphite, gemstones, bauxite, beach sands, etc. Areas totalling 26,000 sq km in north western Tanzania were granted to Kabanga Nickel Company and Kagera Mining Company (subsidiaries of the Canadian Romanex Internal and Sutton Resources) to explore and mine nickel, cobalt, lead, zinc and platinum.

Another large scale company, TANEX (T Ltd), a subsidiary of Anglo American Corporation and De Beers of South Africa, was granted a diamond mining concession area of 22,000 square km in Mwadui near where Williamson Diamonds are still working.¹ Placer Dome, a major Canadian gold mining company was granted the Bulyanhulu gold deposits which are of world class but relinquished their licence in 1992 "apparently for internal reasons" (Parker, 1992:82). RTZ Mining and Exploration (UK) has also been granted a prospecting licence over a large area, and Portman Mining (Australia) has become involved in mining kaolin. The jury is still out on whether the interests of these genuinely large scale companies will materialise into large scale mining development. On the whole, however, such companies are in any case in a small minority of those expressing interests in Tanzania.

Most foreign "large scale" operations which have entered the picture turn out in practice to be rather small operations probably incapable of large scale investment. One such a company is the London-based SAMAX Ltd, which was granted the Mererani (Arusha) open pit graphite lease, now run by its subsidiary Graphtan Ltd (75 per cent), African Gems of UK (17.5 per cent) and Tanzania Gemstone Industries Ltd (10 per cent). The latter is a wholly owned subsidiary of STAMICO. The company will also mine tanzanites. Likewise Mans Mining of the UK was granted an area in Chunya where it is operating a small mechanised gold mine.

Other similarly junior or very junior companies are Sampo Resources (US), Reunion Mining (UK), Tancan Ltd (Canada), New Era Mines (Tanzania), Bungu Minerals (Tanzania), Rift Valley Gold Fields (Australia) and East African Mines (Australia). There are also some officially medium and small scale companies which have been granted concessions mostly to mine gemstones. By 1992 about 14 such partly or wholly foreign-owned companies had been registered to mine gemstones. The influx of foreign gemstone mining companies began in 1990 following closure of mines in the major producing countries such as Malaysia and Thailand.

¹ De Beers, which had been a minority shareholder in Williamson Diamonds since the latter's inception, meanwhile acquired a majority shareholding in the company in 1993.

Except in gemstone mining, interestingly, none of the foreign companies which were given exclusive rights in mine development since the mid-1980s have opened new mines. For example, Dar Tardine el Umma Ltd (the representative of a Swiss company) was given five licences in 1984 in an area which covered 80 per cent of the most attractive gold prospects in the northern part of the country (Mara, Mwanza and Singida). By 1988, the company had managed to shut out other investors from the area but had not explored or developed new prospects. Instead, it was involved in an experimental retreatment of the Buhemba (Musoma) dump by cyanide leaching, producing only 40 kg per annum. It was also involved in a project with STAMICO to send teams of purchasers into "illegal" gold mining areas to buy gold at open market prices (Jourdan, *op.cit.*:9). This company fell under parliamentary investigation for smuggling in the same year. By 1991, it had lost all its prospecting licences. Its appeal in the International Court to have these restored has been thrown out. KONE, another international company which was operating in Bulyanhulu before Placer Dome was finally granted exclusive rights was also kicked out of the country for the same reasons.

So far, it seems, the only new mechanised gold production operations in Tanzania are Tancan in Nzega and Mans Mining in Lupa. Even these have been officially unable to produce any substantial amount of gold. Mans Mining in Lupa, for example produced only 8.2 kg in 1992/93. Most companies seem to be more interested in recovery operations on older sites and in various forms of sub-contracting to small scale miners. This partly reflects changes in the economics and technology of gold production. At current price levels (USD 360–390 per ounce), deep mines are hardly economic anywhere in the world, and few new ones are likely to open. On the other hand, new low-cost organic chemical technologies have been developed in recent years which allow the recovery of gold from easily accessible sites and materials which were previously considered too low grade to merit corporate investment. Some of these technologies—which are even portable—are particularly suited to "mopping up" gold from old workings of various descriptions. The 1980s have seen an expansion of so-called "junior" small mining houses based in Australia, Canada, and parts of Europe (e.g. Ireland) which specialise in precisely these operations, which in Tanzania could profitably be combined with buying gold from small miners. On the other hand it seems likely that some, at least, of the companies attracted to Tanzania in the last years are not interested in or even capable of investment of this kind, and are able to operate at technical levels only slightly superior to the more advanced small scale miners, who with their high levels of labour intensitivity could probably exploit the sites more productively.

Activities of the small scale miners (so-called "artisans", "galampsey", "creusseurs" or "pailleurs") have in recent years mainly been undertaken at old mines and areas where known alluvial deposits existed up to the early 1970s. Their numbers experienced a spectacular boom in 1976 with the discovery of the Bulyanhulu deposit in the southern part of Lake

Victoria and the influx to it of workers who had been laid off in diamond mining (Bills et al., 1991:292). Since then the small miners have continued making totally new discoveries in many parts of the country every year, to the extent that by 1992 it was estimated that there were about 500 gold mining sites and about 300 gemstone sites operated by "artisanal" miners. Officially there were 1,440 small scale claim holders and 480 prospecting certificate holders in 1993. At a very conservative estimate of 10,000 people per site, it is possible that there are about 900,000 people involved in small scale mining and auxiliary activities. These estimates will be explained further in the section on the labour process and organisation of the mining villages.

Gemstone mining is relatively a recent activity in Tanzania. It began in the 1960s–70s with the mushrooming of the jewellery trade in Europe and Asia. It was in these years, for example, that small scale miners discovered the famous tanzanite sites in Mererani (Arusha) (1964), ruby sites in Matombo and Mahenge (Morogoro) (1970s) and in Longido (Arusha), and ruby/emerald sites at Uмба river in Tanga. Coloured minerals known to be currently mined in Tanzania include tanzanite, ruby, emeralds, gem varieties of quartz cordierite, garnet, scapolite, beryl, opal, chrysoberly, spinel, topaz, zircon, tourmaline, obsidian, perodite, moonstone, chrisoprase, and amethyst.

It is essentially because of the activities of the small scale miners and the liberalisation in gold and gemstone buying, that the government has been able to officially export more minerals, rather than as a result of the activities of the "large scale" miners. In 1991 gold sales amounting to 3.9 tonnes fetched USD 29.1 million and in 1992 4.5 tonnes of gold fetched USD 40.4 million. From officially exporting minerals worth USD 16.9 million in 1989, the country exported minerals worth USD 53.2 million in 1992–93. Table 4 below shows the officially recorded trends in mining sector between 1989 and 1992.

Table 4. *Tanzania's mineral exports 1989–1992 ('000 USD)*

	1989	1990	1991	1992
Gold	1,152	13,635	29,100	40,380
Rough Diamonds	9,753	7,394	10,020	8,301
Cut Diamonds	4,662	2,648	1,303	–
Diamond Stones	–	–	611	107
Gemstones	784	1,585	1,759	3,237
Salt	507	906	1,759	3,023
Tin	34	25	19	26
Phosphate	56	101	11	144
Gypsum	–	–	–	16
Totals	16,948	26,294	44,037	53,234

Source: Ministry of Water, Energy and Minerals, Dar es Salaam, 1993.

As already indicated, this probably reflects only a fraction of the real activity taking place.

LEGAL AND INSTITUTIONAL ISSUES

Studies of the mining sector in Tanzania (e.g. Parker, 1992, and Jourdan, 1990) place responsibility for the collapse of the "official" sector in the 1960s and 1970s on Tanzania's "socialist" policies, in particular nationalisations in other sectors. According to Parker (op.cit:19) and Jourdan (op.cit.), outside investors became interested in investing in minerals only in the 1980s, because the government had by then abandoned its failed policies and changed tax, employment and exchange control regulations. But as can be seen from the preceding section, most large scale companies wound up their activities before the "socialist" 1967 Arusha Declaration. This state of affairs was a result of the fact that the gold price had remained at the same level (at USD 35) since 1935 and hence, production was unprofitable by the 1960s. Moreover, since most of the companies were South African based, sanctions against South Africa made it impossible for them to operate in the country irrespective of the tax regime. Even those which were not South African were disadvantaged by the fact that they could not import cheap mining inputs from South Africa.

Mining legislation in Tanzania was liberalised as early as 1979 with the design of encouraging large scale foreign companies. But by then the big mining houses in South Africa and elsewhere which had been profitable even when gold earned only USD 35 an ounce, were reaping sufficiently huge profits at home and in their old investments not to risk moving into uncharted territories. Those views which see the presence or absence of "socialist" policies as the sole cause of investment or non-investment ignore the fact that very large scale capital operates according to its own logic regardless of state policies, and it is this fact which is demonstrated when one looks at the evolution of the legal and institutional framework of the mining sector.

On the other hand, as has been shown by Gibbon and Ericsson (1993) in relation to Zimbabwe, when all other factors are equal the "policy framework" does make a significant difference to smaller mining companies' decisions. The latter are not strong enough to depend entirely on their own resources in order to secure the profitability of their enterprises, and instead require guarantees or even privileges of various kinds from the state authorities. These may cover not only basic guarantees against nationalisation but also internationally "competitive" arrangements for royalty/taxation/import duty payments, exemptions from import duties on inputs, high foreign exchange earnings retentions, freedom to employ expatriates, etc. In addition, again when all other things are equal, such smaller international mining companies seem to make much more cautious appraisals of broader "political risks" than larger ones.

It is important to point out however, that the formal political and legal framework is only part of the non-market calculations of enterprises of all sizes. Besides geological and economic considerations, and those of the legal framework which will be described, companies may acquire a more or less close connection to the local state. For example, Gibbon and

Ericsson show that throughout the independence period Lonrho has enjoyed such a connection in Zimbabwe irrespective of the country's overall political orientation and that this has enabled (and still enables) the company to conduct "business as normal" regardless of which specific regulative framework is in place. In the Zimbabwean mining industry only such large or very large multinationals have had the muscle to achieve such a state connection. But in Tanzania, the apparently highly porous character of the state in the post-Nyerere period seems to have made it possible for even quite tiny foreign/expatriate operations (albeit masquerading as "large scale foreign companies") to do so.

The Colonial Period

Substantial mineral discoveries were made under German rule. As far as policies were concerned, the state encouraged prospecting and exploitation of gold deposits but refused to involve itself in terms of provision of infrastructure. Its ordinances were basically geared towards small reef gold miners rather than large scale ones, and generally, there were hardly any incentives to warrant investment by large scale miners (Lemelle, 1986:56). As indicated above, despite this there were a few companies which operated in the country before World War I.

Broadly, the British colonial policies in the 1920s remained indifferent to large scale mining. The 1920 Mining Ordinance was basically formulated in almost the same terms as those of the German colonial period. It was with the discovery of alluvial and reef gold in Lupa and the Lake Zone in 1921 that state policies towards the industry began to become slightly more supportive. Their culmination was the formation of a Department of Geological Survey in 1923 with its offices in Dodoma, and the commencement of a general geological mapping and prospecting exercise.

With a significant increase in revenue from gold by the mid-1920s, colonial officials began to recognize the potential of the mining sector. Therefore, they were forced to reconsider their policies in terms of investment protection and incentives and with regard to issues of land alienation. As far as the latter was concerned, the Tanganyika Orders in Council had defined all lands as "public lands" in relation to which "native" interests were supposed to be given due regard since Tanganyika was a mandate territory. The result was that discretion over the legal right to land required for mining became vested in the governor: "All mines and minerals being in, under, or on any lands in the occupation of any native tribe, or any members thereof or any person not possessed of the right to work such mines and minerals shall be vested in the governor..., in like manner as the mines and minerals in, under or on any public lands." (Article 8(3))

The colonial state revised the 1920 law in 1929 on the basis of recommendations which were made by a commission which was formed in 1927. For Governor Cameron and other colonial officials the new legislation was

supposed to encourage large investments in mining, while at the same time discouraging both large scale speculative capital (out for a "quick kill") and small "penniless" miners (Lemelle op. cit.:93). By and large, the law was aimed mainly at controlling the accelerated gold rush so as to prevent the emergence of a "class of poor whites" as the Secretary to Native Affairs, P.E. Mitchell cynically called settler-diggers who eked out a bare subsistence. The government was by now in favour of bigger concerns, which meant large scale companies based in Britain and South Africa. Section 28 of the Ordinance went as far as limiting the number of alluvial claims that could be held by an individual prospector.

Although some of these companies began to take interest in Tanganyika by 1928, most of them suspended activity or left immediately, because of the world recession. It was only in the mid-1930s that some of them began operations. As already shown, the rising production levels of gold in the late 1920s and early 1930s were fundamentally a result of the activities of small scale miners. The 1929 Ordinance was amended in 1931 by repealing Section 28. This repeal was a result of concerted efforts of settlers and white small scale miners. This ordinance was to remain in force for 50 years.

Under the 1929 Ordinance, prospecting by private firms was supposed to be done in association with the government, which in turn granted licences to qualified adults at its own discretion for a nominal fee. The government could issue an exclusive prospecting licence for an area of eight square miles or a negotiated special exclusive prospecting licence over a larger area. It could also control prospecting activities by formally closing any district or a whole territory for any specified minerals or simply by withholding prospecting licences. During the colonial period, government prohibited prospecting throughout the country for diamonds (except for Williamson Diamonds Co.), coal, helium and salt. In certain specified areas it had also prohibited prospecting for gold, gypsum, meerschauum, kaolin, radioactive minerals and minerals for cement production.

The Independence Period

As already noted, an officially lukewarm attitude toward mining was also evident in the Three Year Development Plan for Tanganyika (1961–1964) which had been prepared by the World Bank. However, there was no question of mining companies facing major policy or legal obstacles to investment in the new nation, except to a limited degree between 1969 and 1979.

Until 1963, the main instruments for regulating private mining capital remained the Mining Ordinance of 1929 and the Companies Ordinance of 1959. The latter contained provisions relating to the incorporation, internal regulation and winding up of companies and other associations. The Investment and Protection Act of 1963 furthermore guaranteed full and fair compensation in case of nationalisation. It also embodied provisions

on foreign exchange controls which restricted repatriation of earnings from the country without the investor acquiring an "approved status". As the two manuals for investors of 1967 and 1979 and guidelines for investors of 1967 and 1980 were to state, companies and shareholders were generally protected in accordance with the principles of English Commercial Law.

The later 1960s were marked by a heightened degree of legal intervention, some of which could be perceived as hostile to private capital, or certain sections of it. Given the proliferation of uncontrolled gemstone mining and dealing in the 1960s, the government proclaimed a Gemstone Industry (Development and Promotion) Act in 1967. Proposing it to parliament, the minister dealing with mining pointed out that the act had been introduced for purposes of protecting the gemstone industry and establishing a Gemstone Marketing Department for the purpose of encouraging and promoting the industry. While it was still the Mining Ordinance of 1929 which governed the sector's basic framework, this act attempted to curb illegal dealings in gemstones, including smuggling to Kenya and other neighbouring countries. According to the Minister, about 60 per cent of gemstones were being smuggled out of the country at this time, resulting in losses of foreign exchange, royalties and taxes. Any unauthorized person found with gemstones, the law stipulated, "shall be guilty of an offence and shall be liable on conviction to imprisonment for a term not exceeding five years" (Section 3).

A Mining Ordinance (Amendment) Bill was introduced in 1969 which was designed to amend the 1929 Ordinance. The basic aim was to grant the minister powers to issue (or renew) or refuse to issue (or renew) exclusive prospecting licences on the basis of whether the latter accorded with the public interest or not. The old ordinance did not have any restrictions on renewal. Of course, interpretation of what constituted the "public interest" was vested in the minister and was discretionary. This piece of basically arbitrary legislation represented the high point of Tanzanian government efforts to control the mining industry. This legislation provided the basis for the nationalisation of certain mining enterprises, especially in gemstones.

A fundamental change of direction in mining legislation emerged in 1979, well ahead of liberalisation in other sectors. Characterising the new policy as "open", the minister introduced a new Mining Act which completely replaced the 1929 legislation. This legislation was accompanied by the Petroleum (Exploration and Production) Act of 1980 and later supplemented by the Mining (Royalty) Regulations of 1989 and the Investment Promotion and Protection Act of 1990. The 1979 Mining Act is the one which governs all mining activities except in hydrocarbons which are covered by the 1980 Act. The 1979 Act vested ownership of all mineral resources in the state and set out a framework for licensing all prospecting and mining activities. In essence, it was designed to once more encourage large scale mining operations in the country, although it also made provision for small scale mining activities. The Third Five Year Development

Plan of 1976–1981 which was never implemented had indicated that the majority of new mining operations would be implemented by the State Mining Corporation (STAMICO) which would enter into contracts with both local and foreign companies, while small scale mining would be undertaken by individuals, cooperatives and Ujamaa villages. But this policy had no force of law and was not reflected in the act. The 1979 Act was unequivocal to the effect that state domination of mining ventures was not mandatory. Even if the state was supposed to acquire some shares in each venture, according to this act, it could only do so on negotiated terms.

The licencing of large scale mining falls under three stages of operation in this act, namely, reconnaissance, prospecting and mining. Reconnaissance Licences, which are preliminary surveying licences, may be granted for one year and are renewable for another year. A resident is supposed to pay Tsh. 50 per square km for such a licence whereas a foreigner is supposed to pay USD 2 per square km, as annual rent. This licence is valid for one year and is renewable. A Prospecting Licence can be granted for a maximum of 150 square km and three years for preliminary activity, detailed evaluations and exploration. A national is supposed to pay Tsh. 2,000 per square km for such a licence whereas a foreigner is supposed to pay USD 200 per square km. Licences for mining proper are issued for a period of up to 15 years and can also be renewed. Nationals pay Tsh. 200,000 per square km, whereas foreigners pay USD 2,000 per square km. There are also preparation fees. Licences in these categories are granted by the minister responsible for minerals.

Other types of licences issued by the government at the level of mineral trading are: Master (Gemstone) Dealer's Licence, Lapidary Licence, and Diamond Licence. In the case of the first licence, a bond (security) of Tsh. 5 million or its equivalent in fixed assets is required along with an annual fee of Tsh. 60,000. The licence allows dealers to buy minerals from legal miners and to sell them in a polished or unpolished form. The Lapidary Licence is similar to the gemstone Master Dealer's Licence, with the difference that the dealer can sell only polished minerals and that the annual fee is Tsh. 100,000. The Master Dealer Licence requires that the dealer exports minerals worth USD 200,000 annually whereas the Lapidary Licence requires he or she sell a minimum of USD 500,000.

Procedures for acquiring a gold dealer's licence are similar to those for gemstone dealers. The bond for this licence is Tsh. 5.5 million or its equivalent. Under the Gold Ordinance of 1967 all gold is supposed to be ultimately sold through the Bank of Tanzania. However, the dealer is free to determine when the gold is to be sold to the Bank. The Goldsmith Ordinance also provided for the possibility of third party retention. Dealers, whether in gold or gemstones, are allowed to retain 70 per cent of their export earnings in hard currency.

Small scale mining is reserved for citizens and locally registered companies in which a majority of shares are held by Tanzanians. Mineral rights for this category of operation are issued by the Commissioner of Mining. The length of a prospecting right is 12 months, and the fee

payable for registration is Tsh. 5,000. Mining claims are also valid for only 12 months but subject for renewal. The maximum size of a claim is 400ft x 400ft for gold and 900ft x 900ft for gemstones. The annual rent for a claim is Tsh. 6,000. Royalty payments must be made to the ministry, at a rate of five per cent for gemstones, 10 per cent for diamonds and two per cent for other minerals at every declaration of such minerals.

The Mining Act of 1979 was to be complemented by the Mining Policy Paper of 1983. Incorporated in the latter was a small scale mining policy which officially encouraged participation by Tanzanians in mining alongside their other activities. While emphasising the improvement of prospecting and exploration technology as well as marketing skills the policy anticipated that mining activities would go hand in hand with activities such as farming.

The passing of the National Investment (Promotion and Protection) Act of 1990, the promulgation of the Investment Code and the creation of the Investments Promotion Centre (IPC) represented major further steps in the deregulation of mining. Two important aspects of mining policy underwent crucial changes: the complete removal of the remnants of the government monopoly in mining and the removal of government intervention in mining operations even where the government held some shares. More significantly, an area of ambiguity was created with regard to who gave the go-ahead for foreign mining operations. Some of these operations appear to have subsequently entered the country directly through the intervention of the Investment Promotion Centre, others seem to have had to go through both it and the ministry, while others again appear to have dealt only with the ministry.

PROFILES OF THE STUDY AREAS

Clearly, the importance of the mining sector has never been greater but a disappointing aspect of the past fifteen years is the selective/partial character of information provided on it, and specifically on the role of the various forms of capital (small, medium and large) in it. Studies on the sector which deal with the period from the 1980s onwards have been mostly carried out by geologists and the great majority are merely technical, hardly dealing with social or political aspects of the sector.

Among the few studies by geologists which transcend the above mentioned limitations are those of Bills et al. (1991) and Nanyaro (1993). However, these studies, it would seem, blindly espouse the new reforms without examining the contradictions within the sector. Nanyaro (op.cit.:34), for example, tends to see the future of the sector in the following terms:

There are all the indications in Tanzania that the mineral industry will continue to grow steadily thus contributing much more revenue to the national economy following the launching of a favourable mining fiscal regime, legislation and policy as well as the promulgation of the Investment

Code of 1991 in which the mining industry is designated as one of the priority areas for investment. Thus large scale mining will prevail over the small scale mining during the 21st Century.

Research undertaken in the tanzanite, gold and ruby mining areas indicates how partial and problematic such "large scalist" optimism is.

Fieldwork for this study was undertaken during 1993 in Mererani (Arusha Region), Mahenge/Ulanga (Morogoro Region) and Geita (Mwanza Region). These are sites of tanzanite, ruby and gold mining respectively. The sites were subjected to detailed examination via interviews, informal discussions and the gathering of oral-historical testimony. Evidence was collected from well-informed elders, claim holders, mining companies, "brokers", miners themselves, villagers of different categories, and leaders/officials of different kinds—up to governmental level. Information was also sought from gold and gemstone dealers and leaders of miners' associations.

This was supplemented by direct observations and focus group discussions. The researcher was further able to attend some of the meetings organised by the miners and their associations. In most cases, beyond writing copious notes, it was possible to use a tape recorder and a camera. Other supplementary sources of information were documents from ministries, government departments, the National Archives and the University of Dar es Salaam library, as well as reports in newspapers and journals. Beyond purely technical aspects, the main focus was upon the history of local economic conditions, recent economic developments, economic and social relations within the industry, aspects of differentiation and accumulation, local forms of social and political organisation and control, the origins of specific forms of mining-related popular mobilisation, the responses of the authorities to various issues, and environmental and resource management questions. This section provides general introductory profiles of the three areas visited, with the aim to lay the basis for the broader discussions in the remaining sections.

Tanzanite Mining at Mererani

Tanzania's most famous gem is tanzanite, the trade name for a variety of the mineral zoisite. It has a deep blue colour containing a hint of purple. It is found in Mererani (Lelatema mountains) and also in Morogoro in Tanzania. There are also deposits at Lualenyi and Lilani in southern Kenya and in Norway. But the only economic deposits are those in the Mererani area. In the other areas mentioned tanzanite is found sporadically in crystals too small to be of economic importance and is of poor quality (URT/UNDP, 1991; Malisa, 1987; Parker, 1992).

The Mererani claims are situated in the Masai steppe in the newly formed Simanjiro district (part of Kiteto District up to July 1993), Arusha region. They are serviced by rough roads from the Moshi-Arusha road and from Kilimanjaro International Airport. The claims are 20 km to the

southeast of the airport. The area is a fairly open, grass-covered plain cut by hills and studded with inselbergs. Prominent in these features are the Lelatema Mountains. These mountains are also rich in other gemstones, such as green garnet, and green tourmaline.

Kiteto district has four divisions and 61 villages. Its official population in 1989 was 127,360. Throughout the district soils are poor and only 800,000 hectares of its 34,196 square km are cultivated. Most land is good only for livestock keeping, which is the major economic activity in the district. A majority of the district's population are Masai pastoralists.

Most of Mererani too was initially inhabited by the Masai who grazed the area, which is very rich in soda ash. The area was generally unattractive to the neighbouring agriculturalists, the Wameru, because it is rocky and there is a general shortage of water. There are seasonal rivers and springs and the soil in these is of the black cotton type. Bilharzia and amoeba are common diseases because of water problems.

Despite the physical domination of livestock keeping, there can be little doubt that most of the district's (not the mention the region's) income comes from mining. However, this has not been officially measured. To date the regional authorities keep no statistics on the mining sector. Regional and Zonal Officers admit that despite this dearth of records, mining increasingly dominates the regional economy, having a growing impact on all other activities.

Tanzanite was officially discovered in 1965 by a prospector, Mr. Daudi Shija Mayaya of Babati, who had arrived in the Mbuguni (Mererani) area in 1963 with Prospecting Right G.R.R. No 22465, issued the same year. Initially he thought he had discovered sapphire, but his find turned out to be a new mineral, which was to be hailed by Tiffany's of New York as the new find of the century. Tiffany's sought to obtain exclusive marketing rights, named it tanzanite and promoted the initial market. As a result of the advice of a government official Mr. Mayaya went into partnership in 1966 with a Goan, Mr. Immanuel De Souza who was alleged to be an expert in mining. In this partnership, Mayaya was given 40 per cent and De Souza took the rest.

Mining on a commercial scale started almost immediately at three sites along the six km long gemstone bearing area, and a high-priced consistent market was established with sales to German cutters in Idar Oberstein. A mining "rush" to Mererani began in 1967. There were 60 claims pegged by 1969. These operations were mainly small scale and it is officially reported that production of the mineral reached 70 kg by 1970. Former miners and informants who know the area well report that actually about 200–400 kg were produced annually by a host of registered and unregistered miners of unknown numbers. The exact production figures are not known since unofficial export of tanzanites was rampant in these years. The mines were nationalised in 1972 when a mining licence was awarded to Tanzania Gemstone Industries (TGI), a subsidiary of the National Development Corporation (NDC). In 1972, TGI became a subsidiary of the newly formed State Mining Corporation (STAMICO).

TGI's monopoly in the area remained until 1983. It was able to produce only 40 kg (200,000 carats) which could have fetched USD 2 million at 1983 prices in the first two years of its operation. Over the next decade, official production stood at the derisory figure of 7 kg annually. Mining was by means of open pit methods and machinery of various types was employed. Nationalisation of the area did not stop the operations of illegal miners. Moreover, it is reported by people who have worked there for a long time that theft during the TGI period was rife. According to the official story, the failure of TGI to engage in more substantial production was due to lack of capital, since one of the principals was deported before work could commence. With the failure of TGI as a productive enterprise the area was invaded by artisanal miners who were allowed onto the site provided they acted as sub-contractors to TGI. Even under this arrangement, TGI failed to pay the small miners. Most of the tanzanite was in practice smuggled to neighbouring Kenya as apart from TGI there was no formal outlet within the country.

It was in 1986, when TGI was officially declared a failure and left the site vacant, that an invasion on a major scale by illegal miners took place. These became involved in underground mining with a vast interconnecting network of tunnels and caverns extending to a depth of 60 m in some instances. It was reported that there were 30,000 people living in the area by 1989. The Minister of Home Affairs, Hon. A. Mrema ordered all the miners to be cleared from the site in December 1990.

The clearance order came in the wake of a 1988 government invitation to private companies to tender for the area. In the philosophy of the government, large scale companies would be easier to control. The site was divided into four blocks (A-D) and four companies, namely, Kilimanjaro Mines, Building Utilities, J.S. Magezi & Sons and Mfahamiko Mining Co., eventually secured the leases. However, none of these "large scale companies" managed to meet the main tender requirement—the deposit of a Tsh. 5 million bond. Their leases were rescinded in 1989 and the tender advertised again. In 1991, the government apportioned the area termed Block A to Kilimanjaro Mines. This company is owned by a local businessman (Ernest Massawe) who initially worked together with two Australians—Peter John Prickett and Janis Ann Healy.¹ At the time of the research he was supposed to be in partnership with a small Australian company—Diversified Minerals and Resources.

Block B was given to Building Utilities. This is a company owned by an 89 year-old European, Mr. "Misha" Fainzilber. Mr. Fainzilber has lived in the country since colonial times and has been active in a variety of business operations including mining, export of tropical fish and rare sea shells, and tourism. He is well connected to the state, according to himself because of his role in the Zanzibar revolution of 1964. Nyerere is supposed to have

¹ Peter John Prickett is known to have been jailed at some point as a result of some scandal in ruby mining. A public announcement recently declared that Prickett and Janis Ann Healy can no longer transact any business on behalf of Kilimanjaro Mines Ltd (*Sunday News*, 6 February, 1994).

mentioned this in one of his speeches. Fainzilber was (favourably) immortalised as "Willi", proprietor of the "Haven of Peace" beach hotel, north of Dar es Salaam, in Shiva Naipul's generally negative portrait of Tanzania in 1970s, *North of South* (1980:241ff).

Block C was given to Graphtan Ltd. This is a joint company set up by SAMAX Ltd, a small British mining company, together with the state-owned TGI and the private African Gems Ltd. Under this agreement, both tanzanite and graphite are to be exploited. SAMAX will operate the mine and receive all the graphite production, while gemstones will be shared among the partners.

Block D was awarded to Arusha Region Miners Association (AREMA). This association of small scale Tanzanian miners deals with all sorts of minerals. Many of the organisation's 1,000 members are "claim-holders" (see below), although all the 300-plus based in Mererani are mere "pit-owners" (also see below).

In 1993 there were over 425 small scale open pit mines in Mererani, of which 90 were operational, mostly situated in Block D. The overwhelming majority of Mererani's miners work in this block. Kilimanjaro Mines, Building Utilities and SAMAX between them employed only 130 people, although SAMAX state that they will eventually employ 150.

Several official gemstone auctions have been held in Arusha town since 1992, at which mainly tanzanite is sold. One auction in November 1992 realised USD 240,000 although "the best stones were absent". It is not clear how much cut tanzanite this represents. Official sales from the different blocks during the period July 1991–January 1992 were Block A: 1.4 kg; Block B: 1.7 kg; Block C, data unavailable; and Block D 16.4 kg. Sources allege that Blocks A and B could have produced 80 kg each over the same period, since they are the richest areas and the easiest to work.

Ruby Mining at Mahenge/Ulangu

Ruby, a red corundum gemstone is often found together with sapphire, a blue variety corundum. Ruby is found in several localities in Tanzania, and new sites are discovered every now and then. There are three relatively rich ruby occurrences. The first is at Umba River in Muheza District (Tanga Region). Ruby was mined for the first time in the area in 1961 and some 2,700 kg was officially produced before the site was taken over by STAMICO in 1971. STAMICO failed to exploit the mine profitably, and it reverted to small scale miners until recently. Ruby and sapphire are also reported from Korogwe and Lushoto in the same district.

The second is at Longido in Monduli District (Arusha Region), located close to the border with Kenya. Between 1961 and 1971 official figures show that the mine produced 300 kg of ruby and 75 tonnes of art stones. STAMICO failed to operate the mine after 1971, and it was unable to purchase gemstones from the artisanal miners who continued operating the mine. Ruby is also mined in Arusha at Kiteto District.

The last known occurrences are at Matombo and Mahenge. Matombo is located in the eastern part of the Uluguru mountains (Morogoro District in Morogoro Region). In this area ruby occurs in alluvium in low lying areas. Other gemstones found in the same area are tourmaline, spinel and garnets. Although ruby was discovered in the area in the 1950s, it was mainly from 1965 that small scale miners and prospectors began to invade the area. In the 1980s miners from Thailand entered the area.

Mahenge is in Ulanga District. Lying in the south of Morogoro Region, the district is the biggest of the four in the region. It has an area of 24,560 square km. 75 per cent of the area is covered by forest and wildlife reserves (including the Selous Game Reserve and the Kilombero controlled area). Official estimates show that only around 50,000 hectares (ha) is cultivated. However, land is of good agricultural potential in most parts of the district. Other than mining the dominant economic activities are agriculture, fishing and hunting. There is very little livestock keeping. The major crops grown in 1992 were paddy (11,514 ha), maize (11,652 ha), cotton (4,573 ha) and cassava (3,619 ha).

Among the numerous ruby sites are Lupanga, Ruaha and Malinyi to the south of Mahenge town and Chipa and Lukande to its southeast. According to official estimates, the district had 154,000 people with an active labour force of about 70,000 by 1992. Mwaya Division, where Chipa and Lukande mines are situated, had a population of 40,493 people by 1992. While the researcher visited all the sites mentioned above, in depth study was undertaken only in Chipa and Lukande in Mwaya division, Lukande ward. Lukande ward has only two villages, namely Lukande and Gombe.

According to the 1988 census the population of these villages was 897 and 475 people respectively. These figures have not changed substantially, it seems, as most miners stay in camps in the forest and as many of the villagers are drawn to the mining camps as labourers. Mines on sites near to these villages had the largest concentration of miners (local and foreign) in the whole district. The areas have been pegged and worked non-continuously by small scale miners since 1967. So far, they have not been properly investigated geologically.

Some 30 local miners organised themselves into a cooperative in 1977, as a means to legalise their activities and also get government assistance. Beyond this, up to 1988, most of the rubies which were mined by individual small scale miners found their way to markets in Kenya. It was in 1989 that foreign companies started moving into the area to mine and buy gemstones. Among the first to move in were Simba International Investments Limited and Tom Mines Limited, both owned by Thais who had been operating in Matombo since 1983. They had abandoned Matombo because rubies being recovered there were small and gasified and fetched very low prices on the international market.

Simba International Investments Limited stopped its mining operations by 1992 but remained engaged in gemstone dealing. It still hoards about 10 square km of claim in Lukande. Tom Mines has also got 10 square km

of land there. Other Thai companies which were to come into the district were Eagle Mines (with 15 square km in Lukande) and African Asian Precious Stones (with 25 square km in Ruaha). Another company is GRAMAKS in Lukande (7 square km). This company is registered as a local one since the Thai (P. Prayoon) who owns it managed to naturalise himself.

Initially the Thais were brought to the area as experts by local claim-holders who were mostly people from Ulanga district itself. Gradually, this turned into partnership agreements and finally ended up in the buying out of the local miners. Some of these are currently employed by the Thais as drivers or supervisors. There was also an attempt by a Senegalese to take over the claims under the mining cooperative, which had become increasingly weak.

Morogoro Regional Miners' Association currently has 204 members. These are claim-holders in different types of minerals. Many of these members own claims in Ulanga District, the most intensively mined area and the probable future site of a sub-office of the Zonal Mining Office. Chipa has about 55 claims, with half in the hands of ten people and the other half shared among a further 18. Lukande has about 48 claims with a similar distribution. There were seven licenced dealers in Ulanga by 1992-93.

Gold Mining in Geita

There are hundreds of small gold occurrences and deposits in the country, and it is estimated that today there are more than 500 small scale gold sites operated by more than 500,000 people (including those in related activities). Historically, there have been three principal gold producing areas in the country. The Lake Victoria gold field greenstone belts (Geita, Kahama, Singida, Iramba, Sekenke, Kilimafedha, Serengeti, Tarime and Musoma) have in the past accounted for 75 per cent of total production. The Lupa gold fields (Chunya District, Mbeya Region) and other areas within Mbeya Region produced another 23 per cent. The remainder was recovered in Mpanda mineral fields (Tabora Region) as a by-product from lead concentrates (Parker, 1992:21). Other more recently exploited occurrences are in Mbinga and Songea District (Ruvuma Region), Dodoma Rural District (Dodoma Region), Kigoma Region, Liwale District (Lindi Region) and Manyoni District (Singida Region).

The Geita greenstone belt, where the famous Geita Gold Mine (the largest in East Africa until 1966) is situated and the Rwamagaza greenstone belt where the Buckreef Gold Mining Company (under STAMICO) is situated are both mainly in Geita District. This district is amongst those which have been most heavily invaded by small scale miners over the years. The active areas in the district include: Old Geita mine, Mgusu, Nyamulilima Hill, Nyarugusu, Buziba-Rukarakata, Rwamagaza, Nyamtondo and Nyakagwe-Nyangomango.

Geita District is among six districts in Mwanza Region (the second smallest region in the country). It has an area of 5,702 square km of which about 1,050 square km is under water (Lake Victoria). It has 165 villages, 27 wards and seven divisions. According to the 1988 census, the district had a population of 431,191. With the growth rate of 4.2 per cent, it is estimated its population reached 554,203 people by 1992. The greater part of the district, and especially the south and south-west, has settlement of only recent origin (about three decades), and there are considerable areas of still unoccupied land partly because it is infested by tsetse fly. These areas also fall within the gold belts.

The most important economic activities in the district are agriculture, livestock keeping, fishing and gold digging. The basic agricultural crops grown in the region are cotton, paddy, maize, cassava, beans, banana, groundnuts and sunflower. Generally, the southern part of the district has very long dry seasons and rainfall is not very reliable. According to official figures, agriculture accounts for about 60 per cent of the district's GDP. Official trends reveal that this sector's contribution has been falling over the years relatively and absolutely. This is partly due to the erratic weather conditions and to declining trends in the application of inputs since most peasants cannot afford to buy them since price decontrol occurred (URT, Mkoa wa Mwanza, 1992:3).

Both the regional and district authorities, unlike in Arusha or Morogoro, are aware of the contribution of the mining sector, and part of the region's development programme is to promote the growth of non-traditional products. The 1992 Mwanza Region annual plan, for example, beyond mentioning the amount of gold which was purchased in the region, also mentions the problems facing the sector (op.cit.:6). In fact, all the indications are that the sector dominates the regional economy.

Recent activities by small scale miners in the district started in the 1960s and intensified in the 1970s and 1980s. The mining areas visited in the course of the research, namely Nyarugusu, Mgusu, Buziba and Rwamagaza (bordering Buckreef), demonstrate this point. Mining in Nyarugusu area (about 60 km south-west of Geita township) started in 1938 with a small South African mining company, Rough and Co. The company was closed down in 1961. It was with this closure that informal mining started taking place, initially on a small scale. The village had 4,000 people by 1974, largely however as a result of the villagisation programme which was effected in the same year.

In the late 1970s a gold rush took place in the area, and expansion of small scale mining activities intensified further in 1981 with the formation of mining groups which started acquiring claims. The population of Nyarugusu settlement had reached 35,000 when Geita town had less than 30,000 people in the same year. The government closed the area in 1982, officially because it was posing health hazards. Another reason was that Nyarugusu was said to be diverting supplies of consumer goods from Geita town. A police force, called the "Operation Police", was stationed in the area to prevent all mining activities. The police, as it turned out, became

economically dominant in the area by encouraging unlawful mining and taking a share from it.

When the Minister for Minerals finally gave permission for local miners to be granted claims in 1984, on condition that they received "training", the regional authorities in Mwanza refused to comply. The result was an intensification of unlawful mining and other illicit activities both in the area and in Geita town. The district authorities eventually bowed to pressure and issued claims. At the time of the research, the registered population of Nyarugusu settlement was 35,000 but according to the authorities actual numbers in the village could exceed 50,000 (Geita town had 43,979 by 1992).

Buziba-Rukarakata, a small settlement outside Nyarugusu, experienced a gold rush in 1980. It was within this context that the government decided to establish a Small Scale Gold Mining Project in the area by 1983. Such projects were also started in Chunya and Karagwe. The project consisted of providing plants where the small scale miners could grind and process their ore. Installation of the machines was never completed, and the plants were left to rust. Meanwhile, there are seven project workers stationed in the area doing nothing. The area has continued to be mined by small scale miners who do not have claims. Another gold rush took place in 1989. By 1993 there were 7,000 people working in the area. Many former settlers had moved to Rwamagaza where another gold rush had occurred. Rwamagaza is essentially a mining camp, although some villages are beginning to sprout. The area borders the Buckreef Mines, and its population was about 25,000 in October 1993.

While the government allowed the miners to take claims in 1984 and was even attempting to establish plants to help them, at the same time it granted a prospecting licence for all the areas discussed above to Dar Tardine el Umma Ltd in 1984. Dar Tardine "organised" miners as sub-contractors, apportioning them areas of 400ft x 400ft to mine on condition that they sold the gold to the company. The Mwanza Regional Miners Association (MWAREMA) which was formed by the government in 1986, with its headquarters in Nyarugusu, took on the task of supervising the sub-contractors. MWAREMA also took a few claims outside the Dar Tardine areas on behalf of its members. Since Dar Tardine was kicked out of the area in 1989, MWAREMA has continued to supervise the sub-contractors although the areas remained unlicensed since Dar Tardine had filed a case against the government with the intention to get the areas back. MWAREMA has a membership of 220 who are all claim-holders or sub-contractors.

Another settlement visited was Mgusu. This settlement had 6,800 registered and between 12,000 and 15,000 unregistered residents in 1991. It is in a forest reserve 20 km west of Geita town. It arose for the first time in 1988 after Chipaka Gold Mining Co. (owned and named after an ex-Ministry official) obtained claims, and apportioned them to "pit-owners". Between 1990 and 1992 nearly 400 kg of gold from Mgusu was sold

through official channels. According to sources, this is less than 50 per cent of actual production.

The record of the Buckreef Gold Mining Company has already been described. Today it has entered into agreement with East African Mines Ltd (a subsidiary of Portman of Australia) to undertake exploration in the area and surrounding ones, some of which are being worked by small miners. The possibility exists of a joint venture in which Buckreef will have 20 per cent of the shares. So far, there are six companies which have been granted prospecting licences in Geita District, namely, Ikina Reef (Australia), Apollo Mining (Norway), Bismark Hotel (local), Yatabu Mining (local), and Tancan (Canada). Most of these are not large companies, and the areas they are targeting are those which are being worked by the small scale miners.

In Geita, as in the other areas studied, the main activity of the "large scale" companies appears to be rent collection from small scale miners and smuggling of the shares of the mineral thereby obtained. Dar Tardine, for example, was permitted to continue operating as the main dealer in Geita district until May 1990. Between August 1989 and that date it declared it had purchased only 28.8 kg of gold. Yet the Bank of Tanzania has been purchasing well over two tonnes per annum from the area since direct purchases began in April 1990 and even though smuggling still continues on a considerable scale.

THE SOCIAL DIVISION OF LABOUR IN MINING

The view is widespread among economists, government officials (some of them geologists or mining engineers by profession) and planners that small scale mining—to paraphrase one senior mining official's statement—is dominated by people who are social misfits. According to this view, many miners are simply criminal elements, ex-convicts and ex-soldiers who are incapable of organising themselves or being organised. Illegal marketing of gold and other gemstones is prevailing on a large scale in the country because of the presence of such elements in the industry. Furthermore, the lifestyle of these miners is that of people who squander all their resources to the detriment of productive investment in mining and other sectors of the economy.

This view assumes that small scale miners are a homogeneous group with similar economic and educational backgrounds. Moreover, it ignores the historical evolution of the socio-economic relations in the sector and it tends to conceal the actual relationships which exist in the mining communities and between these and wider social, economic and political forces and institutions. It is therefore important to examine occupational and social groupings amongst miners. As will be shown, the views and attitudes which are espoused today by economists, officials and planners are reminiscent of the views held by the European miners in the colonial days of the emerging class of African miners.

Some Origins of the Current Social Division of Labour

The latter conception of African miners was developed in a period when there was a rapid increase in the number of African small employers, namely the 1930s. In the previous decade all employers were European while Africans were brought into the gold fields as labourers. European employers were themselves divided into three groups depending on their level of initial capital: "diggers", small reef miners and small companies. "Diggers" had very little initial capital, did not stay at permanent labour camps and their life was generally unsettled. Small reef miners had some capital and owned some equipment. Finally, companies had relatively substantial capital, considerable equipment and established settled camps. They worked in both reef and alluvial gold and were capable of competing for labour with other sectors of the colonial economy (Khamsini, 1978; Lemelle, 1986).

Most of the "diggers" and small reef miners' capital was locally obtained from trade, work in settler agriculture or plantations, government or military service, or the colonial state itself through the Mining Loans Board which was established in 1937 (for Europeans only) under the Mining (Loans) Ordinance.

The formation of the Legislative Council in 1926 had given settlers and other European small capitalists a semblance of representation in government. Within two years a European Congress of Associations was formed (Iliffe, 1979:345). On the other hand, competition for labour between settler farming capital in the Southern Highlands and European miners—with the latter being unable to match the former's rates of remuneration—resulted in the mining sector's development from 1929 onwards of one of the most prominent tricks of labour retention. Known as the *prizzi* (price), it consisted of giving workers a bonus in kind, raised every now and then, for each standard unit of gold recovered. This practice was widespread by 1932.

During the 1932 miners' strike in Lupa, over low wages and poor conditions, some African miners successfully agitated that they should be granted licences too. In reaction, Europeans formed the Lupa Gold Diggers' Association, retitled the Lupa Gold Diggers' and Miners' Association in 1934. This organisation lobbied the state specifically in relation to the "labour shortage question". With Africans being granted prospecting licences, competition for labour had intensified further. African employers easily by-passed the 1921 Master and Native Servants Ordinance which had assumed that Europeans would be the only major employers. Since the state only granted prospecting licences to individuals, claims were formally held by one member of a group of African miners (the *pata mali*—get rich), who then personally took a certain amount of the gold recovered. In practical terms though, the claim was owned by an association of shareholders of people from the same place or village.

Those Africans who acquired prospecting licences were regarded as heroes and therefore most labourers tended to avoid Europeans and join

such associations. Essentially a racial war developed, whereby Africans accused Europeans of being oppressors and exploiters and Europeans accused Africans of being irresponsible and ignorant of mining operations. Europeans harped on about the destruction of the industry (Khamisni, *ibid*:56) and the increase in illicit gold mining and gold smuggling to the Congo (Zaire) as a result of granting Africans prospecting rights. A group of 450 Europeans with the support of the Indian and Hellenic associations drew up a "Diggers Manifesto" in March, 1937, which aimed at informing the world about the plight of the European diggers in the Lupa industry. Its complaints were couched in terms of law and order, although the underlying motive was simply to curtail the numbers of African diggers (Lemelle, *ibid*:352).

As a consequence of this manifesto, the licences of many African diggers were confiscated the same year, but then returned immediately for fear of another strike. The government was to instead pass a measure aimed at illicit gold dealing, with the underlying assumption that it would eliminate African diggers from the industry.

The general feeling amongst whites in the territory was that illicit gold dealing was facilitated by the fact that Africans were allowed to possess prospecting licences. Since the primary system of remuneration for African workers ... was still the *prizzi* system, it remained possible for a worker to retain alluvial gold which he had recovered and sell it himself. If this worker was questioned by authorities he could easily produce a prospecting licence and claim the gold as his own. Thus, by not allowing Africans to hold licences, so the white diggers argued, illicit gold dealings—not to mention African competition—could be eliminated (*op.cit*:352–3).

As indicated above, the *prizzi* system was actually started by the European diggers themselves. In relation to this system meanwhile, a number of Europeans emerged who became known as "verandah prospectors" paying a higher share to workers than other diggers. These simply left the prospecting and mining work to a headman and a gang and waited on the verandah for the winnings. A spiral of competition for labour was then set off, which by the mid-1930s resulted in many employers introducing a system whereby instead of paying salaries/wages at all they merely gave the workers food and then later paid them more in kind for each "penny-weight" produced¹ (*op.cit*:253).

Despite the war against African miners, their number kept increasing. After the war meanwhile, as the settler economy and colonial state expanded and diversified, the numbers of whites tumbled to the extent that on the eve of independence Africans were the only significant group involved in very small scale mining. African miners, with the supporters of the workers in the fields had formed an African Diggers' Association in

¹ "In self-defense many diggers began offering higher and higher bonuses; from 5 to 10 cents it rose to 20 and 50 cents. The situation reached such a point that a new system was introduced by the early 1930s: food, no salary, but 1/50 per pennyweight, with rumours of Sh. 2 even 2/50 being paid in *prizzi*". (Lemelle, *op.cit*: 254)

1937 in response to the "Diggers Manifesto". This association continued defending African miners' interests up to the eve of independence, drawing its support from the workers against the European miners.

Claim-Holders after Independence

With the departure of the Europeans, direct confrontations began to emerge between the African holders of prospecting licences and their co-workers. The heroes of yesterday were increasingly being viewed as exploiters since the unequal aspects of the "share-holding" system established in the colonial period, which allowed the prospecting right's holder to take the lion's share, became exposed to questioning. Ordinary miners began to demand guarantees of a more equitable distribution of the winnings from the prospecting licence holders, and the Tanganyika Federation of Labour tended to support the workers' demands. The legitimacy of the African Diggers' Association had been weakened as its main adversary—the Europeans—had departed.

As an answer to the workers' demand for better remuneration on "jointly worked" African claims, an alternate system for distributing the winnings was suggested by the "employers". Workers could work on the claim for a given day and distribute the returns among themselves while the claim-holder would take the returns of the work of the next day. This arrangement was not necessarily accepted by the workers as the prospecting licence holder was still legally entitled to a greater share than others (from 50 per cent of the working days). However, the prospecting licence holders refused to revise the system further, arguing that out of their 50 per cent had to come commission payments on the gold sales and the claims. In some cases however, claim-holders now merely rented out their claims to the workers.

The post-independent government continued to issue prospecting rights on an individual basis. At the same time, it tried to encourage the formation of mining cooperatives in the hope that these would minimise such conflicts and lead to higher production. It was hoped that it would be easier to mechanise the industry in this way. In 1963, for example, the Lupa Gold Diggers' Association cooperative was formed. It took some claims, and the government even granted it a gold dealer's licence (Khamisni, *ibid.*). This cooperative survived for some years but finally collapsed due to high mobility among the members and also the fact that after some time, individual members sought to get their own claims.

Little or no social mobility seemed to subsequently take place within the industry for the great majority of miners. Some who were able to save money which they made during the colonial period seem to have invested it in agriculture around the mining areas or at home, or ended up drinking heavily or purchasing *vitu mambo leo* (modern goods—bicycles, furniture, etc.). The latter reflected a pattern established already amongst European small scale miners. After independence the pattern was renewed: besides

some investments in agriculture and commerce, many small scale miners spent their surpluses on the purchase of bicycles, motorcycles, cars and lorries. Ownership of these items had become an important symbol of their economic status. These miners competed among themselves in terms of the number of three-piece suits they owned, the brand of cigarettes they smoked and the extent of treating they could indulge in at the *pombe* (beer) shop. In Lupa, some who became known as *wazungu weusi* (black Europeans) even sent their clothes to Nairobi by charter for laundry (Khamsini, *ibid*:113).

Currently, there are three types of "claim-holders": companies, individuals and associations. Companies hold licences, but do not necessarily engage in mining. For example it has already been shown that, instead of mining, Dar Tardine sub-contracted small scale miners to mine their claim. Essentially, this involved allocating given areas to individuals who thereby became "pit-owners" (i.e., those directly responsible for organising extraction, from a few metres of strike length upwards), on condition that they sold all the gold they produced to the company. The role of the pit-owner is a fairly recent one, dating only from the 1970s, although it may have existed in an embryonic form in the days of the "verandah prospector". Its introduction allows the claim-holder to escape the need to directly organise the production and labour processes. Kilimanjaro Mines which owns Block A and Building Utilities which owns Block B in Mererani are sub-contracting their sites in the same way. The former had six pits in 1993 being operated by gangs under pit-owners. Two of these were sub-contracted to two Asians, Mr. Singh and Mr. Firoz, who in turn employed foremen to organise the labour process. Building Utilities had four gangs of workers.

Chipaka Gold Mine Co., a small local company which began to operate in 1988 at Mgusu in Geita had two claims with 317 pits working and 70 dormant in 1993. The company itself merely hired security guards for each pit, and sub-contracted all actual working to pit-owners. The company took 30 per cent of the proceeds. Tom Mines in Mahenge is officially a single corporate claim-holder. In reality, it comprises three different sub-companies, all Thai. These emerged as a result of squabbles between the Thais over the recruitment of a substantial number of relatives as experts (there were 17 Thais working for Tom Mines alone in 1993). According to the records, Tom Mines and GRAMAKS themselves produce only 20 to 30 per cent of the gemstones they export. As licenced gemstone dealers they buy the remaining 70 to 80 per cent from small scale miners. Although they are registered as mining companies, Kilimanjaro Mines, Chipaka Mines Co., Tom Mines and GRAMAKS are not capitalist employers as such. Nor are they all "large scale enterprises"—or even medium scale ones. While Tom Mines and GRAMAKS are partly mechanised—possessing graders, excavators, water pumping machines, washing and processing plants, electric generators and even medical services—Kilimanjaro Mines, Building Utilities and Chipaka Mines are not mechanised at all.

The second type of claim-holders are individuals. These are persons who have pegged claims after following the lengthy procedures which the

Mining Act requires, and registered sites in their own name or that of a certain form of partnership. Like companies, individual claim-holders typically sublet the actual working to pit-owners. The claim-holder takes up to 30 per cent of the winnings from the pit-owner. Depending on whether there is a "rush" at a particular claim, it will have between 10 and 50 pit-owners leasing. This is especially so in the case of Mahenge and Geita.

Given the requirements of conforming with the Mining Act, claim-holders (including pit-owners in the case of Mererani) need a certain level of education. While a majority are primary school leavers, there are also some with secondary and even tertiary education, including some graduates. Amongst the latter, there are some who are former teachers and ex-civil servants as well as ex-parastatal workers who are either retired or have decided to go into mining on their own.

In Rwamagaza, for example, one of the claims which experienced a "rush" towards the end of 1993 belonged to a former Kagera and later Mwanza Regional Development Director, Mr. Edward Oluoch. Geographically, these claim-holders hail from all over the country. There are some who are also involved in other activities, such as commerce or agriculture or who are still in formal employment. This means that many claim-holders are absentees. There are other claim-holders who have gained this status after having worked in other jobs in the sector. However, there are hardly any full-time miners in this category. A majority of claim-holders may not even know much about mining. Theirs' is more of a landlord role. Equipment and machinery is normally provided by the pit-owner, not the claim-holder, and the only people the latter normally directly employ are security guards who are supposed to be in every pit during mining operations to make sure that the pit-owners do not understate their production. Besides the dealers, claim-holders (and pit-owners in Mererani) are generally the only gainers from mining. Claim-holders are nonetheless themselves differentiated according to the number of claims they have. While the majority own only one claim, there are some who have more than two. In the case of Mahenge/Ulangu there are some with up to five claims.

Associations such as the Arusha Regional Miners' Association (AREMA) and the Mwanza Regional Miners' Association (MWAREMA) also take claims on behalf of their members. In forming these associations after 1983 the government had hoped to confine membership to claim-holders and those with prospecting rights. As it turned out, many who joined had no claims as such, but were actually pit-owners. The classic case is Mererani.

The claim-holders who ran AREMA at the time had taken out a claim in 1991 in the name of a private company, AREMA Enterprises, from which the pit-owners would have been excluded. This led to the popular overthrow of its leadership by the pit-owners. In this way, the Mererani pit-owners became a collective claim-holder. They now formally lease small sub-claims from the organisation and pay it 10 per cent of all sales in return—significantly less than they would to a corporate or individual

claim-holder. AREMA has 351 registered members (including 15 women) at Mererani who are mere pit-owners. In Geita, MWAREMA has also been trying to take claims on behalf of some of its members, or allocating some of the former Dar Tardine areas on a temporary basis. In Geita however MWAREMA remains under the control of individual claim-holders, and the rent on claims let to pit-owners is 30 per cent.

The Pit-Owners

"Pit-owners" are tenants of the claim-holders, renting strike lengths from them and normally providing tools and equipment and recruiting, supervising and feeding labourers. Most themselves also work in the pit. Their backgrounds vary in that some may have mining experience while others may not. Except in Mererani and Mahenge, where one finds some with secondary or tertiary education, most are ex-primary school leavers. Differentiation among pit-owners depends on the number of pits they have under their control, the scale and capitalisation of their operations and the manner in which the latter are sponsored. In the case of Mererani, for example, the ownership of a compressor and an air pump and a larger number of workers is an indication of a well-off pit-owner. In the case of Mahenge, one of the best indications is ownership of a water pump. There is hardly any mechanisation in Geita. Generally there are manual air pumps and other tools being manufactured throughout the fields which are affordable by a certain strata of pit-owners.

Many pit-owners are poor though. These can hardly afford to feed their workers, let alone to buy the working tools. Those that can have usually sold land or other property at home or borrowed from relatives; the remainder depend on sponsors. The claim-holder may him- or herself decide to sponsor the operations of the pit-owner by providing food and tools, but this is rare. In the majority of the cases, sponsors are residents of the surrounding villages or nearby urban areas.

Other sponsors include gold and gemstone dealers and "brokers". This is the case in some instances in Mererani, and more frequently in Mahenge. In Geita, a class of women who are both farmers and sponsors has emerged. They have been able to do so because they control local food supplies. All sponsors take a further share of the winnings (normally also 30 per cent). Where dealers or brokers are the sponsors, the latter are guaranteed the purchase of the winnings and reimbursement of money advanced.

The amount of capital a pit owner requires varies according to geological conditions. More capital is required in tanzanite than in gold or rubies. It takes several months of digging before one strikes a "pocket" of gems in the case of tanzanite. Within this context, it is quite common to hear that a pit owner has spent up to Tsh. 5 million in feeding the workers and buying tools. The pit owner in rubies does not have to feed the workers. The reason is that rubies are found almost every day, and the workers prefer to deal directly with the sponsors given that after every strike they get their

share and sell it almost straightaway. Capital requirements for gold mining are also not as high as for tanzanite, since again it is normally not long before a vein is struck.

About 10 per cent of pit-owners in the studied areas controlled between 6 and 10 pits but about 80 per cent controlled only one pit. The rest controlled between two and five. The physical mobility of pit owners, especially the poorer ones, is quite high. The exception is Mererani where since pit-owners are also claim-holders they may remain in the area working in others' pits, and go back to their own pits after acquiring some capital.

The Mineworkers

Workers are organised in gangs which work under the supervision of an overseer or foreman. In the case of pit-owners who control only one pit it is the pit-owner himself who is the supervisor. In gold, gangs are normally small (between five and seven workers), but larger in the cases of ruby and tanzanite, where numbers can reach up to 20. Mineworkers are all men and around half are under 20 years old. There are basically three groups of workers within a gang. These are drillers, blasters and sand removers. In the case of gold, gangs temporarily hire the services of people with expertise in gold recovery as soon as they strike gold. These "roving experts" are paid a share in whatever pit they happen to be working in. The majority of them acquired their skills in employment with formal sector mining companies sometime in the past. The same applies in the case of "experts" in timbering the pits, as in Mgusu and in some instances Nyarugusu.

Production methods are straightforward and labour intensive. Most mining is done by hand, using worn out simple tools, some of them made by blacksmiths within the mining camps. These tools are picks, sledge hammers, chisels and shovels. The life span of picks, chisels and shovels is two to five weeks depending on the type of rock. Work is performed during daytime in ruby and gold mining, since in most cases (except in Mgusu) the pits are shallow. In the case of tanzanite mining, where there are pits with depths of up to 100 metres, work is done in shifts the full 24 hours. Workers get a chance to go to the village to take a bath at least once a week.

The other type of worker is the guard (or *sungusungu* (vigilante) in the case of Geita or National Service soldier in the case of Building Utilities at Mererani). These are normally employed by the claim-holder (Mahenge and Geita)—or by the pit-owners in the case of Mererani. AREMA and MWAREMA also collectively employ guards.

In Mererani, pit-owners also employ children between the ages of 10 and 13, also called *sungusungu*, to guard the pits not against their own workers but against occupation by illegal miners when they are not being worked. It is claimed that thieves find it more difficult to detect children, making them ideally suited for the job. Their main task is to report immediately a thief enters a mine. They usually sleep in the pits.

Gangs are not permanent and ordinary miners are not organised. Movements of workers from pit to pit, from claim to claim, or from one mining site to another are quite frequent and depend on perceptions of prospects. It is also facilitated by the payment system. Generally, this is based on a percentage share system. This is a continuation of the old *prizzi* system of colonial times, whereby workers received only food prior to a find, and were then paid a share of the gold recovered. Pit owners deduct investment costs from certified sales (in the case of Mererani) or simply divide up the ore (in gold) or the sacks of sand/rocks with minerals (in ruby), after similar more arbitrary calculations.

The mined crude ore in gold is either sold directly to "buyers of stone" or treated by the pit-owner and his workers. There is no treatment process in tanzanite mining, and the only processing involved in ruby mining is washing the sand/rocks to recover the gemstone. This work is done by the miners themselves. In gold, processing involves other types of workers, namely crushers, grinders and experts in gold recovery. Crushing the ore to minus 10 mm, which is done by gangs of between four and 15 workers with sledgehammers is the most highly paid type of work. There are up to 25 such gangs within a major goldfield. The crushed ore is then ground with hardwood mortars and steel pestles, usually by old men. This is followed by fine grinding, normally by gangs of children and women.

Recovery of gold from fine ground is achieved first through concentration via sluicing (trapping free gold on old sacks or cloth when washing sand in a sluice box). The tailings are reground and washed again. Finally, amalgamation with mercury occurs (also using running water) and the gold is recovered by heating the amalgam in a pan or on a shovel over an open fire.

Generally, workers are extremely poor people who even when they are able to sell their share or steal a bit from their employer, normally end up only able to pay off the debts they have run up while waiting to be paid. Of course, they also indulge in heavy drinking and other merry-making when conditions allow.

Dealers and Brokers

Nationally there were 92 registered gemstone dealers by June 1992. It is only now that attempts are being made to introduce a policy for the registration of licenced gold dealers and their total number is unknown. It is known however that numbers rose steeply in 1989 as many former black marketeers/smugglers went legal—but also that many had their licences cancelled in 1992/93 for not complying with the regulations on required export levels. Most dealers have other businesses and are rich people who are mainly based in Dar es Salaam and Arusha, with the former accounting for the largest number.

There are about 35 dealers in Arusha and Moshi, mostly dealing with tanzanite and other gemstones. One is a Tanzanian of European origin, 10

are Tanzanians of Indian origin and the remainder are Africans. Many more gemstone dealers in Dar es Salaam are Tanzanians of Asian origin and there are also a number of Thais. Dealers of Tanzanian African origin are few in Dar es Salaam.

The dealers, besides purchasing in their own right, usually employ "brokers". This category are almost all Africans from Tanzania or neighbouring countries, who have flocked in their hundreds to the mining areas. They mostly work for dealers as commission agents. A few are independent "informal" small scale dealers, who cannot rise to the ranks of official dealer because of the prohibitive bond of Tsh. 5 million. Brokers in general strive to develop very intimate relations with the miners, since it is through direct and often illicit deals with the latter that they can increase their earnings. Claim-holders and pit-owners detest them as the cause of stealing. While brokers deal illicitly with small scale miners, dealers tend to deal illicitly with larger-scale ones. For both, transactions outside the banks or monthly auctions are the norm. Sometimes auctions will take place where most stones are rejected on the pretext that they are of low quality. But the same dealers are seen around the sites in the following days, when they will probably "unofficially" buy the rejected stones.

Besides avoidance of tax liability, incentives for smuggling both by dealers and companies are created by the discrepancies which have continued to exist between world market prices as they really are and as they are "interpreted" by the Bank of Tanzania. For example, the latter failed to respond to the increase in the real world market price between March 1992 and February 1994. Eventually the Bank was forced to raise prices in the latter month by Tsh. 730 per gramme for alluvial gold, Tsh. 690 per gramme for reef gold and Tsh. 680 per gramme for amalgamated gold. Incentives for smuggling have also been maintained by restrictions on how much foreign exchange dealers can retain. This currently stands at 70 per cent of sales, as opposed to the 100 per cent which smuggling implies.

Finally, it should be pointed out that even if these incentives were removed, smuggling may still be a preferred option for many dealers and brokers since it often involves barter transactions in third countries which are part of informal international triangular trade. One branch of this trade involves the purchase of drugs in Asia with Tanzanian minerals. The end destination of these drugs is Europe and South Africa. Another is in "regular" own-funds imports. Both of these, and the flimsiness of the curtain between them, seem to be part and parcel of economic liberalisation in Tanzania.

Basically, dealers and brokers are the ones who gain most from the mining industry. They now have their own association which lobbies the state for further deregulation. Among its leaders is a former Ardhi Institute lecturer who is also a claim-holder.

THE POLITICS OF ACCUMULATION IN MINING AREAS

The social division of labour described above has major implications as far as accumulation and struggles over sites of accumulation are concerned. Such struggles have become part and parcel of the whole process of liberalisation of the economy. Available evidence shows that such conflicts have been on the increase over the past years. "Small scale" mining provides a site for both popular survival and some forms of accumulation, under competitive conditions. At the same time, the 1979 Mining Act and 1990 Investments Promotion Act have created a favourable protective environment for so-called large miners. What has occurred is essentially the selling off to foreign companies of the right to levy rents on local small scale mining.

Foreign companies which have been attracted to the country—and, indeed, those Tanzanian companies involved in mining too—with very few exceptions, are not large scale as such. At best they are "junior" mining houses. Most in fact are not even this. They are incapable of large investment, and therefore end up in speculative operations, combined with the buying of minerals from "small scale" miners. Such companies are moreover not strong enough to depend on their own resources to make profits, but require guarantees and privileges from the state authorities (often obtained through corruption). The political and economic policy framework in the country favours such companies rather than genuinely productive investment.¹ Meanwhile, the rise in official purchases of gold and official growth rates for the mining sector have been due to the activities of the small scale miners rather than large ones. It is now time to turn to the politics of accumulation in the sector and the conflicts surrounding it.

After the government issued a policy paper on small scale mining in August 1983, it was decided that effective supervision and control of local miners and their activities required the formation of "miners' associations" throughout the country. A commission was formed by the Ministry of Water, Energy and Minerals and sent to every region to encourage and popularise the formation of such associations. Most Regional Miners' Associations (REMAs) were formed in the same year and the following one, although some were not formed until as late as 1986. Within this context, the Federation of Miners' Associations (FEMATA) and the Tanzania Mineral Dealers' Association (TAMIDA) were also formed.

Membership of the REMAs was intended to be confined to those with a "genuine stake" in the "orderly" running of the industry, i.e., companies and those individuals with claims or prospecting rights. Essentially the associations were supposed to educate miners on "technical matters, legal matters, health issues and safety measures" and to ensure that "harmony

¹ Early in 1995 the majority owners of Williamson Diamonds Ltd (De Beer's) was publicly complaining that they had been granted none of the tax and import duty exemptions on machinery and equipment for renovation at Mwadni that IPC and the Ministry of Finance had granted to the so-called "large scale" companies described here (*Business Times*, 28 January 1995). (Editor)

existed among miners". They were also supposed to ensure that miners observed the laws relating to the sector and prevent illegal transactions by the delivery of accurate production figures to the government. They were finally supposed to defend miners' interests in general and to proffer advice to government on mining issues. These associations could also form companies and establish their own mining activities.

Despite state efforts to form them, "miners" were at first reluctant to join these associations. Most claim-holders and especially companies saw no need to join them as they had little to offer them in the way of assistance or support. The Morogoro Miners' Association (MOREMA), which was formed in 1983, had only 23 of 130 potential members (registered claim-holders in Morogoro) by 1985. It took three years for the government to successfully organise the Mwanza Miners' Association (MWAREMA) and the founder of the association was the Zonal Mining Officer himself. The association had very few members at the outset. The Arusha Miners' Association (AREMA), which was founded in 1985, also had hardly any members at first.

The first 50 members of MWAREMA were all tenants of Dar Tardine, the company which controlled most of the area in Geita. Initially they saw no reason for joining since it simply seemed to mean payment of fees and other contributions. In any event, Dar Tardine bought gold from them. The circumstances under which they joined MWAREMA seem not to have been voluntary ones. In effect, MWAREMA was formed by the government through Dar Tardine. To date MWAREMA regards itself as an organ of the Department of Mining and its activities largely involve implementing instructions from the government, for example by trying to prevent illegal dealings in gold. It has also been supervising the miners who are working in the ex-Dar Tardine areas, to whom it allocated these areas temporarily up to 1993. MWAREMA functions basically as a landlord in this regard. The leaders of the association allocate areas at their own discretion and they and other village leaders in Nyarugusu, where the headquarters of the association are, simply live on the miners' sweat. The association has also established a mining and master dealers' company (Mwarema Mining Company).

More recently though MWAREMA became involved in trying to obtain claims. It is in this context that its membership suddenly shot up to 220 by 1993, as this promised to simplify some of the processes involved for small miners. The sudden invasion of the area by new companies had forced the association to defend the small miners by asking the government to grant them those areas where they were already working under MWAREMA supervision. The areas granted to the new companies (and Dar Tardine before them) had of course long been discovered and worked by small miners.

MOREMA in Morogoro closely resembles MWAREMA, in that it regards at least part of its task as the implementation of government directives. It considers itself an advisor to the government and often uses state organs in dealing with problems in the mining areas. The Thais operating

in the area are also members of MOREMA. Between 1992 and 1993 the association received donations amounting to Tsh. 600,000 (USD 1,200), much of which clearly came from the Thais. According to the managing director of Tom Mines, the association was "doing a very good job" since it controlled the small miners and resolved problems between them and the larger ones. He was referring to the fact that MOREMA, in cooperation with the district authorities and the Thais, actually razed a mining camp in Lukande in order to disperse "illegal miners and criminals". The association was trying to form a company by 1993.

Morogoro is an area where the conflicts between foreign miners and local ones are acute. While MOREMA acknowledges that foreigners have been given large mining areas, it considers that the source of this problem is that Tanzanian claim-holders have sold their claims to them. Furthermore, it asserts that the accusation that foreigners have been given large areas by MOREMA itself is made in the interest of a few individuals who may want to get claims, rather than as an expression of a genuine problem. MOREMA has only weak roots in the area as most of the individual claim-holders in Ulanga are from Morogoro town, Dar es Salaam, Moshi and other far-flung places. This is in sharp contrast to most of the labourers, who are from the district itself.

The case of Arusha Regional Miners Association (AREMA) is a very different one. The bulk of its members are drawn from Mererani. As already noted, the government announced that it was inviting companies to tender for Mererani in 1988 after dividing the area into four blocks. In the wake of this event all the miners who had been working in the area were kicked out and the area was granted to private companies. After the failure of the first companies to meet the tender requirements, the area was reallocated in 1991. It was in the second allocation that AREMA got Block D through a company, AREMA enterprises.

Essentially, the latter company was intended by the AREMA leadership to be an instrument for their individual accumulation. The moment it was granted the mining rights, it started negotiating an agreement to enter into partnership with a foreign company (Tuckman Mines and Minerals Company) based in Arusha and managed by a Tanzanian Asian who was also the Secretary General of Tanzania Mineral Dealers' Association. With the whole area allocated to companies, miners who had been working there for many years suddenly found themselves without claims to work on. The association introduced a rule that anyone who wanted to continue mining on its "own" block had to pay a fee of Tsh. 50,000 (then USD 130) to do so.

No miners paid this fee. The AREMA leadership was overthrown in May 1991. Under a new leadership, the association allowed the pit-owners to work the area on their own account. AREMA became a collective claim-holder taking care of safety and security questions (e.g., organising blasting rotas), health issues (although it has not been very successful in this regard) and assaying, valuation, and marketing. As noted, it taxes the pit owners 10 per cent of the proceeds.

The association's constitution had stipulated that only claim-holders or people with prospecting rights could be members. But the new leadership consisted of people who did not have claims. Henceforth, membership to the association was extended to pit-owners. From less than 100 members in the whole region, the number shot up by 1993 to 1,000 of whom over a third were registered in Mererani. Even the headquarters of the association was moved from Arusha to Mererani.

Practically all the objectives of the association now changed. Its main task became the defence of the pit-owners and since 1991 it has been fighting to regain the areas which were granted to Kilimanjaro Mines and Building Utilities. AREMA asserts that it is the companies which are involved in smuggling while at the same time preventing small scale miners, who are more productive, from mining. They blame the World Bank for encouraging the granting of mining licences to foreigners. Their demands are couched in nationalistic terms.

However, AREMA also articulates opposition to the Tanzanian elite. Officials and other authorities are seen as consistently acting to economically exclude them, legitimising this by painting a very grim picture of small scale miners—in terms of their being criminal elements, wasteful, environmentally destructive, undisciplined, etc. AREMA members admit that there was some truth to this prior to 1988 when they started organising themselves. According to them, it was with the attempts to organise themselves that even Mererani village saw the mushrooming of modern fenced houses.

In their view, it is the educated elite who are the real source of trouble in mining areas. The latter ally themselves with foreigners, since these can easily be used by those in positions of authority to promote their own interests. To illustrate this, they cite the example of an event which took place sometime in 1990 when Mererani Block C was under the control of J.S. Magezi & Co. (a one person company who planned to use small scale miners as contractors). Miners were very angry with this allocation, and they kicked the owner of the company out of the area. Since this was a local person, there was no intervention of the state and its organs.

This was not the case when a similar attempt was made two years later. On 26 November, 1992 a group of miners who had been working in Block D invaded and occupied Block B, under the control of Building Utilities. They claimed that they were guarding the national wealth against plunder by those who did not have the national interests at heart. The miners were angry because Building Utilities had not mechanised the operations as per tendering requirements and were instead employing small scale miners. In terms of mechanisation, there were some "informal" pits which were at least as advanced as Building Utilities, which owned only one very old compressor. Unlike the blocks allocated to Kilimanjaro Mines and Building Utilities, tanzanite in the AREMA block is found in some instances at a depth of around 200 feet, much of which is solid rock. It took up to 18 months to dig and food and equipment had to be supplied to the workforce for the entire period. There were at least 15 compressors

operating in this block by 1993, eight of which were owned outright by their users.

Miners allege that the proprietor of Building Utilities, Mr. Fainzilber, had flown his own compressor to Europe, supposedly for repair, shortly after striking an unknown amount of tanzanites. They assumed such a strike had occurred since the miners who worked for him had suddenly become quite wealthy—buying cars, motorcycles and houses. The regional authorities then intervened, calling in the police and the Field Force Unit. When the authorities arrived they met miners waving CCM flags. The miners then managed to negotiate a peaceful withdrawal.

The regional authorities accused the AREMA leadership of instigating the miners behaviour, and some AREMA leaders were arrested for incitement. Relations between miners and the authorities have remained tense. The miners believe that companies such as Building Utilities are protected by the authorities—including more recently National Service soldiers—as a result of the interest in them of “unofficial” shareholders from the state itself.

On the basis of this evidence, the major social antagonism in the mining areas can be defined as one between working miners as a whole (including pit-owners) and corporate claim-holders. This antagonism seems to be particularly acute where the corporate claim-holder is non-productive and non-local. Where there is a possibility that a corporate claim-holder may be engaged in a productive venture, as Mererani miners believe may be the case with SAMAX's graphite project, this antagonism is much diluted. The pit-owners, who are in most direct conflict with the corporate claim-holders, articulate this antagonism most strongly and clearly. It is also directed to individual claim-holders, who are also generally regarded as parasites—albeit on a slightly reduced scale. It is finally directed at the Regional Mining Associations, with the exception of the captured AREMA. The latter are seen as alliances between the claim-holders and the state.

These antagonistic relations are sometimes expressed in open popular struggles. These were most obvious in Mererani, where the transformed AREMA has also come to dominate the village government, and used the latter to dispute the allocation of village land to foreign companies. But more frequently it is expressed in “illegal mining” (i.e. individual attempts to evade the authority of the state and the property rights of claim-holders), as well as ideologically. In the latter regard it is interesting to note that small scale miners do not consider their own cross-border trade in minerals to be “smuggling”, since it is purely for survival or reinvestment purposes. By contrast, “smuggling” is what is carried out by the companies, and designates the transfer of wealth outside the country. More central however is the local small scale miner conviction that their home areas have simply become “colonies” for exploitation, once more.

Accumulation Politics and National Politics

The question of how the politics of accumulation translates itself into national political terms and categories was also examined. Essentially, while the small scale miners see the Tanzanian state as their enemy (since it supports the foreigners and parasitical companies rather than themselves), they also identify with CCM rather than with opposition parties. AREMA, as noted, flew the CCM flag in its defence of the captured Block B. The reasons for this are instrumental.

Miners and villagers in Mererani are quite aware of the introduction of multipartyism, and that there are alternative parties which could articulate their interests better than CCM. But they would rather remain with the ruling party since they think that this way they stand a better chance of regaining the areas controlled by the companies. They believe that if they joined opposition parties, CCM would use this as a pretext to exclude them forever from Blocks A and B. So far CCM has been promising that they will eventually get these areas back.¹

The camps in Mahenge are dominated by CCM members. Most of these joined the party in the hope it would help them get claims. But also and more importantly, many of them mentioned that they joined it to avoid harassment by the local authorities. Allegedly, a CCM functionary once brought membership cards to Lukande camp. All the cards were bought and the official left with a lot of change as a tip. But increasingly there are frustrations that CCM has not been much help. As part of a bargaining strategy, many miners now threaten CCM that they will join other parties if the government does not kick out the foreigners and help them obtain claims. Only at Nyarugusu is there a branch of an opposition party—namely, Chief Abdallah Fundikira's Union for Multiparty Democracy (UMD). This had 74 members by 1993, as against 1,021 CCM members. However, while most CCM members there were peasants, most UMD members were miners. With this single exception, miners' politics has been governed by considerations of expediency.

SOCIO-ECONOMIC DEVELOPMENT IN THE MINING VILLAGES AND THEIR ENVIRONS

The impact of the mining sector on economic activity generally in the areas surrounding the mining sites is major, though highly uneven. In general, while the actual number of people who are directly involved in mining may not be large, there is a bigger group of people who are involved in allied activities. These range from agriculture to commerce and petty trade,

¹ In early 1995, rather than this promise being kept, the Tanzanian government took steps which weakened AREMA's control even over Block D. A new district (Simanjiro) was formed and the District Council was awarded exclusive rights on the block. (*Business Times*, 2 February 1995). The matter was still unresolved when this manuscript went to press. (Editor)

transport and small scale industries. Where it occurs, investment in these other sectors is partly by miners themselves and partly by others. Productive forms of accumulation are graphically demonstrated in the cases of Mererani, Nyarugusu and Mgsu. The case of Mahenge is different. This is an area where physical exploitation has occurred without investment arising in other sectors or the surrounding areas.

Mererani

Mererani village, together with the mining site which is situated four kilometres south of the village had a population of 32,000 in 1991, according to taxation records in the village. According to AREMA its population was 50,000 in 1993. However, registered village members were only 4,075. Very little agriculture takes place in the village, as the cultivable area is just below 1,000 acres. Most of the land is rocky and has too much soda ash. Therefore the village basically lives from mining and services to miners. There are six surrounding villages which depend on the miners as a market for their food crops and other products. Even the Masai who live in the area depend on the miners as a market for their milk, water and occasionally meat.

Mererani village had 50 shops, 50 kiosks and 20 market stalls by 1993. In addition to these, there were 20 kiosks/stalls at the mining site. There were four guest houses, 16 "quasi hotels", 18 modern pubs and 14 local brew shops. There were also a large number of houses built specifically to rent to miners of different categories. The northern part of the village is called Cairo. This is an area with modern houses (many of them fenced) where the richer miners, brokers, etc. stay. Rent per room in this area can reach up to Tsh. 5,000 (USD 10) per month. The southern part of the village is called Zaire, and is divided from Cairo by a seasonal swampy area. This is the part of the village which is most densely populated and with the most shops and other amenities. Most residential and rental houses in this area are built with mud with grass for roofing. It is the area where the poor (mostly workers in the mines) live. Rooms are let to miners at rents of Tsh. 1,000–2,000 (USD 2–4) per month.

There were a large number of small businesses in Mererani in 1993: four millers, three timber merchants, 10 mason's shops, 10 carpenter's shops, three cobblers, a hair salon, 33 water sellers and 20 firewood sellers. Thirteen tractors, three buses and six landrovers were owned by the villagers, along with 20 cars (pick-ups and salons), 40 motorcycles and 450 bicycles. Motorised transport is used for ferrying passengers to and from Arusha town. Generally, there is a movement of capital from mining into other sectors. Some miners have purchased farms in their home areas, or in villages near Mererani, while others have invested in buses etc. There is also some accumulation by non-mining villagers from mining itself. Most of the tractors owned in the village are hired out in neighbouring villages, where the food crop agriculture takes place. The mining sector has more-

over allowed the development of improved infrastructure in the village. The small scale miners contributed money for desks in the village primary school and, on a much larger scale—some Tsh. millions by 1993—for the construction of a village secondary school. Interestingly, the owners of Blocks A and B have shown a willingness only to contribute to the building of a local police station.

Geita

Mwanza Region is the only one of the three where mining was studied which officially acknowledged the important role played by the industry, and especially small scale mining, in the regional economy (URT, *Jamhuri ya Muungano wa Tanzania*, 1992:6–7). The regional authorities even point out in their reports some of the problems facing the mining sector, including smuggling, the low level of technology and the inefficiency of the banks in purchasing gold. However, according to the same authorities, most accumulation from local mining was diverted elsewhere. Even officials in Geita asserted that as far as the district itself was concerned, hardly any benefits had accrued. It was towns such as Mwanza, Shinyanga, Bariadi, Sengerema, Arusha and Moshi or rural areas outside Geita which benefited from mining. Allegedly even a few famous millionaires who originally came from Geita never invested in the district after accumulating in mining. They have tended instead to invest outside their home areas, and especially in Mwanza (in housing, transport, guest houses, milling machines, etc.).

An agricultural officer pointed out that one of the obvious outcomes of the increased mining activities was a decrease in the available agricultural labour force to the extent that the production of cotton, which is supposed to be the major cash crop in the region, was falling. In part this was due to marketing problems. But beyond this, there was a concentration by remaining agricultural producers on supplying the food crop market created by mining. This was borne out by agricultural production figures for Geita district. Whereas in 1985–86 official cotton production stood at 49,225 bales, by 1992–93 it had slumped to 14,446 bales. Meanwhile marketed maize and paddy production had increased from 38,066 tonnes and 3,338 tonnes respectively in 1985–86 to 64,884 tonnes and 23,304 tonnes in 1992–93. Yet, so great had become the demand for marketed food crops that despite these increases there were said to be food shortages in the southern part of the district.

Turning to the mining villages in Mwanza, it has already been observed that huge increases in population occurred during the 1980s. For example, Nyarugusu which in 1974 had a population of 4,000 by 1993 had 50,000 residents—6,000 more than Geita town. Agriculture had been the main activity in Nyarugusu in the early 1970s. The villagers were mainly engaged in the cultivation of cotton, maize, groundnuts, beans, potatoes, finger millet, sunflower and cassava. Second in importance was livestock keeping

(cattle, donkeys, goats, sheep and other smaller stock). All villagers were by then using the hand hoe as their only agricultural implement. Landholdings ranged between one and 3–5 hectares.

As a result of mining and allied activities there has been a tremendous growth in agricultural activities both quantitatively and qualitatively since 1980. The exception to this, as elsewhere in the district, has been cotton production. In 1990 there were 1,815 acres in the village under food crops. By 1992 this had increased dramatically to 3,027 acres—at the expense of cotton (see Table 5 below).

Table 5. *Cultivated area by crops 1990 and 1992, Nyarugusu (ha)*

	1990	1992
Cotton	1,013	117
Maize	1,381	2,012
Paddy	147	166
Beans	166	486
Potatoes	55	188
Groundnuts	23	97
Cassava	43	39
Others	–	39
Total	2,828	3,144

Source: Nyarugusu village government records.

What is interesting is that many of the villagers who are investing in food crop agriculture have done so on the basis of profits from gold. These were made through sponsoring pit-owners who were unable to feed or equip their gangs. The majority of those who played such a role were women, rather than men. Many of these women originally came to the area as food sellers but finally settled down and turned into farmers. A majority of the women sponsors head their own households. Up to 1993 in Nyarugusu there were four women claim-holders, two women with prospecting rights and one woman who managed pits on behalf of a claim-holder. Meanwhile the village had two privately-owned tractors by 1993. It is also reported that up to 10 tractors for hire arrive in the village during the rainy season. Beyond that there are now 24 farmers in the village who are using ox-ploughs.

Besides these developments in agriculture, the village has two large markets (one for food and the other for clothes and other items) and numerous market stalls (besides a host of street hawkers), 56 shops (six being large scale), six hotels, more than 55 kiosks, 10 lodgings and guest houses, 10 licenced beer bars and 40 unlicenced ones and 17 local brew bars. There were also two garages, a petrol station, five bicycle mechanics' shops, 10 cobblers, more than 20 laundries, a hair salon, four other hair cutters, 60 water sellers, more than 500 bicycles and 10 landrovers owned by transporters—besides 10 landrovers, two lorries and five buses on whose daily routes the village lies. The village also boasted three electricity

generators, two video show halls, four private dispensaries and 20 licenced healers.

All the above figures are for Nyarugusu only and do not take into account similar activities occurring on a smaller scale in the mining camps around the village and in the neighbouring areas where there are gold rushes. Blacksmiths are one important group whose number is larger in the camps than in the village. They specialise in making/forging mining tools and equipment, such as sledge hammers, picks, chisels and also manual "air pumps". It was difficult to establish their actual numbers because they tended to be very mobile even within a camp.

Mgusu has almost the same the same story to tell. Unlike Nyarugusu however, agricultural activities in the village are constrained by a prohibition on further encroachment on forest reserves. Even so, there are about 100 people who were engaged in agriculture, cultivating an area of about 240 hectares. They mainly cultivated maize, paddy, beans and vegetables. A greater expansion of commercial food production was taking place in neighbouring areas and these were the main suppliers of food in the village.

By 1993, the village had two markets, 30 shops, about 100 stalls, a bakery, three licenced bars and 30 unlicenced ones, three local brew bars, two licenced hotels and 25 kiosks. There were also two make-shift video show halls with electric generators, three dispensaries, six unlicenced lodging/guest houses, six millers, 100 water sellers, a landrover (as well as a bus and four landrovers which frequented the village), three bicycle repairers, 20 "tailoring marts", nine carpentry shops, 15 blacksmiths and 10 cobblers. There was also an active house construction and rental industry.

Mahenge

By contrast, Ulanga district presents a picture of the export of mining-based accumulation. Some of the villages around the mining areas here, as well as Mahenge town itself, demonstrate this. One of the locations nearest Lukande mining area settled earlier by peasants is Lianda. While a village in every respect, administratively it is not considered so, since it is supposed to be part of Isongo village (in Isongo ward) which is on the road to Mahenge town. It takes one hour to walk through the forest from Lianda to Isongo, and half an hour to reach Lukande mining site. The location had a total population of 892 people in 1992. Of these 645 were residents while the others only came into the village to farm during the rainy seasons.

The location emerged as a village in the late 1930s. But the residents moved to Isongo in 1974 as a result of villagisation. Due to land scarcity there, most of them decided to return in the 1980s. The residents are engaged only in food production, on both a subsistence and commercial

basis. They cultivate maize, paddy, cassava, groundnuts, banana, potatoes and fruits and vegetables.

They also engage in fishing. River fishing has traditionally been a major economic activity throughout Ulanga. In 1991 there were 902 fishing boats, 2,512 nets and 17,881 hooks in the district. However, as will be seen later, the fish stock is being rapidly depleted as a result of mining-related pollution.

The largest landholdings in the village are up to three hectares, although the majority are considerably smaller. Farms could be larger, but mining activities have encroached onto virgin lands. Before expansion of mining activities in Chipa and Lukande, residents of the village used to produce all their foodstuffs and also sell whatever they could in Mahenge town, some 8 km away. As a result of the expansion in the activities of small scale miners, they were able to secure markets for their goods in the mining camps, and also buy other commodities there (at a very exorbitant price of course).

The location does not have any shops or social amenities. There is no school, church or mosque. Men in this location sometimes work on the mines in order to be able to afford basic commodities, often to the detriment of agriculture. They tend to work as porters, carrying ore from the mines to the rivers for washing.

The only relationship the location has with the government is as a judicial/police authority and as a taxing agent. The only relation it has with foreign companies is that the Thais occasionally buy paw-paws from villagers. The Thais have refused to allow villagers to use their health facilities despite the fact that the villagers are willing to pay for them.

The villagers' problems are furthered by the fact that "troublemakers" from the mining sites (e.g., those involved in fighting, etc.) are sent to the village to be dealt with, since it at least has a semblance of organisation in terms of a location leader and some elders. At the same time, sick miners who may be on the verge of dying are at times sent to the village, since, at least, food is supposedly available there. The location also attracts some miners, particularly sick ones, because traditional medicinemen who are involved in both witchcraft and healing reside there. Miners also come to the village to drink. The villagers complain that very often, the miners end up beating the male villagers and raping the female ones when they get drunk. At times, even when they take their goods to sell at the mining camps, it is said that they are swindled by tricksters.

Although mining activities have encroached on their lands, and while it is said that they were the first to discover the gemstones, villagers themselves cannot peg claims since it is alleged that all the sites are occupied. Moreover, it seems that in the long term the village may be in danger of complete extinction by the companies. In 1992, about 2,476 hectares of a total village land area of 2,992 hectares were under the prospecting licences of two foreign companies namely, Simba International Investment Ltd. and Tanzania & Italy Ltd.

The settlements of Lukande and Chipa are mere mining camps in the forest. There are no permanent structures, only make-shift huts alongside numerous stalls, kiosks and beer selling points. It is only miners who come from outside the district who stay in these camps. Local miners reside at home while claim-holders stay in Mahenge town, despite the 15 km distance and the difficult transport problems (there are only occasional private cars, some of them belonging to the Thais and dealers who come to the area. Otherwise there are no transport facilities at all).

Lukande village itself, which is the next nearest village to the camps (5 km away) was started in 1974 with villagisation. At this time the main economic activities were agriculture and fishing in the nearby rivers. The village had a population of 741 people in 1978 which rose to 905 in 1988 and is probably 1,000 today.

About a third of the village's economically active population works in the mines. Amongst them are said to be a number of school drop-outs. The village had 426 hectares under production by 1988, with landholdings averaging around three hectares. This had risen to 588 hectares in 1992. The nearby mining areas are within the village territory, limiting the possibility of further expansion.

The village is linked to Mahenge town by two earth-surfaced roads, the shorter of which is seasonal. There are no transport facilities whatsoever in the village, and it is very difficult for the villagers to reach Mahenge town when the need arises. The village is also linked to the Lukande ruby mining camps by footpaths and a make-shift road.

There were only two shops with very few commodities before 1986. Despite all the years of mining activity near the village, the number had only risen to four by 1992. However there is now a market place and a few stalls. The main crops grown in Lukande are maize, paddy, cassava and some perennials (mangoes, fruit trees, etc.). The only market for these goods is ordinary miners. The Thais buy their basic foodstuffs from Ruvuma region or Dar es Salaam. As in Mwanza, the production of cotton—which locally became a major cash crop between the 1970s and 1988—has contracted sharply.

Unlike at other sites such as Nyarugusu or Mererani, where mining activities have resulted in some people building houses to rent, this is not the case in Lukande village. In the latter, of 180 houses, 95 per cent are owner occupied, and even where there are tenants, rents are only Tsh. 500 (USD 1) per month. Only 45 per cent of the houses in the village can be described as permanent structures, i.e. built of blocks and roofed with corrugated iron sheets. The rest are semi-permanent, built with mud and poles and are roofed with thatched grass, or are temporary. Among the villagers' major complaints is the fact that their dispensary, which has one rural medical assistant and two nurses and was designed to cater for 600 out-patients and five in-patients per month, is increasingly being overburdened as a result of accidents in the mining camps.

Ruaha village, also near Mahenge, presents a slightly different picture. This village emerged in the 1940s, basically as a mission centre. Its popula-

tion increased sharply after the 1975 villagisation process. The village had 5,226 registered members (800 homesteads/ households, 2,463 males and 2,823 females) by 1993. In the mid-1980s most villagers were mainly engaged in agriculture. With the commencement of ruby mining in 1991 some five small scale miners (one villager and the rest absentee holders from Mahenge town) were able to peg claims. By 1993 20 prospecting rights had been issued to miners who were interested in the area around the village. According to villagers these are local people. It seems it is not possible for more villagers to become claim-holders however, since a joint Thai/Tanzanian Company—African Asian Precious Stones (based in Tanga)—has acquired 25 square km of mining rights, and has a prospecting licence for some 30 square km more. Most of the unoccupied village area has now been taken by the company through government intervention or the company buying land on the open market from local farmers/claim-holders. The result is that even those interested in expanding commercial agriculture have been obliged to clear land in nearby highland areas. So far the company is simply contracting small scale miners or buying from the camps.

Cotton used to be the major crop in this village too. But due to marketing problems and the unattractive prices, its position was overtaken by groundnuts. Marketing difficulties also afflicted the latter however. Today most villagers basically concentrate on maize and paddy. 472 hectares are cultivated in the village, of which 309 hectares are under paddy and 163 hectares under maize. The average holding size is one hectare, but some of the highland “colonists” have three hectares there under maize. Throughout the area the hand hoe is the characteristic farm implement. A distinguishing feature of the village is the fact that there are people who are landless. These are mostly youths and those who have moved into the village from outside at different times.

The mining camps at Ruaha are just 3 km from the village. It is estimated that there are 10–15,000 people involved locally in mining or allied activities, of whom many are from the village itself. Some villagers, mostly men, have stopped farming completely and are entirely dependent on mining. Some village miners who have retained their farms employ agricultural wage labourers, who were being paid up to Tsh. 7,500 (about USD 15) per month by 1993, Tsh. 2,000 (USD 4) higher than the official minimum wage. Agricultural wage labour is expensive but necessary since old forms of group work, whereby members of the village would brew beer and ask others to contribute their labour on his/her farm, have disappeared since 1988. But most agricultural labour has been left in the hands of women and old people.

Social amenities in Ruaha village comprise a dispensary and school provided by the Catholic mission centre and a government school. The schools suffer from poor attendance, especially starting from class four. Enrolment at this level can fall by up to a half, since many boys and girls opt to work in the mines or in other allied activities in the camps or the village. The schools are anyway held in low repute by parents, who in turn contribute

very little to their upkeep. Parents argue that since the government is unable to pay them for their cotton, they have no obligation to share costs as far as school maintenance is concerned. Moreover, parents claim that teachers are merely using children for agricultural work and other commercial activities, while at the same time retaining all the resulting proceeds for themselves. In the camps and also the village it is common to see young children selling cigarettes, soft drinks and other items.

The villagers in general believe that mining has brought the area more problems than benefits. Local prices of most commodities, including transport which is controlled by townsmen, have become extremely expensive. Only one villager is a claim-holder and no investment of mining surpluses is taking place in the village. There are conflicts with African Asian Precious Stones both over agricultural land and mining rights, in the latter case since villagers believe that they will be eventually driven off the areas they still have prospecting rights over. Additional bitterness is directed toward the Thais since, in contravention of the 1979 mining law, they dug up portions of some family graves when they were prospecting.

One of the major problems which has emerged in the village as a result of mining is that of housing. Due to the sudden increase of outsiders there is an acute shortage of accommodation, to the extent that since 1988 make-shift huts have appeared in the village. These were being rented out at a price of Tsh. 500–1,000 (USD 1–2) per room per month. It is mainly the local villagers who have been building such huts. Apart from this, commercial activities supporting mining are few. The village has four shops which have been in existence for some time, three milling machines (two owned by the mission centre, and one by a villager), five carpentry shops, a cobbler and six tailors, four kiosks and seven stalls. Beer (canned and bottled) is sold in some shops, and local brew is sold in peoples' homes.

Despite the fact that Mahenge is a well-established administrative centre, with a big mission presence and a famous old secondary school, it essentially remains a very small town. Its population today is only around 5,500. Although the nearest large centre to the Ulanga mining sites, there seem to have been no major recent demographic or economic changes. While some claim-holders from outside the town stay there, neither they nor others have settled.

By 1993 the town was being served by a market place, 49 small retail shops, nine lodgings, 10 small restaurants-cum-kiosks, 11 milling machines, three petrol stations, four garages, four butcher's shops, a bank and five bars. There is a large but unknown number of dealers in timber and charcoal. Data from the district authorities show the following recent trends in commercial activities.

It was observed by local informants that many Mahenge businessmen had invested unsuccessfully in local mining. This turn was attributed to the fact that the best claims had already been taken by the time this investment occurred. But even those who managed to strike it rich in the

mines tended to invest their profits in Ifakara town, where all sorts of businesses are booming.

Table 6. *Registered business enterprises, Mahenge Town, 1991–1993*

Type of business	1991	1992	1993
Lodgings	9	7	8
Restaurants-cum-kiosks	10	9	5
Retail shops	42	37	49
Milling machines	11	12	13

Source: Ofisa Biashara, Ulanga District.

It was under such circumstances that a group of 32 people from Ulanga established a development association for the district—*Chama cha Maendeleo Wilaya ya Ulanga* (CHAMAU) in 1992. This organisation, which has as one of its objectives the provision of a public forum for the discussion of the impact of ruby mining and environmental degradation in the district, had a membership of 300 people by 1993. Its other objectives were to promote the development of local agriculture, house building, employment, education and health. The association has been openly hostile to all “foreigners”, including Tanzanians who “do not have Ulanga interests at heart”. According to members of the association, the district is a mere colony for exploitation and it needs to be liberated. At the time of the research, the association was contemplating the possibility of taking the government to court for selling the land of Ulanga “to the detriment of the development of the district”. The issues raised by CHAMAU on the environment and health will be dealt with below.

Gender and Socio-Economic Development in Mining Areas

An effort will be made here to bring together previously scattered information on gender relations and mining, and supplement it with further material. Gender in this context refers to the character of men’s and women’s relationships and positions within society. These relationships are partly constituted in terms of power and domination and define the life chances of members of both genders.

Essentially, the socio-political organisation of mining sites, villages and settlements in the areas studied was dominated by the mining associations, village government, CCM, the police and the *sungusungu* vigilantes. Like the mining sites, these are overwhelmingly dominated by men and their numbers of women members are extremely limited.

There are so far very few women claim-holders in any mining area (Mererani boasts the highest proportion, at around five per cent). At the same time though, as the result of the rapidly expanding market, in areas like Nyarugusu there are a substantial number of women who have emerged as relatively large scale food producers. Some of these have then become involved in mining—currently as sponsors of pit-owners. Many of these

women were single. In Mererani and Mahenge however, most women who were physically present on the sites were those serving in the kiosks or involved in other forms of petty business. A few had become petty independent brokers, or sponsored individual workers who may then have occasionally stolen a stone for them to resell.

AREMA has explicitly restricted and/or excluded women from the mining sites. As in other parts of the world, throughout the Tanzanian mining areas there is a male folklore surrounding the relation of women to mining. This typically invokes issues of male bad luck and its relation to the presence of menstruating women, sleeping with women who have "bad omens", etc. Prostitution is restricted in most mining sites. Demand for it is rather "exported" to nearby towns and villages. In Mahenge, as noted, villagers in nearby areas have complained of an increase in rapes. They also claim that there has been an increase in sexually transmitted diseases (see the next section).

More generally there seems to be considerable apprehension in the mining areas about the rise of forms of female economic independence such as those described. This is clearest in Nyarugusu where women claim-holders have been harassed by male counterparts, or swindled with the connivance of local leaders. There was also a case in Mererani where a woman's claim was stolen by a townsman and in which the AREMA leadership was implicated.

Women are further harassed as petty traders, sponsors or brokers. Leaders often demand bribes from them—on the pretext that they are breaking the law. Again this is most marked in Geita, where beside the village leaderships, government militia, *sungusungu*, the "Operation Police" and MWAREMA all strive to "control illegal mining and transactions in gold". These various organs (in Mahenge and Mererani more often the police and the district authorities) also often hunt for pit-owners and ordinary mineworkers and "confiscate" minerals in their possession on the grounds they have been stolen or are being smuggled (the mining law prescribes that only claim-holders, dealers and other licenced individuals can possess minerals, and some officials of the local authorities in fact spend as much time as possible in the mining areas where they can engage in such activities). However, it seems that those women in the mining areas are subject to a disproportionate amount of harassment.

Meanwhile, in many areas from which mine labour is drawn, nuclear family structures seem to be disintegrating. This relates to the consolidation of a non-agrarian monetary economy. Separations and divorces appear to be increasingly common, but quite different patterns of non-nuclear family structures have arisen in different areas in their wake.

In some areas, individual socio-economic independence within less formal man-woman relations is one important rising pattern. The Lake Nyasa area illustrates this trend. As a result of gold rushes in Mpeho and Madaba, many women are obliged to maintain their own households, usually at their parents' compounds. These women then establish relations with new partners (married or single) who occasionally visit them—pro-

ducing further children in the process. The new partners provide the women and their children with money, which the women supplement through their own projects. The relationships are known as *machimbo* (mines) relationships. On the basis of them some women are able to support both their children and their parents. Around Lake Nyasa, children born in such relationships belong exclusively to the women (cf. Chachage et al., 1994).

A second pattern has emerged in Mahenge. As a result of the fact that many Mahenge males now earn their living in the mines, agricultural production and responsibilities for child upkeep have been left to women and old people, in effect creating women-headed households. One related local development has been an increase in polygamous marriages, as older men find themselves without the competition of younger ones for single younger women.

MINING, ENVIRONMENT AND HEALTH: POLLUTED WASTELANDS AND UNHEALTHY BODIES

Mining, it is said, is the original dirty industry. According to Young (1992:16) a German scholar, Georgius Agricola wrote in 1550:

The fields are devastated by mining operations ... woods and groves are cut down, for there is need of endless amount of wood for timbers, machines, and the smelting of metals. And when the woods and groves are felled, there are exterminated the beasts and birds ... Further, when the ores are washed, the water which has been used poisons the brooks and streams, and either destroys the fish or drives them away.

It is ironic that while mining could do such harm to the environment four centuries ago, when mining equipment was still primitive, the technological change which has allowed spectacular advances in mineral production has only been associated with an increase in environmental destruction.

In Tanzania most discussion of threats to the environment has dwelt on issues of over-grazing, the energy crisis and deforestation. Mining is conspicuous by its absence. Furthermore, insofar as environmental problems are acknowledged by mining officials and policy makers, the problem is viewed solely in terms of the "destructiveness" and irrationality of small scale producers. Parallel to this, the whole question of the relation between economic liberalisation and the environment remains unanalysed. For the World Bank, astonishingly, adjustment policies if anything are "more likely to help rather than hurt the environment" (Reed, 1992:6).

A necessary observation in this context is that throughout Tanzania's history the unlimited exploitation of natural and mineral resources has always been taken for granted as a "necessary cost" of economic and political "progress". Even today, such issues are part of the agenda only because of pressure from external forces and because donor money has emerged for their rectification. This explains why there has been hardly any serious intervention on environmental issues in mining. Most experts

remain content with the view that small miners are environmentally destructive, and that the only way out of the problem is to replace them with larger ones. However, while it is true that small scale mining endangers the environment and health, as is demonstrated by the case of Mahenge, under present arrangements, "large scale" mining is even more damaging.

The precise environmental impact of the production of a particular mineral usually depends on factors such as the ecological character of the mining site, the quantity of material which is being removed, the chemical composition of the ore and surrounding rocks and soils, the depth of the deposit, and finally the nature of the process of extraction of purified mineral from ore (Young, *ibid*). This is demonstrated by the three types of minerals under study.

The Tanzanite Area

Tanzanite mining, unlike the other two minerals below, is not intrinsically polluting. This is because the gemstone is a naturally recurring one, whose separation involves only physical processes. Thus, the environmental impact basically concerns the physical effects on the area and also the health implications for those working and living there.

The 6 km long gemstone bearing area at Mererani is on top of a hill. It is 6 km away from the permanently flowing Kikuletwa river. There are no water catchments, streams or ponds within the area. As noted earlier, the mining site itself does not have any permanent settlement (which is at Mererani village). Nor is there much local cultivation, given the nature of the soils. Nor do Masai pastoralists live inside the area. The area is generally covered by low shrubs. Most trees in the area were cut down for firewood or mine support timber in the 1970s and 1980s.

The gemstone bearing area's rocks have been exposed at the surface. The whole area is full of deep dug shafts and piles of waste which have been dumped close by. This has been a cause of many accidents in the area. In fact, this is one of the major health problems in the area. Other common health problems there are chest pain problems, pneumonia, upper respiratory tract infections and skin diseases. Kikuletwa river is the only source of water for the whole area for both people and animals and it supplies six villages besides Mererani. The river is a health hazard since it is contaminated with bilharzia and other organisms.

With the advent of full-scale operations by SAMAX, things may change. The company plans to remove 200,000 tonnes of ore annually. This will be transported 4 km down to a planned graphite plant in the valley, some 1.5 km from the Kikuletwa river. Water for the plant will come from wells which have been drilled near the plant site. Each tonne of ore will require 1.5 tonnes of water for processing, and it is estimated that the plant will require up to 45 cubic metres of water per hour. It is unclear to what extent the resulting tailings and dirty water will reach the

Kikuletwa river. Certainly, there are bound to be problems during rainy seasons as discharges find their way into local drainage systems. Moreover, separation of graphite requires large quantities of oils. To what extent these may contaminate the surrounding areas, and especially the river, is also yet to be ascertained. With the onset of more mechanised mining operations in the area, new environmental and health problems may thus emerge.

The Ruby Areas

The ruby prospecting and mining area in Lukande is estimated to be about 3,750 hectares. The area has several river valleys, seasonal streams and perennial rivers draining water to Luhombero river in the East. It is an area which is covered by relic forest reserves in the west and woodland in the east. Within Lukande mining area, there is a forest reserve of about 3,900 hectares which is being cleared for mineral exploitation.

Negative environmental effects of the activities of both "large" (Thai) and small scale operations are already evident. The eco-system (water sources, air and land) has been affected by a number of pollutants.

Processing of ruby in Lukande and other areas depends very much on the use of water. In "large scale" mining, water is pumped from the river to the processing plant where it is used for high-pressure water-blowing, in which roughly five tonnes of ore are sieved a day. The water is then returned to the river. The Thai companies were advised to build dams to store water for re-use but this has not occurred. In small scale mining, ore which is supposed to contain ruby is physically carried down to the river where it is sieved to get the mineral. Both processes pollute water in a number of ways.

Firstly, the water pumping machines constructed by the foreign companies along the Lukande river banks emit large spillages of diesel oil into the river. Because of these oil spills and leaks, the water has become increasingly unsuitable for drinking and supports a lower level of aquatic life than earlier. The depletion of the latter is intensified by the fact that the portion of the water used for machine cooling purposes is returned to the river warm. This decreases the solubility of dissolved oxygen resources.

Secondly, turbidity levels have become very high in the rivers and streams around the area. This is the result of a concentration of fine particles (clay, silt, soil particles and other impurities) in the rivers and streams arising from the sieving of the ore and the discharge of the water used in processing. Furthermore, a layer of land left over as sand waste in the excavated areas is drained into the water systems during the rainy season. The high levels of siltation and milky colour of the water in Lukande testify to these facts. Siltation also depletes the fish stock. There are certain types of fish, notably the *ningo* (labeo) which are disappearing. This once abundant fish breeds in and feeds on water weeds/grass. It is unable to

breed when the weeds/grasses have become silted, since this destroys its spawning grounds.

Thirdly, the river receives human waste from the mining camps, especially during the rainy seasons. Since there are practically no local claim-holders and no organisation amongst local miners—who as elsewhere do not settle on one claim, but move to wherever they see a prospect of better earnings—no building of pit latrines has occurred. Other types of waste including bean cans and bottles can be seen in the water systems.

The effects of water pollution in Lukande are easily observable. Among the most common diseases in the area, besides malaria (see below), are upper respiratory tract infections, diarrhoea, intestinal worms, skin diseases and eye diseases. Occasionally, there are outbreaks of cholera, meningitis and measles. There is also a reduction in protein consumption caused by the non-availability of fish.

Another serious consequence is related to human settlement and agricultural activities. As a result of siltation, water levels have risen. This has also occurred as a result of increased run-offs caused by the systematic clearance of trees from large tracts of land, mainly by the Thais. According to local people this has resulted in floods, as in early 1994.

Simultaneously, the invasion of the area by a large new human population, and the subsequent lighting of fires, blasting of explosives and noise from machines have caused wild animals to move from the area immediately around the mines to others bordering nearby farms. As a result monkeys, warthogs, elephants, etc. are destroying villagers' crops. The villagers are unable to control these animals, given their active protection by government authorities. Villagers around this area still vividly recall *Operesheni Uhai* (Operation Life) in 1989, when soldiers were deployed in the villages to disarm and punish them severely, on the pretext that they were poaching.

The clearance of large tracts of land, mainly by the same "large scale" miners is also causing deforestation, degradation of vegetation and erosion in the area. Vegetation cover has completely disappeared in the areas that have been mined by Thais. At least some trees are left standing in the areas where small scale miners are operating, since the latter do not use excavators. About 228 hectares of forest reserve within Lukande village boundary had been cleared up to 1993. Surface water source cover points have been destroyed in the process and replaced by large open pits which become ditches and breeding grounds for mosquitoes during the rainy season. This explains the high prevalence of malaria in Lukande and other nearby settlements. In 1992 alone, 81,622 out-patients presented themselves at (government) Ulanga district medical facilities with malaria.

The destruction of the forest reserves and the woodlands has also meant the destruction of forest products, including a variety of hard woods, *mpingo* blackwood, mahogany and medicinal plants. Legally, miners are supposed to pay for some of the trees they remove, especially those which are protected. But they do not do so. Also they are supposed to cover all the pits and replant trees. This too does not happen.

Besides the public health problems described above, two further health matters relating to the spread of mining are worth mentioning. One is accidents. Also in 1992, 3,064 out-patients presented themselves at (government) district medical facilities after having suffered accidents. It is believed that the majority of these were miners. The other is sexually transmitted diseases (STDs). STDs are present in the district on a significant scale, and AIDS cases were detected for the first time in June 1988. The spread and increase of AIDS coincided with the intensification of mining activities. Table 7 below shows the subsequent magnitude of certain STDs in Ulanga district.

Table 7. *Sexually transmitted diseases, Ulanga District, Jan 1988–May 1993*

Year	A I D S				Gonorrhoea	Genital Ulcers
	Male	Female	Total	Deaths		
1988	11	14	25	2	2,955	–
1989	25	42	67	12	2,048	5
1990	33	38	71	19	2,251	
1991	36	50	86	19	1,742	6
1992	46	45	91	12	1,099	1,142
1993	10	11	21	5	n/a	n/a

Source: Ulanga District AIDS Coordinator

Within the district it is widely believed that AIDS is on the increase as a result of in-migration by miners. It is estimated that about 300 people enter Mahenge and go straight to the mining areas every day, some of them carrying AIDS. On the other hand, if this true then the real number of cases is certainly greater than that recorded above, since many miners would return home for treatment.

It is in such a context Ulanga people have raised the land question and the issue of the protection of the local environment and natural resources, through CHAMAU and in terms of opposition to the destructiveness of foreign companies and the general “impoverishment of the area” by mining. MOREMA is of course incapable of articulating such concerns, since it is only interested in the exploitation of the district, and most of its membership is drawn from absentee claim-holders based in Dar es Salaam or Morogoro. Moreover, the good relations between foreigners and MOREMA leaders result in their being regarded with suspicion by the members of CHAMAU.

The Gold Areas

Gold mining poses similar environmental and health issues to ruby “production”. As in the latter case, gold mining has mainly affected land surfaces and water resources. Mgusu mines, for example, are in a forest reserve. If significantly more mining rights are issued the whole forest reserve

may be destroyed in some years. As far as Nyarugusu, Rwamugaza and other gold areas are concerned, the mining methods expose the land surface, create waste dumps, and leave open pits. The result has been an increase in land slides and soil erosion. All the forests in these areas have disappeared and the area resembles a semi-desert. As elsewhere, land in the open pit areas becomes useless for agricultural or pastoral activities after it has been exploited by miners.

Perhaps the most serious problem concerns water resources. So far, no research has been done on water pollution in the area or Lake Victoria in general. Lake Victoria is fed by a number of perennial rivers and many of them pass through the mining area.

In the process of separation of gold from sand/sludge material, it is alloyed with mercury in amalgam after sluicing and panning. The amalgam is then separated by pressing the amalgamated sludge through a cloth (often the shirt of a miner). Some of the highly viscose amalgam and liquid mercury is then released into the streams and rivers where the process takes place. In the case of reef gold the amalgam is heated in a pot or on a shovel over an open fire, as already described. In both cases the gold amalgam contains 50–60 per cent mercury by weight. In 1990/91, the Tanzanian government distributed three tonnes of mercury to small scale miners, for “improved gold production”. Since then, the government has been importing up to five tonnes annually for the same purpose. Further large amounts are sold in the mining areas illegally.

The mercury released is dangerous to human beings and animals. It is dangerous because mercury is insoluble in water. However, it is soluble in fats and can therefore be ingested. Ingested mercury damages human kidneys and the central nervous system. It is estimated by some officials that during the recovery of one kg of gold, about 1.3 kg of mercury must be used. Of this 0.4 kg may be lost in rivers and streams during amalgamation and washing, and 0.9 kg may be lost in atmospheric emissions during vaporisation. Mercury thus pollutes the aquatic system and may be a source of serious health problems in the Lake Zone since fish is one of the major sources of protein in the area. With so much gold mining activity in the Lake Zone, it seems highly unlikely that Lake Victoria is not affected by pollutants from the mining areas.

Fumes from mercury arising from vaporisation and mercury recovery cause pneumonia, fever, vomiting and diarrhoea, and coughing and chest pains. There are cases in Mgusu of people who have died or been badly affected as a result of having been present during open fire recovery.

According to the District Medical Officer in Geita, the major diseases in the area (by ranking) are malaria, pneumonia, tuberculosis, diarrhoea (blood dysentery and amoebic dysentery), surgical problems, anaemia, ruptured spleen or liver and respiratory problems in general. There are also periodic outbreaks of cholera and meningitis, especially in the mining area. Of all the cases admitted at the district hospital, 35–40 per cent of the surgical ones are from mining areas. Forty per cent of tuberculosis cases were also from mining areas, due to congestion and bad living conditions in the

camps. The hospital has also referred to other hospitals a few cases which have resulted from mercury inhalation.

As far as STDs are concerned, the only data available in the district is on AIDS cases. Even this is incomplete, as given financial constraints, the district hospital is unable to systematically collect and monitor information. From a screening survey of 320 persons—191 male and 119 female—which was undertaken in 1989 in Mgusu, it was found that 19 per cent of the males and 25 per cent of the females were HIV positive. According to district records, there were 23 full-blown AIDS cases in 1989. This number rose to 119 in 1990 and then dropped to 41 (1991), and 43 (1992) before rising again to 53 (1993, up to August). The figures are not particularly reliable as most sufferers tend to go, or are sent, back to their home areas when they fall sick.

SOME GENERAL POLICY IMPLICATIONS

Let us, in conclusion, return to the propositions which introduced this study. It is obvious that the patterns of accumulation in the Tanzanian mining sector do not support the “large scale mining” enthusiasts. The potential for mineral development in Tanzania is indeed vast, but World Bank policies and those of liberalisation generally confuse support for mining with the selling off of mineral rights and the facilitation of illegal dealing.

The study has shown that the bulk of illegal transactions and mineral smuggling is probably by companies and dealers or people in positions of authority, rather than small scale miners themselves. There are of course small scale miners who are involved in the activity for survival purposes. But small scale mining is also the site of the only genuinely dynamic domestic accumulation which is occurring. This is untrue of company-based mining. Individuals behind the latter indeed accumulate, but basically at the expense of small scale miners and the national exchequer.

Genuinely large scale new mining ventures in gold and gemstones are probably generally unprofitable given current world market prices. Most companies in Tanzania have really taken out licences simply for merchant or—at best—recovery purposes. The cases of Dar Tardine in Lake Zone and Mans Mining in Lupa are illustrative of this. Besides the fact that they have been accused of smuggling, such companies tend to shut out other potential participants in the area, without exploring or developing new prospects. This practice has intensified tensions in most mining areas. Occasionally these have resulted in killings as in Mahenge.

Companies are mainly interested in the exploitation of trade in minerals, rather than introducing new or more advanced technologies. Even where a higher level of technology has been introduced, as by the Thais in Mahenge, this has been environmentally damaging. No measures have been taken by these companies to remedy their adverse effects.

In the short-run, small scale mining is more promising than large scale, if appropriate measures are taken to systematically support it, and change the relations of power in the industry. This is demonstrated by the fact that even under existing circumstances, some small scale miners have been able to acquire items of modern equipments, such as compressors and water pumps. So far small scale mining has been contributing over 80 per cent of official mineral revenue. In the minerals relevant to Tanzania, the new technologies which have emerged since 1970 but which have hardly been adopted by companies working in the country, actually make it possible for small scale mining to be more productive and cost advantageous than even genuine large scale mining.

The further adoption of technological innovations by small scale miners is not merely a matter of the absence of capital/credit. The extreme insecurity of claim ownership is a major problem. Claims are currently issued annually, and can also be taken away at any time. This means, unlike in the case of large scale licences, it is impossible to undertake long term investments. Moreover the issue is tied to that of capital and credit, since it is impossible to secure a loan from the banks for purposes of acquiring equipment on the basis of a claim alone.

It seems furthermore that deliberate measures to effect a reduction in certain activities of the existing companies (especially foreign ones) may be necessary. These might take the form of legal measures to declare exclusive areas and minerals for small scale miners. It would also entail a targeting of technical and economic support to small scale miners only.

In regard to smuggling, important policy matters concern not only the low prices offered in the official channels but the dominance of the trade by a handful of foreigners and Tanzanians of Asian descent, on the basis of extremely restrictive conditions of entry. This dominance in turn generates the emergence of a class of commission-earning "brokers" and prevents "small dealers" with only a little capital from participating more in the sector. Creating licences with different conditions of entry would change the situation and stimulate competition, in that it would allow upward mobility by existing small scale unofficial dealers.

Small-scale mining, despite its crude methods of production and oppressive social relations, provides a livelihood to many people and stimulates local level capitalist growth in other sectors such as agriculture. The granting of licences to foreign companies, which are mere "merchant houses", is generating conflicts in the country. These companies are not large by international standards nor interested in long term investment. Actually they are dependent on state legal protection, tax exemptions etc., and end up sterilising large areas, or employing small scale miners. Their presence is basically both a consequence and, it would seem, a means of reproducing the dominance of plunder and corruption in the economy.

REFERENCES

- Andrews, C.B. (1991). "Mining Investment Promotion: A View from the Private Investor", *Natural Resources Forum*, February. Guildford, UK.
- Bagachwa, M.S.D. (1981). "The Urban Informal Enterprise Sector: The Case Study of Arusha Town", *Economic Research Bureau*, Paper No. 81.4, University of Dar es Salaam.
- Bagachwa, M.S.D. (1982). "The Dar es Salaam Urban Informal Sector Survey", *Tanzania: Basic Needs in Danger*, ILO, Addis Ababa.
- Bagachwa, M.S.D. (1989). "The Nature and Magnitude of the Second Economy in Tanzania", *Tanzania Economic Trends*, Vol. 2, No. 3.
- Bangura, Y. and P. Gibbon, (1992). "An Introduction to Some Conceptual and Empirical Issues", in P. Gibbon et al. (eds.), *Authoritarianism, Democracy and Adjustment*. Scandinavian Institute of African Studies, Uppsala.
- Bills, J.H. et al. (1991). "Artisanal Mining in Lake Victoria Gold Fields", SAMAX Ltd., London. (Republished in *Tanzania Zamani*).
- Brett, E.A. (1973). *Colonialism and Underdevelopment in East Africa: The Politics of Economic Change 1919-39*. Heinemann, London.
- Business Times*, Dar es Salaam (various).
- Chachage, C.S.L., P.A.N. Mihango, B. Killian, M. Komoro and E. Lema (1994). "Poverty Alleviation Oriented Assistance: Case Studies on Identification of Target Groups". SNV, Dar es Salaam.
- Daily News*, Dar es Salaam (various).
- Economist Intelligence Unit, *Tanzania Country Profile* (various years) London.
- Epstein, E.J. (1982). *The Diamond Invention*. Hutchison and Co., London.
- Frankel, S.H. (1938). *Capital Investment in Africa*. Oxford University Press, Oxford.
- Gibbon, P. and M. Ericsson (1993). "Mining Investment, Structural Adjustment and State-Mining Capital Relations in Zimbabwe", in C.S.L. Chachage, M. Ericsson and P. Gibbon, *Mining and Structural Adjustment: Studies on Zimbabwe and Tanzania*. Research Report No. 92, Scandinavian Institute of African Studies, Uppsala.
- Green, T. (1987). *The Prospect for Gold: A View to the Year 2000*. Rosendale Press, London.
- Illiffe, J. (1979). *A Modern History of Tanganyika*. Cambridge University Press, Cambridge.
- ILO (1978). *Towards Self-Reliance in Tanzania*, Addis Ababa.
- Investment Promotion Centre (IPC) (1992). "Mining Potential and Investment Opportunities in Tanzania", Dar es Salaam (mimeo).
- Jones, J.V.S. (1981). *Resources and Industry in Tanzania: Use, Misuse and Abuse*. Tanzania Publishing House, Dar es Salaam.
- Jordan, P. (1990). "The Mineral Industry in Tanzania". Institute of Mining Research, University of Zimbabwe, Harare.
- Kasfir, N. (1984). "State, Magendo, and Class Formation in Uganda", in N. Kasfir (ed), *State and Class in Africa*. Frank Cass, London.
- Khamsini, R. Onero (1978). "The Gold Miners and the Mineworkers on the Lupa Goldfield 1922-1963". M.A Diss., University of Dar es Salaam.
- Kimambo, R.H. (1984). *Mining and Mineral Prospects in Tanzania*. East Africa Publications, Arusha.
- Kjekshus, H. (1977). *Ecology Control and Economic Development in East African History*. Heinemann, London.
- Koponen, J. (1986). *People and Production in Late Colonial Tanzania*. Finnish Society for Development Studies, Helsinki and Scandinavian Institute of African Studies, Uppsala.

- Lemelle, S. (1986). "Capital, State and Labour: A History of the Gold Mining Industry in Colonial Tanganyika 1890-1942". Ph.D. Thesis. University of California, Los Angeles.
- Longland, F. (1938). "Draft Final Report on an Investigation into Labour in Gold Mining Areas". Tanzania National Archives TNA 23047.
- Luvanga, N.E. and F.M. Musonda (1992). "Export Promotion through Diversification: Prospects for Non-Traditional Exports". Paper presented to the Eighth National Economic Policy Workshop, Economic Research Bureau, University of Dar es Salaam.
- MacGaffey, J. (1983). "How to Survive and Become Rich amidst Devastation: The Second Economy in Zaire", *African Affairs*, No. 82.
- MacGaffey, J. (1987). *Entrepreneurs and Parasites: The Struggle for Indigenous Capitalism in Zaire*. Cambridge University Press, Cambridge.
- MacGaffey, J. (1991). "Initiatives from below: Zaire's 'Other Path' to Social and Economic Restructuring", in G. Hyden and M. Bratton (eds), *Governance and Politics in Africa: Perestroika without Glasnost*. Lynne Rienner, Boulder.
- Malisa, E. (1987). *Geology of the Tanzanite Gemstone Deposits in the Lelatema Area, NE Tanzania*. Geologica-Geographica Suomalainen Tiedekatemia, Helsinki.
- Malinowski, B. (1927). "Memorandum on Colonial Research", in Mss Brit Emp s.1829 (Joseph Houldsworth Papers, Oldham D.D., Rhodes Library, Oxford).
- Maliyamkono, T.I.M. and M.S.D. Bagachwa (1990). *The Second Economy in Tanzania*. James Currey, London.
- Mamdani, M. (1987). "Extreme but not Exceptional: An Analysis of the Agrarian Question in Uganda", *Journal of Peasant Studies*, Vol. 14, No. 2.
- Mamdani, M. (1991). "Uganda: Contradictions in the IMF Programme and Perspective", in D. Ghai (ed), *The IMF and the South*, Zed Press, London.
- Mlagala, M.V. (1973). "The Traveller: Lupangilo Zakaria Mhemedzi" in J. Iliffe (ed), *Modern Tanzanians*. East Africa Publishing House, Nairobi.
- Mzalendo, Dar es Salaam (various).
- Naipaul, S. (1980). *North of South*. Penguin, London.
- Nanyaro, J. (1993). "The Mining Industry of Tanzania: Current Status and Strategies for its Sustainable Development into the 21st Century". Paper presented to conference on Development Challenges and Strategies for Tanzania: An Agenda for the 21st Century, Economic Research Bureau, University of Dar es Salaam.
- Ngogo, D. (1993). "Government Policies of the Promotion of Non-Traditional Exports: An Assessment and Agenda". Paper presented to Workshop on Non-Traditional Exports: Constraints to their Growth and Solutions, Economic Research Bureau, University of Dar es Salaam.
- Oates, F. (1934). "Gold in the Lupa Field", *Engineering and Mining Journal*, Vol. 135, No. 2.
- Parker, M. (1992). *The Mining Industry in Tanzania*. The author, Dodoma.
- Reed, D. (ed) (1992). *Structural Adjustment and the Environment*, World Wildlife Fund, London.
- Reid, E. (1934). *Tanganyika without Prejudice: A Balanced Critical Review of the Territory and her Peoples*. East African Newspaper Publishers, London.
- Roberts, A.D. (1986). "The Gold Boom of the 1930s in Eastern Africa", *Journal of the Royal African Society*, Vol. 85, No. 341.
- Rothchild, D. and N. Chazan (eds) (1988). *The Precarious Balance: State and Society in Africa*. Westview, Boulder.
- Stein, H. (1992). "Economic Policy and the IMF in Tanzania: Conditionality, Conflict and Convergence", in H. Campbell and H Stein (eds), *Tanzania and the IMF: The Dynamics of Liberalisation*. SAPES Trust, Harare.
- Tanganyika Territory, Department of Mines Annual Report (various). Government Printer, Dar es Salaam.

- Tanzanian Economic Trends* (various). Economic Research Bureau, University of Dar es Salaam.
- Tripp, A.M. (1989). "Defending the Right to Subsist: The State versus the Urban Informal Economy in Tanzania". WIDER Working Paper, No. 59, Helsinki.
- United Republic of Tanzania (1992). *Jamhuri ya Muungano wa Tanzania*. Government Printer, Dar es Salaam.
- United Republic of Tanzania, Mkoa wa Mwanza (1992). *Mpango wa Maendeleo wa Mwaka 1992-93 Kama Uliryawakilishwa Bungeni*. Ofisi ya Mkuu wa Mkoa wa Mwanza.
- United Republic of Tanzania, Ministry of Water, Energy and Natural Resources/UNDP (1991). "Opportunities for Mineral Resource Development in Tanzania".
- United Republic of Tanzania, Ministry of Water, Energy and Minerals (1993). Annual Report, Government Printer, Dar es Salaam.
- Warioba, S.M. (1987). "A History of Labour and Capital in the Musoma Goldfield 1925-1966". M.A. Diss. University of Dar es Salaam.
- World Bank/IBRD (1961) *The Economic Development of Tanganyika*. John Hopkins University Press, Baltimore.
- World Bank (1989). *Sub-Saharan Africa: From Crisis to Sustainable Growth*. World Bank, Washington, D.C.
- World Bank (1991). *Tanzania Economic Report: Towards Sustainable Development in the 1990s*. Washington D.C.
- World Bank (1992). *Strategy for African Mining*, Africa Technical Department Series, Technical Paper, No. 181. Washington, D.C.
- Young J.Y. (1992). *Mining the Earth*. World Watch Paper No. 109.

When the State Withdraws

Local Development, Politics and Liberalisation in Tanzania

Andrew S.Z. Kiondo¹

If the 1980s and early 90s have generally been a “lost decade” in Africa as far as development has been concerned, they have nevertheless witnessed a series of important economic and political changes. One of the most dramatic of these has been the related growth of formally organised community development activity (CDA) on the one hand and non-governmental organisations (NGOs) on the other.² By and large, this development has been the subject of celebration—and occasionally condemnation—by scholars, but rarely serious empirical and analytical investigation. This study describes the findings of a research project in Tanzania which attempts to come to grips with the extent and nature of the changes which have occurred in the local-level development space as a result of the recent expansion of CDA and NGOs. The research project covered nine districts scattered throughout Tanzania and reflecting the country’s main geographical and economic variations.

THE BACKGROUND

By 1993 there were 224 NGOs registered in Tanzania (*Business Times*, 14 May 1993). In 1990 there had been only 163—roughly two-thirds of which had, however, themselves been formed since 1980. In 1992 there were also 21 NGOs registered in Zanzibar, including 10 registered since 1990. Beside this, there were probably in the region of 800–1000 District Development Trusts, Tanzanian versions of “hometown associations”, roughly 40 per cent of which had been formed since 1986. Furthermore,

¹ The researcher wishes to acknowledge the valuable assistance of the following assistants: Mr. Mwanri (Hai and Bukoba Rural Districts), Mr. Mohamed (Pemba Region), Mr. Ndombaro (Songea District), Mr. Duma (Kondoa) and Ms. Killian (Newala District).

² The term “NGO” refers to organisations registered with national government authorities and usually operating in more than one basic administrative division. CDA groups are organisations registered with district authorities and not organised outside the district. District Development Trusts (see below) are a kind of hybrid of the two forms.

there were large but unknown numbers of registered and unregistered CDAs. Lastly, there were a whole host of women's informal rotating savings societies (*upatu*). Half of all self-employed women interviewed by Tripp in 1987–8 in two poor areas of Dar es Salaam were members of at least one such society (Tripp, 1992).

In an essay published in 1993 (Kiondo, 1993) I indicated some of the main elements of the background of this expansion, and also suggested a framework for examining certain aspects of it. Except probably in the case of *upatu*, this situation was a dramatic turnaround from that of the late 1970s in Tanzania. Although the era leading up to independence was one in which there was a brief flourishing of independent trade unions, parents' associations, and youth organisations, and although cooperative and urban ethnic associations (of which there were 51 in Dar es Salaam by 1954 (Tripp, *ibid*: 224)) were well-established much earlier, independence saw a suppression of voluntary organisations and activities of all kinds. From 1964 until the early 1980s Tanzania was the site of one of Africa's furthest-going forms of statism, that is, of systematic efforts by the state to penetrate/dissolve civil society and remould it in the image of the state itself. In this process voluntary associations were either suppressed or incorporated within the state and given a new role as monopolistic regulative agencies. Within the latter the (single) party—first TANU, then CCM—played a leading role, leaders were selected by the state, and membership often became compulsory or at least strongly “encouraged”.

Despite its obviously undemocratic features, this state form won strong approval from donors—especially those keen on promoting a “third way” between communism and free market capitalism. This was largely because the lack of democracy was accompanied by a distributivist and welfarist economic development model, with heavy emphasis upon investment in education and health, as well as on the restriction of social differentiation.

From the second half of the 1970s onward, the Tanzanian “model” began to experience severe problems. Firstly, the economy entered a period of serious difficulty. Production of all major export crops declined sharply, in turn sparking off balance of payments difficulties. At the same time, the industrial sector, which had expanded greatly during the decade, began to experience a major decline in capacity utilisation. Secondly, from around 1980 onwards it became clear that donors' preferences were changing. A pro-free market wind began to blow, first in the US, Britain and Germany, then in the World Bank and then by, 1983–4, in the Scandinavian countries which had been Tanzania's most important supporters. Since from 1980 to 1983 Tanzania tried to retain its “model” essentially without compromises, it suffered a decline in aid alongside its growing economic crisis.

One consequence of this was a disappearance of many of the gains which had been made in social provision in the 1960s and early 1970s. Life expectancy, rates for infant mortality and child death, population per physician and per nursing person, access to improved water and school enrolments per capita all went into reverse. Nor, when policy changes were

introduced (1983 onwards) and aid resumed (1986 onwards), was there a major recovery in these respects. Indeed, the first years of homegrown adjustment witnessed probably the sharpest cutback in state social expenditures of any period in Tanzania.

Inadequacies in social provision and limitations on legal powers and unresponsiveness/inefficiency of local government, even when it had resources, generated voluntary responses first in the secondary education sector. The phenomenon of District Development Trusts (DDTs) being set up in urban areas to provide "home area" secondary schools became common in the early 1980s. After the mid-1980s voluntary provision also became common in other areas of social provision, and registered NGOs and CDAs expanded rapidly. Behind this growth was not only the crisis of social reproduction, but also a major expansion in northern NGOs' funding and interest in finding southern "partners". As southern state-based provision became unfruitful (and unfashionable) to support in the north, northern NGOs (NNGOs) became the major beneficiaries.

By the late 1980s the new rules of the game, as far as social sector-related aid was concerned, were clear to most actors and would-be actors on the Tanzanian development stage. While the state was meant to shoulder the largest burden, aid directed at providing welfare services and which was targeted at the poor would be increasingly funnelled through local non-state channels, which were assumed to be expanding from below to fill some of the "gap" which the state was leaving. This had a certain amount of truth. People's organisations, that is grassroots, member-run, self-reliant bodies were indeed springing up spontaneously in many areas, often challenging efforts by the state and ruling party to maintain local power monopolies. Moreover, as has been seen, alongside these were the DDTs, also member-run and self-reliant, but less easily seen as grassroots initiatives and usually tied to a "home area" politician or at least prominent business figure.

Yet this has not been the whole picture as far as the voluntary development scene in Tanzania is concerned. In the first place, there are some foreign NGOs which are operating directly in the country without local counterparts at all, usually in relief activities of various kinds. Secondly, and more commonly, there is a whole range of local CDA and CDA-based organisations which have arisen as counterparts of foreign NGO/state donor activity or funding (either direct or through the local state). Some of these organisations are run relatively democratically, some are not. Some are grassroots in the sense of expanding on firmly-based local economic activities and/or social practices, some are not. Some would be able to survive in time without external support, others would collapse overnight. Thirdly, there are a large number of organisations which call themselves NGOs which are actually either government-organised (what Shivji has called "GONGOs") or which are elite-organised for the purpose of accumulation.

"GONGOs" are particularly evident in fields in which there is a widely-publicised donor interest to support local-level activity in both extensive

and intensive ways. Two such fields are the environment and "Women in Development" activities. Hence in Tanzania one finds afforestation schemes and women groups with NGO status, but in which civil servants are employed as regional coordinators responsible for establishing groups and raising donor funding for them. Meanwhile, elite-centred NGOs (sometimes also known as "briefcase" NGOs) have also multiplied. Almost always depending on good connections to the state, these raise donor funds—often in foreign exchange—ostensibly for worthy causes, only to directly embezzle them. In between these "types" there are of course a lot of hybrids, and most organisations have some dimension (however weak) of patronage politics or doubtful financial transactions.

Academic commentators writing on state-NGO relations have tended to generate conceptions referring to relations between the state and *all* NGOs. For example John Clark (1991:74) predicts that this relation will in general be conflictual, since NGOs seek to empower the poor and powerless, who then come into conflict with the state. However, viewing NGOs not as a single category but as a diverse group characterised by different and often conflicting socio-political alignments or projects, enables us to hypothesise the likelihood of a more differentiated picture. Some NGOs, for example the elite-centred ones, share the alignment and the project of the state-based elite, namely that of personal accumulation. At the other end of the continuum there are some people's organisations which have questioned state authority in relatively unambiguous ways, and which the state has prevented from registering or has deregistered. In between, where the bulk of organisations are situated, relations are probably generally more complex. Even in the case of most genuine people's organisations, despite state suspicions it is in state interests that they be harnessed into a role of supplementing state activity. This involves some state accommodation, and thus presumably a corresponding threat to the autonomy of the organisations.

THE PROBLEM

Although the very general points above are now clear to most students of the local-level development scene in Tanzania, there is still insufficient information on what is happening on the ground to enable us to say very much concrete about the precise type of new institutional order which is emerging in the country. It may be accepted, for example, that NGOs/CDAs are a heterogeneous group with ambivalent effects, but this tells us little about what the concrete balance is on the ground between the various kinds of organisations listed above. We currently know little or nothing even of the current density of CDAs, their typical areas of concentration, their modes of organisation and the constituencies they represent, or the broader implications of such characteristics. If we know in general that they correspond to higher levels of socio-economic activism, and that they will probably be linked to external patrons of one kind or another, we

know little of the relative significance of these two factors for forms and relations of power in the local arena. In fact, we are in any event ignorant of the local role which political parties, including the state party are playing today, and what the consequences of the new institutional order are for elite legitimacy and domination.

These questions are all the more interesting since Tanzania has entered a period not only in which the economic forms of statism have unravelled, but also the political ones. After the great change of 1989 in eastern Europe, pressures for the introduction of multiparty democracy welled up in Tanzania also. Recognising the inevitability of a political as well as economic adjustment, and to head off the possibility of movement toward democratisation being led by forces hostile to the state, the government early in 1992 initiated a process of political reform from above. Amongst the elements of this reform was a freedom for opposition parties to organise and a separation between CCM and the state on the one hand and various social organisations on the other, whereby the latter became theoretically free to order their own affairs as they please. First and foremost this applied to the trade unions and the cooperatives, but it was clearly also meant to apply to party supervision of local development activities.

These reforms have been accompanied by other political developments in Tanzania. Amongst the most important of these has been growing conflict around issues of race, religion and the union between Tanganyika and Zanzibar. It is impossible in a few sentences to do justice to these issues, but a very brief treatment of each is necessary. Race has become a salient issue as a result of a favourable popular response to agitation by an unregistered opposition party which links the rise of rampant forms of economic injustice to the "privileged" position occupied by Asians. Such rhetoric has of course deep historical roots in east Africa, and has frequently been an explicit or veiled element of official discourse. It is also shared in a less strident manner by the other opposition parties, specifically in relation to the issue of privatisation of state economic property. The issue of religion partly cross-cuts this, but has become prominent mainly as a result of a generally heightened political role being played by Muslims during the Mwinyi presidency, and an apparent escalation in the demands being put forward by organised Islamic elements. This relates in a fairly direct way to the third issue of Tanganyika/Zanzibar relations. The latter itself has a religious element, and the issue of the maturation of an Islamic political constituency overlaps with what is seen as increasing *de facto* claims for sovereignty by Zanzibar, especially insofar as sovereignty concerns relations with other Islamic countries. Of course, neither Moslems and Zanzibar on the one hand or Tanganyika and Christians on the other are themselves homogeneous political constituencies, and political pluralism has meant that divisions within as well as between them have become aired publicly. All these divisions and conflicts are likely to be reflected in the NGO/CDA phenomenon.

Beside the inter-relation between the growing weight of NGO/CDA activity, political pluralisation and the local institutional order, another set

of interesting issues is that of intra- and inter-NGO/CDA relations. This issue has not been investigated much anywhere, let alone Tanzania. Knowledge of the relations of these organisations to their own memberships, the relations between their members and the rest of the local population and the relation at local level between different kinds of community development group are both interesting in their own right and throw additional light on the issues outlined above.

The project which this paper reports on is a study of the above issues in nine districts in Tanzania, including one in Zanzibar.¹ These were selected purposively with a view to producing a balanced national picture. Hence some urban as well as rural and better-off as well as poor districts were chosen. This sample was then further corrected to achieve a balance between areas where it was believed that there were high, moderate and low respective NGO/CDA presences. The research in each district itself had three main components. Firstly, a mapping was carried out of the main development actors in the district and their relations with each other. Secondly, a preliminary characterisation of the new institutional order was carried out on the basis of extensive interviews with a series of informed local observers (professionals, government officials, leaders of religious organisations, traditional leaders, etc.). Thirdly a sample of local NGOs/CDAs was drawn up for closer attention.

GENERAL PROFILE OF THE DISTRICTS

Ilala

Ilala is the smallest, most urbanised and most central of Dar es Salaam Region's three districts. It covers the heart of Dar es Salaam and houses the main administrative, commercial and industrial activities of the city. Within it are found the State House, a number of ministries and other central government offices, the main business centres of the city including its main market (Kariakoo), large tourist hotels such as the Kilimanjaro, Agip, Embassy and New Africa, the Pugu Road industrial area and the nodal communication points—Dar es Salaam's harbour, international airport and two main railway stations.

Ilala has a historical importance for both Dar es Salaam and Tanzania, since it is the oldest African part of the city and was the historical centre of urban opposition to colonialism. A majority of its population belong to the Wazaramo ethnic group, which claims to originate in Dar es Salaam and the immediately surrounding area. A majority are also Muslims, although no figures on this are available. A majority of the city's Asian population also live in Ilala.

In 1988 Ilala had a total population of 333,708 persons (sex ratio (M:F) 106.9). There were around 76,000 households with an average size of 4.4 persons. In Upanga East Ward, where there is a high concentration

¹ In fact, because Zanzibar districts are very small, a region was chosen in this case.

of Asian households, this figure rises to 13. In all, Ilala comprises 18 wards, 14 of which are urban, three rural and one mixed.

Ilala is often referred to as a middle income area, but its occupational structure does not bear this out. Of those aged 15 years and above in 1988, 18,729 or 8.9 per cent were in managerial or professional occupations. This compares with 9.9 per cent for Dar es Salaam Region as a whole. However there are slightly higher than average concentrations of industrial workers (17,917 or 8.5 per cent, as against 8.1 per cent for Dar Region generally) and lower than average numbers of "cultivators". Nonetheless, the latter still outnumbered industrial workers (there were a total of 23,677 "cultivators" and "mixed farmers" accounting for 11.2 per cent of all those aged 15 and above ¹ (all figures from URT, 1990a). Given the limited range of occupational categories employed by the census enumerators in 1988, it comes as little surprise to find that the largest single "occupational" group recorded in Ilala were those categorised as "not employed". This accounted for 38.1 per cent of all those aged 15 and above, and fully 61.4 per cent of all women. Presumably most of these were engaged in informal sector activities, only one of which ("small scale trading") appears in the list used by enumerators.

The over-5 years Kiswahili literacy rate for the district was 71.4 per cent. 77.9 per cent of males were literate, compared with 64.5 per cent of females. 82.5 per cent of households had access to internal or external piped water, compared to 86.1 per cent of Dar Region households. 39.8 per cent of household had access to electricity, as against 34.2 per cent of Dar Region households (URT, 1990a).

Hai

Hai is one among four districts in Kilimanjaro Region. The district, to the north east of Moshi town, covers most of the southern slopes of Mt. Kilimanjaro. To its north lies the Republic of Kenya. The district is traditionally one of the centres of coffee production in Tanzania. Coffee still covers most of its physical area, interplanted as it has always been with banana and supplemented with the produce of stall-fed cattle. Indeed, roughly 80 per cent of households still grow coffee. Production is supported through the local Lyamungo Agricultural Research Centre. Other crops grown include beans, maize, wheat and millet. There are also a multitude of small businesses, including trading in local brews, shopkeeping, bars and guest houses and trades such as tailoring, etc. In recent years there has been considerable investment in "zero-grazing"- based dairying, which has grown correspondingly in significance. This will be returned to below.

¹ According to the District Agricultural Officer there were 7,812 farms in the district including 177 large ones, and nine villages were dependent on agriculture. Production is mainly of fruit, vegetables and dairy products for the Dar es Salaam market. Coconuts, cashew nuts and cotton are also grown.

Zero-grazing has always been the main form of livestock keeping in Hai because of its traditional acute land shortage—a problem rampant not only in Hai but in the whole Kilimanjaro Region.

The traditional inhabitants of the district are the Wachagga people, known throughout Tanzania for their business prowess. Although people have migrated into Hai from Same, Arusha and Tanga, the Chagga remain dominant in all respects. The district is predominantly Christian.

In 1988 Hai had a population of 196,901 inhabitants (91 per square km). The district has a marked pattern of male out-migration, and a consequent low (M:F) sex ratio (94.6 in 1988). However, for particular age groups the sex ratio is very low indeed, as Table 1 below illustrates:

Table 1. *Sex ratio (M:F) Hai District (Moshi Urban District), 1988*

Years	20-24	25-29	30-34	35-39	40-44	45-49	50-54
Ratio	72.4	79.2	74.9	81.4	91.0	97.1	92.8
	(86.5)	(98.0)	(111.5)	(115.2)	(160.1)	(149.2)	(171.7)

Source: URT (1990b)

Figures have also been included in this table for Moshi Urban District since they indicate a pattern of circular migration common to the Kilimanjaro area. Young men tend to leave Hai and other parts of Kilimanjaro to pursue opportunities elsewhere in the country. Most return eventually to Hai. But if successful, they make their main investments in businesses in Moshi town, where they also establish a house and may settle permanently. Some implications of this pattern will be explored below.

The largest single occupational in Hai recorded in the 1988 census was, unsurprisingly, that of "cultivators". These comprised 47,013 persons, or 43.8 per cent of the total (49.1 per cent of men and 39.1 per cent of women). In addition a further 11,506 persons (10.7 per cent) were categorised as "mixed cultivators". Women outnumbered men in this category, but not greatly. Professional and managerial employment accounted for only 3.9 per cent of the population. After "cultivation", the largest single occupational group recorded was again those described as "not employed" (31.9 per cent of all persons age 15 and above, comprising 21.4 per cent of all men and 41.1 per cent of all women).

Literacy in Hai is fairly high by rural Tanzanian standards. The over-5 Kiswahili literacy rate in 1988 was 65.9 per cent. The rate for males was 68.8 per cent and for females 63.2 per cent. 33.9 per cent of households have access to piped water and 6.9 per cent have access to electricity (all figures URT, 1990b).

Pemba South

Pemba South Region is part of Zanzibar. It consists of two administrative districts, namely Chake Chake and Mkoani. In 1988 the region's popula-

tion was 127,640 persons, at a very high density of 312 persons per square km. The annual population growth is 3.7 per cent for Chake Chake town and 2.5 per cent for Mkoani. In Chake Chake town, Pemba's main seaport, are to be found a concentration of government offices and commercial activities. Detailed occupational statistics from the 1988 census are still unavailable for Pemba, but it is believed that over 80 per cent of the region's labour force earn their living from agriculture and fishing. The major cash crop grown is cloves, although as in the case of coffee in Hai, there is a long term trend for production to decline. Other cash crops grown on a smaller scale include cardamon and chillis. The main food crops grown are rice, cassava and banana.

Historically, Pemba South has been one of Tanzania's more underdeveloped regions. Figures for 1988 were still not available at the time of the research, but in 1978 the over-5 Kiswahili literacy rate was only 39.4 per cent. For males it was 49.3 per cent, for females just 29.9 per cent. But at the same time 44 per cent of households had access to piped water and 13.9 to electricity. Within these totals there was a huge discrepancy between the urban and rural division of the region, with the relatively high urban figures explicable in terms of Chake Chake town's status (URT, 1982a, b). It is unlikely that there has been any improvement with respect to any of these indicators since 1978. Indeed, the likelihood is rather that they have deteriorated.

An important and unusual dimension of the situation in Pemba South is the presence of a strong political opposition force, apparently organised both within and outside CCM. This dates back until at least 1988. That year serious demonstrations occurred on the islands, directed at the then Zanzibari president, Idris Abdul Wakil. In May 1988, after these demonstrations, Mr. Wakil alleged a coup had been planned against him and sacked his chief minister Seif Shariff Hamad, amongst others. A year later Mr. Hamad was arrested under the Union National Security Act but it was not until 1992 that he was brought to trial on charges of being in possession of state documents. Since released, he has played a prominent role in the Zanzibar wing of the opposition Civic United Front (CUF). The latter incorporates Mr. Hamad's *Kamahuru* movement, which has a high degree of support in Pemba South.

Tanga

Tanga is one of the five districts in Tanga region. While Tanga as a district used to comprise Tanga town and its hinterland (i.e. Muheza), currently the district is confined to the town of Tanga plus a few villages lying on its outskirts. The district covers 360 square km in the eastern part of the region alongside the Indian Ocean.

Tanga town has an unusual history. Throughout the colonial period and well into the first decade of independence the town was second only to Dar es Salaam in political and economic importance. It was, for example,

the second municipality created in the country. But from the 1970s onward the importance of Tanga declined. Now the town trails behind Mwanza and Arusha. Even the real estate market, booming throughout urban Tanzania, is weak in Tanga.

The rise of Tanga during the colonial period was based on the contemporary prominence of the sisal industry. Throughout this time sisal was the major foreign currency-earning cash crop. Tanga was the leading centre of sisal production and profits from the crop were invested in the town's infrastructure (for example, its harbour) and its commercial sector.

During the 1970s the international market for sisal declined as synthetic substitutes for it were developed. This coincided with the industry's nationalisation and subsequent mismanagement. As a result of both these changes, production plummeted during the 1980s, leading to a decline in the local economy.

Another factor in Tanga's decline has been the historically prevalent attitudes to labour in the district. The colonial sisal estates overwhelmingly employed migrant workers from outside the district. Tanga's development was thus based on the sweat of others and local residents developed the view that manual labour was essentially the responsibility of *wanyika* (outsiders). During the phase of statism, this was modified to a belief that it was the responsibility of both *wanyika* and the state.

According to the 1988 census, the district had a population of 182,353 people. Administratively, it is divided into four divisions with 24 wards, and 23 villages situated on the outskirts of the town. Three quarters of the population live in Tanga town while the rest live in the 23 villages in the rural part of the district.

Economic activities in the district today can be grouped into two types. In the urban part of Tanga there are many central and local government employees, and employees of parastatals and formal sector private companies. There are also many informal sector operators. According to the 1988 Census, 6.7 per cent of those over 10 years fell into the "professional, administrative and teaching" category, 2.2 per cent into the clerical worker category, and 7.9 per cent were involved in formal sector services and sales. 5.3 per cent were industrial workers and 9.7 per cent small scale traders or labourers.

Those who live in rural Tanga are mainly engaged in farming and fishing. On the whole most farmers depend on coconut farming. Some also grow maize, oranges, cashewnuts, cassava and rice. "Cultivators" and "mixed farmers" made up 19.6 per cent of the district's total population in 1988 (all figures from URT, 1992). Commercial farming is undertaken by a few plantation companies the best known being the Amboni Estates Company which runs sisal estates.

Specialised livestock keepers are few. There is however a Dairy Farming Company with a milk plant which supplies the town with milk. Fishing activities are undertaken by villages living along the shores of the Indian Ocean. Six villages live solely on fishing while seven others undertake fishing as a minor income earning activity. The following table shows the ex-

tent of fishing in the district and the income generated for the years 1987 to 1992.

Table 2. *Fishing activities in Tanga District, 1987-92*

Year	No. of Fishers	Tons of Fish	Value in Tsh.
1987	2,992	1,017	21,035,503
1988	3,210	1,072	30,652,986
1989	3,420	1,074	31,921,420
1990	3,620	2,036	32,781,172
1991	2,970	2,904	34,352,198
1992	2,840	1,749	27,143,132

Source: DC office, Tanga.

The over-5 years Kiswahili literacy rate was 68 per cent (males 73.8 per cent, females 62.1 per cent). 84.5 per cent of all households had access to piped water and 32 per cent to electricity (URT, 1992).

Songea

Songea district in Ruvuma region is actually made up of two administrative districts namely Songea urban under a town council and Songea rural under a district council. Geographically Songea urban has an area of 394 square km while Songea rural has an area of 33,925 square km. The population distribution was as follows in 1988:

Table 3. *Population, Songea District, 1988*

	Males	Females	Total	Density per km ²	Sex ratio
Songea urban	25,770	27,201	52,971	648	94.7
Songea Rural	123,120	129,538	252,658	7	94.8
Total	148,890	156,739	305,629		

Source URT, 1990c

Economic activities in Songea can also be broken down on an urban-rural basis. In urban Songea people are mainly engaged in informal sector activities. The formal private sector is quite small, concentrated in small scale production and retail trade. The town has only one factory, dealing with tobacco processing. The largest single occupational groups in urban Songea in 1988 were the "not employed" (44 per cent of those over 10 years) and "cultivators" (28 per cent). Professionals including teachers, administrators and clerks made up 4.7 per cent and those employed in shops and services 3.5 per cent.

The rural population is predominantly agricultural with 67 per cent of all those over 10 years describing themselves as "cultivators". Maize is the leading cash as well as food crop. Tobacco and coffee come second and third respectively as cash crops. Apart from maize, other food crops grown are cassava, rice, beans, potatoes and yams—again in their order of importance.

The over-5 years Kiswahili literacy rate was 74 per cent (males 78.5 per cent, females 70 per cent) in Songea urban and 57 per cent (males 63.8 per cent, females 51.5 per cent) in Songea rural. In Songea urban 73.5 per cent of households had access to piped water and 22 per cent to electricity. In Songea rural the figures were 29 per cent and 0.5 per cent respectively (all figures from URT, 1990c).

Same

Same is the most southerly district in Kilimanjaro region. Although it geographically shares a mountain location with better-off parts of the region like Hai, and although there is some resemblance between economic activities in the two districts, Same has always been poorer.

Unlike in Tanga and Songea, the divide in Same district is not so much between rural and urban (although this exists) as between mountain and plain. About 70 per cent of the population lives in the mountain area. The district has a total area of 5,152 square km and a population of 169,673 (sex ratio (M:F) 93.4) according to the 1988 census, which also projected an annual growth rate of 2.1 per cent.

As in Hai, the predominant agricultural activity in mountain Same is production of coffee and bananas on small scale plots. On the plain there are larger plots growing rice, maize, beans, sisal, cardamom, sugar cane and cotton. The total cultivated area is 43,000 hectares of which 10 per cent is irrigated. Modern irrigation is mostly found in the eastern part of the lowlands while in the mountains people normally utilise traditional gravity irrigation. As in many parts of Tanzania, Same women control the food crop sector while men control the cash crop sector. Even in the cash crop sector which is controlled by men, women continue to provide labour while men simply take charge of the sale of cash crops and decide how to dispose of the proceeds.

Other economic activities in the district include livestock keeping which is confined to the lowlands where grazing land is available. It is estimated that 90 per cent of the lowlands are under grazing.

Industry is rather weakly developed in the district. There are only two minor factories, one a cotton manufacturing plant (ginning and oil pressing) and the other a ceramic factory producing utensils. Informal sector activities in Same town are not as highly developed as in Songea town.

"Cultivators" comprised 58 per cent of all those over 10 years old in Same in 1988. White collar occupations (administrative, professional and teaching, technical, clerical and formal sector sales and services) together

comprised under 4 per cent. The second largest occupational group was again those "not employed" (URT, 1990b).

The district council in Same like its counterpart in Songea can be said to have three sources of revenue: locally generated revenue, grants from central government and funding for donor projects in the district. In practice the third is really not a source of revenue since donor project money does not pass through the council. Locally generated revenue in Same, as in other districts, is collected from development levy, crop cesses, business licences and a number of other miscellaneous sources. In 1992 Same district council's total revenue was Tsh. 284 million (USD 0.57 million). Central government contributed grants totalling 92 per cent of this. Only Tsh. 9 million was set aside for development activities; the remainder of the budget was consumed by recurrent expenditure—almost overwhelmingly wages.

The over-5 Kiswahili literacy rate in Same in 1988 was a relatively high 67.3 per cent (males 69.4 per cent, females 65.4 per cent). 42.2 per cent of all households had access to piped water and 4.9 had electricity (URT, 1990b).

Newala

Newala district is part of Mtwara region in south-eastern Tanzania. The district borders Lindi region to the north, Mtwara district to the east, Masasi district to the west and the Republic of Mozambique to the south. With the exception of some villages in the Ruvuma river basin, the district is at an average altitude of 800 metres, on the famous Makonde plateau. The district covers 4,020 square km and had a population of 310,000 according to the 1988 census. The average annual rainfall for the district is about 900 mm and the average temperature 20 degrees centigrade.

The district has 233 registered villages. Historically the inhabitants of Newala, who call themselves Makonde, are not indigenous to the area but originated in what was Portuguese East Africa and moved to the area as a result of inter-tribal warfare. The Makonde have been well-known as carvers of hard black woods since the advent of colonialism and works by "Makonde carvers" are traded worldwide.

The main economic activity in the district is agriculture. Crops cultivated include cassava, millet, maize, rice and cereals. The main cash crop is cashewnuts and the staple food crop cassava. Other economic activities are animal husbandry, carving and pottery and petty business. Most art/craft activities are individually based and only a few groups exist. Detailed census information on Mtwara region was still unavailable at the time of the research.

Kondoa

Kondoa is one of four districts that make up Dodoma Region. It is a relatively arid area which has historically suffered from extensive soil erosion. The district covers an area of 13,210 square km. In 1988 it had a population of 340,562 (sex ratio (M:F) 97.0). The population growth rate was estimated at 2.9 per cent.

The primary economic activity of the people in Kondoa is mixed farming which involves the combination of agriculture and livestock keeping. Agriculture mainly comprises subsistence farming. Crops, in their approximate order of importance, are millet, sorghum, cassava, potatoes, maize, groundnuts and vegetables. The livestock kept are cattle, goats, sheep and donkeys.

Apart from these primary economic activities, there are several secondary ones including bee-keeping, hunting, small scale industry and small business. The principal source of district revenue is again government grants. The main local tax base is market dues on animal and crop sales. Development levy which is limited to males comprises the smallest component of revenue for the district council, since there are only 14,630 identified tax payers. Detailed occupational and other data on Kondoa were not available at the time of the research as the results of the 1988 census for Dodoma region still had not been published.

The district is politically and socially divided into a southern (Ntomoko) and northern area. The main ethnic groups in the south are the traditionally Christian Sandawe and Burunge and in the north the traditionally Muslim Rangi—who, however, are also found in the south. The Rangi are pre-eminent amongst these groups. They are widely believed to dominate the district administration; they supply the area's senior politician (Mustapha Nyang'anyi) and together with Chagga immigrants from Kilimanjaro they are said to control trade—all despite the fact that secondary education has historically been in Christian hands. They are also said to be migrating in increasing numbers to those parts of the south of the district with good soils, for farming purposes. Here they have begun to form a class of big (tractor-owning and -hiring) farmers. The dominance of the Rangi in politics and public administration is meanwhile said to have led to a concentration of development projects in the north.

Bukoba Rural

Bukoba rural district is situated in Kagera region in north-western Tanzania. It borders Uganda to the north, Lake Victoria to the east, Muleba District to the south and Karagwe district to the west. Bukoba urban district is surrounded by the rural one. Once an area of major economic importance in the region, and with a strong tradition of voluntary activity dating back to the colonial era, the district is now beset by crisis.

The district is divided into 6 divisions subdivided into 31 wards. The 343,956 inhabitants (sex ratio (M:F) 92.6) (1988 figure) stay in 161 villages. Kiziba, Bugabo and Kyamwara divisions have shores along Lake Victoria, whereas Rubale, Katerero and Missenyi divisions are inland areas.

The district covers an area of 8,029 square km. Sandstone ridges stretch in a north-south direction separated by large swampy areas. The cultivated areas are found along these ridges. The Kagera and Ngono rivers run through the district. The weather is wet. Annual rainfall along the coast is 2,000 mm., but decreases to 800–1,000 mm in the western parts and to 600–800 mm in Missenye. Mean temperature is 20 degrees centigrade.

Geographically the district is at a crossroads. For centuries, migrations of different groups have taken place and thereby shaped a mixed population. Cattle breeding people with their origins from areas further north and agriculturalists live together culturally and linguistically. The main Wahaya ethnic group, for example, have close historical connections with the Wanyambo of Karagwe and the Wanyankole of southern Uganda. Within the field of trade and commerce, contacts have also long been closely established with Uganda. These traditionally provided an export route for the district's production of bark cloth and coffee. Today there is an active cross-border trade with Uganda, Burundi and Zaire in coffee, bottled and canned beer, clothing and soap. The district is also a major transit route for formal and informal international trade in the region.

Bukoba became known to the outside world more than a century ago as a trading station on the route from the coast of the Indian Ocean to the mountain area of Rwanda. Trade routes for slaves and goods from southern Uganda passed through the area, a fact which has left its mark on the area today in the form of a number of villages with visible Arab minorities and Muslim religious majorities. The majority of the population in the district are Christian however, predominantly Catholic and Lutherans.

The main staple food in Bukoba Rural is banana. In recent years considerable damage has been caused by banana weevils and nematodes, and lately by the imported Panama disease. This has led to a cropping change to maize, cassava, sweet potatoes and yams in affected areas, most apparently in Bugando division. Unlike in Kilimanjaro, banana trees in Bukoba are considered the property of men and men monopolise proceeds from both coffee and banana. The local beer (*rubisi*) is brewed from banana and its sale (also by men) contributes significantly to household income. Pulses (beans, peanuts and Bambara nuts) are important both as food and cash crops. Oil palms are also found in parts of the district. They are an important source of vitamin A together with mango and pawpaw.

The most important cash crop is Robusta coffee. After increasing in the 1970s, production trends have been declining ever since. This is said to be a consequence of decreasing market prices and general social decline (see below). Robusta coffee is followed in importance by tea which is mostly grown on a large scale by a parastatal organisation (Tanzania Tea Author-

ity) and on prison farms. Cattle are kept mainly to produce manure for bananas. Milk cows are mainly found in those areas bordering Bukoba town. Several kinds of fish, from the small *dagaa* to the large Nile Perch are harvested from Lake Nyanza (Victoria) providing protein as well as about five per cent of the regional GNP.

According to the 1988 Census, 55.2 per cent of those over 10 years in Bukoba Rural were cultivators. For a purely rural area there was however a relatively high concentration of "Traders and Labourers" (2.7 per cent) and of white-collar employees (3.1 per cent; all figures based on URT, 1990d).

It should be mentioned that Bukoba Rural holds the unfortunate distinctions of being both the main centre of fighting on Tanzanian soil during the Tanzania—Uganda war of 1979 and of the AIDS epidemic in Tanzania. Both of these have left their marks on the area, in the forms for example of agricultural decline and large numbers of orphans (34,000 at the last count).

THE LOCAL DEVELOPMENT SPACE

The local development space will be described in each district first with regard to current provision of services formerly largely monopolised by the state (education and health). This will be followed by descriptions of the levels and nature of external donor, NGO and CDA presence in each. Finally the overall politics of each development space will be discussed.

Ilala

Several actors are today present in Ilala in the provision of the formerly mainly public-provided services. These include central and local government (Dar es Salaam City Council), NGOs of different descriptions and private business organisations.

Relative to other parts of coastal Tanzania, there is a comparative abundance of education services and providers in Ilala. In 1992 the district had 6 nursery schools, 26 primary schools, 14 secondary schools, a finance institute, a technical college, a business college, an adult education college and a major branch of the University of Dar es Salaam (Muhimbili University College of Medicine).

The nursery schools were all private institutions. Some were run by Asian community groups, others by religious NGOs and the remainder by private individuals. With one exception (which was NGO-run), the primary schools were all public institutions, run by the City Council. Of the secondary schools, 8 were public and 6 were private. The public secondary schools, like the technical and business colleges, were run by central government through the Ministry of Education. The Institute of Finance Management was run through the Ministry of Finance. Half of the six pri-

vate secondary schools were run by Islamic organisations and two by Asian ones. The other was an 'international school' basically catering for expatriates. The Adult Education College and Muhimbili College are semi-autonomous parastatals.

The major new dimension of education provision in Ilala is a growth in the involvement of Islamic organisations. With regard to secondary education, this is significant for a number of reasons—most obviously because Moslems have historically only very rarely owned schools in Tanzania. Indeed, they have used this as grounds for campaigning against proposals that the state hand back to their original Christian and Asian owners secondary schools which were nationalised in the 1960s and 70s. (Having promised in 1992 that these would be handed back, the government reversed this decision under pressure from Islamic organisations.)

A second aspect of Islamic educational involvement is religious education programmes provided through Ilala's growing number of mosques. This aspect is hardly new, but appears to have become more widespread and better organised in recent years. Programmes, taught mainly in Arabic, begin at pre-school age, are quite intensive and take up to eight years to complete.

The health sector has always been relatively well-developed in Ilala. This reflects the district's central location, and the fact that resident in it are large concentrations of well-resourced groups such as Asians. Tanzania's national referral hospital, Muhimbili, is situated in the district as is the civil servant's hospital on Ocean Road (currently being turned into specialist hospital for tumour and cancer patients). Beside this, one public district hospital, six private hospitals, seven (parastatal) workplace dispensaries, 21 government dispensaries and 56 private dispensaries are located in Ilala. The public district hospital is used intensively, with 176,011 out-patient and 15,354 in-patient attendances in 1991.

However, the most notable trend in health provision in Ilala is the rise of private provision. Of the six private hospitals, four are owned by Asian organisations and two by Islamic ones. While most of the Asian community-owned hospitals have been around for some time, the two Islamic organisation-owned ones were both opened in the second half of the 1980s. It was not possible to analyse the ownership of the 56 private dispensaries. However, according to the District Medical Officer these were all opened in the 1980s, again mostly in the second half of the decade.

An important feature of the private hospitals and dispensaries is that they disclose little information on their operations. A discussion with the Chief Medical Administrator of the City Council revealed that all efforts by the council to keep even a simple inventory of private health facilities in the city had failed—only a fraction of the forms distributed to various health facilities to give basic operational data were returned. The District Medical Officer corroborated this. He had only been able to establish the number of facilities operating in the district after repeated enquiries and threats to cut off vaccination supplies. Vaccine, provided in bulk free of charge from the district hospital, was a crucial component of the Maternal

and Child Health Programmes which formed an important and profitable part of the business strategies of these facilities.

Amongst the reasons cited by informants concerning why the private facilities were reluctant to provide information were the nature of the personnel these facilities employed and also their tax situation. It appears that, on cost-savings grounds, the private dispensaries usually employ non-qualified personnel, mostly ex-Standard 7 students with a few weeks "Red Cross" training in first aid. Furthermore, disclosure of basic operational statistics such as patient numbers and drugs supplied would enable tax officials to ascertain the facilities' true income and therefore demand higher tax.

There is a large concentration of donors and registered NGOs of all descriptions based in Ilala. However, a majority are only physically based in the district, in the sense that because of Ilala's central location they have their head offices there. We shall not concern ourselves with such NGOs here, but rather look at those NGOs which have local activities.

International and northern donors and several northern NGOs (NNGOs) directly run or participate in projects in the district. Amongst the active international and northern donors are UNICEF and DANIDA which support child health activities including the distribution of powdered milk, child immunisation programmes and health education for mothers. Amongst the NNGOs are Plan International, which has successfully run projects providing clean water to Buguruni and Vingunguti wards (previously the site of serious water-borne infections). However it is more common for international, northern or other external NGOs to work through local branches or local counterpart NGOs/CDA groups. For example, the Tanzania Red Cross Association, a chapter of the International Red Cross Association, operates a Mother and Child Health Clinic in the district.

Most religious-based NGOs in Ilala have this same status. International Christian organisations like the YMCA and YWCA operate hostels in Ilala through their national counterparts, while there are clusters of CDA projects with a base in the international churches, such as those around the Roman Catholic Msimbazi Community Centre. However, as in the case of education and to a lesser extent health, amongst the most notable recent trends has been an increase in Islamic religious NGOs, and CDAs associated with them. Probably the most important aspect of this is a tendency for the growing number of mosques to register themselves as Development Trust Funds and sponsor localised mosque-centred charitable and social activities (see below). Another aspect is for Islamic NGOs to be formed to provide social services outside the context of the mosque. Into this category fall NGOs such as Allah Karim running dispensaries and others such as the Union Islamic Association (UIA), the Al-haramain Association and Al-muntzir running schools and other educational facilities (including teacher training colleges) inside and outside the district. A few words will be said about one of these organisations, the UIA.

The UIA's formal objective is to enhance the education and, more generally, the development of Moslem communities. Its membership is open to all Moslems in the district, while its leadership is drawn from the clergy and influential local Moslem personalities. These community "elders" essentially function as patrons and the membership as clients. Apart from running the secondary school and issuing scholarships to it for poor parents, the association distributes free food to the poor during Ramadhan and free clothing throughout the year. This food and clothing is distributed through the mosques. The UIA's funds come from members' donations, gifts from prominent Moslems in the district and donations from Islamic countries abroad. The later also supported mosque-based projects.

Nationally-based secular organisations with local activities in Ilala ranged from the Tanzania Media Women's Association (TAMWA) at one end of the spectrum to Mission for the Needy at the other. Mission for the Needy is a good example of the category of elite-centred or 'briefcase' NGOs described earlier. Registered in 1986 with the mission of assisting "those in need of help, grassroot (sic) women and youth" (TANGO, 1990:29), the mission was hit by a series of scandals in 1991 when a founder member provided extremely detailed information appearing to indicate systematic misuse of funds by one of its highest officials. Much of these funds came from important donors such as NORAD, DANIDA, UNDP, etc. The mission was later cleared of any wrong doing by a government inquiry, which however seems to have failed to convince public opinion.

Founded in 1987, TAMWA by contrast can claim to promote some degree of genuine grassroots empowerment. The organisation's membership is restricted to women journalists and has about 30 Dar es Salaam-based members. Although its Ilala office is responsible for its activities nationwide, TAMWA also has several important projects in the district. Firstly, a media training course lasting about three months is organised four times a year for girls finishing secondary education. The number of students who can be absorbed on such courses is small (seven) but a majority of these come from the neighbourhood. Secondly, a women's library and documentation centre is provided, open to women from the district. This has over 100 books, 50 magazines and 300 other publications dealing with women's issues. Thirdly and most significantly a TAMWA "Mobilisation Unit" organises regular public workshops in local social halls in the district on issues such as maternal mortality and morbidity, women and AIDS, women and rape, etc. Furthermore it carries out campaigns in the district and the city at large in schools, clinics and workplaces on issues such as schoolgirl pregnancy and sexual harassment. TAMWA also provides counselling and legal services for rape victims (nine women from Ilala availed themselves of such services in 1991). TAMWA's income is derived partly from receipts from its own desk-top publishing unit, sales of a quarterly bilingual magazine *Sauti ya Siti* (Voice of Women) and occasional cultural events. Other sources of funds are membership fees and

donors. As in the case of UIA, information on the precise balance between these is not available.

One relatively unusual feature of the institutional map in Ilala was that there was no District Development Trust, which are multitudinous nationally. This is probably because these are basically hometown/district associations and there is little migration from Ilala, since it is probably the most urbanised district in the country.

CDAs in Tanzania encompass all collective activities carried out by community groups, as opposed to private companies or individuals. They thus include business ventures undertaken on a community (meaning, in practice, cooperative) basis, as well as more conventional infrastructural development initiatives. Indeed, in the late 1980s and early 1990s CDA has become pretty much identified with local-level cooperative business ventures, and Ilala is no exception to this pattern.¹ Structured CDAs are administratively regulated by District Council Community Development Departments/Offices (*Idara ya Maendeleo na Ustawi wa Jamii*). In 1992 there were 56 CDA groups registered with the Ilala office. It is of course possible that many more such groups exist without registering, which is not a requirement for operation (and would not be enforceable even if it was). On the other hand, most groups undertaking activities of a kind more ambitious than *upatu* may benefit from some start-up resources, or at least technical assistance, and this proves an incentive to register. Most of the registered groups were established in the 1980s.

According to the Community Development Officer responsible for Ilala, CDA groups there mostly had a membership of between 10 and 50, on average around 20. The official stated that he personally insisted on such relatively small memberships because experience had shown that larger groups experience management and accountability problems. In any event, total membership of CDA groups in Ilala was therefore around 1,120, or approximately 3.3 per thousand of the population.

The table indicates that the great majority of CDA groups are organised by and for women. Some groups appear to be of poor women, others of better-off ones engaged in more "up-market" economic activities ("boutiques", etc.). In almost all cases however, the purpose is to enhance the women's economic independence.

¹ It was also partly, but not wholly, the case that village-level "self-help" groups which in the 1970s were associated with the CCM women's organisation, UWT, were organised around business projects. But it was never clear with these groups whether it was UWT or the women themselves who owned the businesses concerned. In many cases women were simply paid (or unpaid) employees, and the projects collapsed as soon as compulsion was withdrawn. See Madsen (1984).

Table 4. CDA groups in Ilala, 1992

Name	Membership	Activities
Tumaini	female	sale of charcoal, paraffin, etc.
Mapambano Utete	male	carpentry
Tujitahidi	female	sale of foodstuffs in a market
Anglicana	female	church group owning a 'boutique' and running a nurseryschool
Maendeleo	female	dressmaking
Nani kama Mama	mixed	operates a 'boutique'
Kumekucha	female	dressmaking
UWT, AISCO	female	runs a small hotel at a workplace
Shime Tie and Dye	female	operates a 'boutique'
Wauza Mboga	female	sells fruit and vegetables in a market
Kivukoni Ferry	female	sells fish in fish market
Juhudi	female	operates a grocery store
Muongano	mixed	traditional dancing troupe
Assemblies of God	mixed	church group carrying out farming activities.
Muongano	female	farming
Jitegemee Farmers	female	farming
Jitegemee	male	wood carving
Vijana wa Kikristo	mixed	church choir also operating a hotel

Source: Random sample from Ilala District Community Development Office records; interviews.

Hai

By rural Tanzanian standards Hai is well provided with education and health facilities. There are 36 nursery schools in the district, all of them privately owned and 139 primary schools, all of them publicly owned. Eleven secondary schools are located there too, three of them public and eight private. With the exception of Kibohehe Secondary School, which is run by an Islamic community organisation, the private secondary schools were all initiated by the Kilimanjaro Native Cooperative Union (KNCU) (e.g., Lyamungo Secondary School) or the Northern Diocese of the Lutheran Church (the latter in the 1970s and 80s) and are all run by the Lutherans today. Representatives of the local churches regularly contact individual Dar es Salaam-based Hai businessmen in order to solicit contributions from them for school maintenance, etc. The district also has a teachers' centre at Mbwera. There are two hospitals, at Kibongoto and Nkwarungo. Kibongoto is a referral hospital for tuberculosis, which means

that central government is the main actor in its management. There are further two health centres, 26 public dispensaries and eight private ones. The private dispensaries are all run by the Catholic and Lutheran Churches.

An important recent trend on the education/health front has been a mushrooming of day care centres and feeding posts, public and private. Their objective is the eradication of child malnutrition, and many have been set up as a result of a local UNICEF-organised campaign. There are currently (1993) 114 such centres/posts in Hai, of which the Lutheran and Catholic Churches run 48 and the state-sponsored Muslim organisation BAKWATA five. The issue of these centres will be returned to below.

Hai has a very long and impressive tradition of voluntary collective activity. From the 1930s until the early- to mid-1970s, the development of the district's economy was in effect managed by the KNCU and the Kilimanjaro District Council. This situation came to an end with the local government reform of 1972 and the banning of cooperatives in 1976. The KNCU not only ran the local coffee industry but established the research institutions at Lyamungo and Masoka, founded secondary schools (see above) provided school fees for promising students whose families were too poor to pay them and was linked to a chain of consumer cooperative shops providing farm inputs and consumer goods to the peasantry.

Cooperative shops initially disappeared in Hai following the demise of KNCU, but reappeared as village cooperative stores during the chronic consumer goods shortages of the early 1980s. The formation of such stores ensured that villages got a specified allocation of goods through the state-run Regional Trading Corporation. Eight of the ten such stores operating in 1993 were founded between 1980 and 1983.

Amongst northern and internationally-linked NGOs in Hai, the most important other than KNCU have always been, and remain now, those sponsored by the Lutheran and Catholic Churches. Of course, these are now firmly under local control, but their status as development actors is dependent on their international connections. Besides their involvement with the education and health sectors, the churches sponsor around a quarter of all the CDA activity in the district.

The 1980s, especially their second half, were marked by an "invasion" of Hai by NNGOs and bilateral and multilaterals seeking to support CDAs of various kinds. The leading bilaterals comprise the various Nordic aid agencies and the government of New Zealand. Amongst the multilaterals present are UNICEF and FAO. Private NNGOs include the Friedrich Ebert Stiftung, World Vision International and Svillup 2,000. One national NGO well connected to the state, the Community Development Trust Fund (CDTF) is also present in a big way. Like the churches, it supports around one quarter of all CDA activity in Hai. It has also "adopted", on a patronage basis, one entire village. It is believed that this is the home village of some of the NGO's high ranking officials.

The phenomenon of District Development Trusts as an urban-based Tanzanian version of hometown associations has already been discussed.

In Hai (as well as a number of other areas) an interesting variant of this type of organisation is present. This is the District Development Fund, or rather a series of different District Development Funds dedicated to different social sectors. These organisations are of interest because they explicitly and openly straddle "hometown association" and shadow local government roles.

The Hai Education Trust Fund, for example, functions in effect as a local education authority, but outside the restrictive framework of district-level central and local government administration and with the participation of local elites and members of the national elite with roots in Hai but based outside it. It has made itself responsible for the repair of existing classrooms and teachers' houses and building of new ones, and the purchase of school equipment for the district primary schools. It is also constructing a new district secondary school and a teachers' centre. The former set of tasks are nominally reserved to central government; the latter are also supposed to be carried out by central government, but the presence of non-state actors is also tolerated.

Set up in 1988, the fund's revenue base was secured by Hai district council itself passing a bye-law making compulsory an annual levy to the fund of Tsh. 50 on all taxpayers. The fund also secures contributions (with varying degrees of compulsion) from parents, from primary and regional cooperative societies (themselves raised through crop cesses) from local parastatals and from its national elite patrons. The most important of these is Reginald Mengi, the Managing Director of the large Dar es Salaam-based private company, IPP. Mr. Mengi personally contributed desks, corrugated iron sheets and Tsh. 600,000 (USD 1,250) to the rehabilitation of Mbweru Teachers Centre. CCM also seems to play a role in mobilising resources for the fund since every Ten House Cell leader in Hai is responsible for annually contributing one desk to it.

On the other hand, the party as such plays no real role in the management of the fund, although some of its leading figures also play important roles in the party. Essentially the fund's management is in the hands of the local elite (district officers, councillors, leading parents, religious leaders and business leaders). Its functional management meanwhile is in the hands of the District Education Officer and his staff. Externally, the fund has secured the support of the Danish Volunteer Service. Danish Volunteers work under the auspices of the fund in the construction and rehabilitation of primary schools. They also themselves solicit contributions to the fund from well-wishers overseas.

The Education Trust Fund in Hai thus works as a form of privatised local government. As well as the Education Trust Fund, which covers the whole district, there are a series of apparently divisionally-based Rural Roads Trust Funds. These reproduce at the local level the organisational and financial structure of the Educational Trust Fund. In Hai, the funds have successfully built local roads between Sadala Masama and Mula, Samatu and Maina, Kware and Kashashi and so on. These funds receive direct support from ILO, as well interestingly from central government.

In connection with the UNICEF-run day care centres/feeding posts a third form of local Development Trust Fund has also been established. These are Village Health Funds. As in the case of the other funds, existing party and government structures have been used to set up these funds, but the latter then operate almost completely independently of them. In those Hai villages where UNICEF operates, bye-laws were passed obliging every able-bodied villager aged 18 and above to pay Tsh. 200 toward the wages of Village Health Workers and towards a village drugs fund. Management of the fund involves the village council "for blessings only".

Aside from UNICEF, which directly runs a majority of the day care centres/feeding posts, all the other donors and NGOs listed above basically patronise registered or unregistered CDAs. Local and central government also gives a certain amount of support, but this is generally confined to the 41 registered CDAs. Of the latter, about 75 per cent receive significant external support from one or more of all these sources. It is very rare for a CDA group to operate with only marginal or even no external support. Only one group in the sample fell into this category.

In 1993 the registered CDA groups in Hai had a total membership of around 3,300 (about 17 persons per thousand). Two-thirds of all the groups were women-only and these tended to be far larger than the all-male ones (women comprised 94 per cent of the total membership). Most of the men's groups were created for youths. As in Ilala, almost without exception these groups are basically income-generating cooperatives of some kind, although they may also carry out other social development functions. Women playing a prominent role in these groups cited the basis of their popularity to be the poor resource situation of women of all strata vis-a-vis men (men were said to retain almost all household income) and the high level of child deprivation in Hai. This was said to be reflected in this well-off district's paradoxically high child malnutrition rate.¹ This in turn was attributed to men either investing all available household income in businesses in town, or squandering it on personal gratification, particularly drinking *mbege* (a local brew). The child malnutrition argument seems to be the basis on which UNICEF is so involved in the area, and on which donor and NNGO funding has been attracted to the zero-grazing projects (see below).

The growth of CDA groups in Hai has tended to go hand in hand with the phenomenon mentioned above of the increasing significance of zero-

¹ A UNICEF survey conducted in 1991-92 showed over half of all Tanzanian children under 5 years to be suffering from one form of malnutrition or another. Kilimanjaro region ranked in the top five for one of the three forms investigated but did not score highly on the other two. Lindi, Mtwara, Singida and Coast regions had consistently the worst scores for all types. UNICEF programmes of the kind mentioned here are also in place in Mtwara, Singida and Coast regions and eight others, including some other relatively well-off ones. In 1991 Kilimanjaro region had the best ratio of hospital beds and health centre beds in the country and the third highest government health expenditure per capita in the country (Svantesson, 1994; Bloom et al., 1992). (Editor)

grazing—or rather, relatively capital-intensive zero-grazing—and a related growth in raising dairy cattle. Within the Hai groups sampled were four involved in zero-grazing to some extent or other.

The oldest of these groups had been founded in 1986, the most recent in 1990. Membership ranged between 25 and 700. All were involved in milk collection and sale and grass collection and sale, but other activities were also conducted including milk treatment and packaging, butter and cheese making, production of cooking oils, supplying artificial insemination and other dairy cattle inputs, transport, retailing, tailoring, and running a kindergarten. Annual expenditures varied between Tsh. 150,000 (USD 300) and Tsh. 30 million (USD 70,000). One made a profit of Tsh. 17.2 million (USD 34,400) in 1992. The assets of another group included a milk treatment plant costing Tsh. 8 million (USD 16,000). Three of the groups had permanent employees, in two cases several.

The bulk of the assets of both the wealthy and the less wealthy zero-grazing groups came from donations. The poorest (and most recently-founded) group had received Tsh. 65,000 (USD 130) from UNICEF and building materials from the businessman husband of the group's chairwoman. The largest had been donated a four wheel drive vehicle, cranes, a milk cooler and a solar heating system by FAO. FAO was also a major donor for the next largest, along with the Friedrich Ebert Stiftung, and to the third largest, this time along with DANIDA and others. However, membership fees and contributions were also an important source of funds in all of the groups. In some cases members had to contribute up to Tsh. 10,000 (USD 20), on top of an entry fee of Tsh. 1,000 (USD 2). Clearly, only a small section of women could be in a position to make such contributions (in 1991 GNP per capita in Tanzania was only USD 100 per annum, according to the World Bank (1993)).¹

Leadership of these groups was in the hands of literate and dynamic women. Indeed, all had Grade A Teachers (Form IV leavers with two years' teacher training) as their secretaries or in some other administrative role. In one case this teacher had been seconded to the group secretaryship by the school which was her regular employer. Equally critically, as far as securing donations was concerned, their leaders had connections to local business, local political, national bureaucratic and national political elites (see below).

Pemba South

In the early 1980s the economic crisis in Zanzibar became so severe that central government abandoned the attempt to directly provide social services. In 1986 local government was (re)introduced for each electoral con-

¹ Other estimates, however, put per capita GNP much higher. *Profile* gives a figure of USD 265 and the UN Purchasing Parity Guide USD 540, for example Cooksey, 1993.

stituency on the islands. These were essentially envisaged as vehicles for undertaking and coordinating local development activities, and were allowed to levy certain taxes and retain a certain proportion (25 per cent) of the licence fees they collected.

Simultaneously the Zanzibar government announced that it would promote the formation of local cooperative or CDA groups, whereby people could work collectively to improve their lot. It was these which local government was envisaged as coordinating. Since 1986, most local governments on the islands have in fact failed to carry out much themselves in the way of development activities. For example, roads in Pemba south are in a sorry state. The road from Chake Chake to Mkoani is very poor as a result of lack of maintenance, only one of the roads from the colonial period has been rehabilitated and most of the region's feeder roads are impassable. Insofar as development activities have occurred they have formally at least been the result of initiatives by other actors.

Pemba South in 1993 had a total of six nursery schools/kindergartens, 10 primary and middle schools and four secondary schools. Two of the nursery schools/kindergartens are non-state, one owned by an individual and one run by the army. All the other schools are public. Two further primary schools and a vocational training college are under construction. Seven schools have recently been extended, mostly in Mkoani District and mainly through the help of the Mkoani District Development Fund (MDDF).

The region's health facilities comprise two hospitals, a cottage hospital and 18 dispensaries. All of these are publicly owned and run, except one dispensary run by the Seventh Day Adventists since 1992 and one built in 1990 by the African Islamic Relief Agency (AIRA), and run publicly but with on-going support from AIRA. Most of these dispensaries have been built since 1986 as a result of CDA. But CDA has been supported financially and materially by government and CCM officials, and in Mkoani by MDDF.

Beside the Seventh Day Adventists, the only other explicitly foreign-connected NGO in Pemba South is the African Muslim Agency. This NGO, based in Saudi Arabia and Kuwait, has operated in the islands for a few years, but only came to Pemba in 1992. In the year that followed it constructed twenty wells and two mosques and had four wells and four mosques under construction. In an interview with an official of the organisation, it was stated that the organisation was interested in building new mosques rather than rehabilitating old ones since this allowed its "signature" to be more clearly read. The organisation also plans to build Koranic schools. So far none have been completed, but two travelling teachers have been appointed. The agency is also involved in distributing food and clothing to the poor, rice and meat to the population generally during the two Idd festivals, and religious books. Beside this it provides help to around a hundred orphans aged up to around 12 years. Since March 1993 these have been receiving Tsh. 6,000 (USD 12) a month each.

Operating in the region are three NGOs based on the islands themselves. One of these, AIRA, has already been mentioned. Besides building and continuing to support a dispensary this has constructed and/or rehabilitated several mosques and Koranic schools. It also distributes religious books. The other two local NGOs are both District Development Trusts—the MDDF in Mkoani and the Wawi Development Fund. The latter covers Wawi parliamentary constituency only.

The MDDF was established in 1987 at the initiative of the Hon. Salim Ahmed Salim, then MP for Mkoani. Dr. Salim remains the MDDF's chairman. As already noted, MDDF has helped extend a number of schools and build a number of dispensaries. It has also helped in well construction and has purchased a water pump for the area. Sources of funds include donations from overseas (origin unknown) and from mainland-based businessmen, and contributions from government and party officials. The latter is essentially state money in various forms. MDDF's character is much more typical of traditional hometown associations than of development trust funds such as exist in Hai. Although having a strong relation to the state, it does not really integrate local state officials into its own operations nor does it have any local revenue base. In fact, it seems to be generally less broadly based even in elite terms.

The Wawi Fund was established in 1990 by the constituency's MP. Its main objective is to provide soft loans to prospective and actual individual "entrepreneurs". In practice this has mostly meant women petty traders. Approximately Tsh. 300,000 (USD 600) had been lent over three years. The sources of the Wawi Fund are not known, but appear not to include state money. Indeed, unlike the MDDF which operates with local and Zanzibar party and government blessing, the Wawi Fund is viewed with suspicion in state circles. No party or government figures were consulted in regard to or incorporated into the fund and local leaders feel that it has been designed to erode their power and credibility. This is all the more sensitive since Wawi is an area dominated by the opposition.

More than elsewhere, Pemba South has seen a remarkable upsurge of CDA groups since 1984. These are again based almost entirely around economic activities, in this case mainly agriculture, and to a lesser extent fishing, sewing, carpentry and trading. In 1993 there were around 150 registered and many unregistered cooperative-based CDAs. Again assuming a typical size of 20 persons, this corresponds to a density of upwards of 18 persons per thousand. The term "remarkable" is an appropriate one since—unlike in Hai—historically there is no real precedent for such activity on Pemba.

As elsewhere in Tanzania there are two distinct reasons that can be identified for the rise of organised CDAs. However, in most cases their effects are intertwined. To use an economic vocabulary, one reason is demand (for services and incomes, from citizens) while the other is supply (of resources, from donors of various descriptions). In Pemba, prior to about 1989–90, cooperatives were formed mainly spontaneously on the basis of a common realisation that only a collective mobilisation of resources and

efforts would enable people to undertake activities that might have a more economically sustainable character than their individual efforts. Financial patronage for such efforts was at this time quite limited. On the other hand, since 1990 the establishment of cooperative groups has been based mainly on the expectation that there were good chances of getting financial assistance for anything that resembled such an activity.

A random sample of eight CDA groups from Chake Chake district was examined. Of these, all were income-generating activities and only one had been established prior to 1989–90. Their average membership was just over 14, varying from seven persons to 23. Unlike on the mainland, a majority of the groups (five) were made up wholly or mainly of men. Two of these were fishing cooperatives and a third an agricultural cooperative of former fishermen. A fourth was a farming cooperative and the last a commercial travel and tours agency (see below). All of the women's cooperatives were ones combining farming with either sewing or selling prepared food.

All except one of the CDAs had received external resources. These normally took the form of equipment of some kind, in certain cases supplemented by a cash grant or loan. In one case (the travel and tours agency) only a loan had been received, in another only cash. Most farming cooperatives received equipment grants of hoes and pangas for each member plus one or two more substantial items (in one case, four cows and four ploughs). A number of farming groups were also given land—up to 34 acres in one instance. Cash grants/donations were normally around Tsh. 100,000 (USD 200), but one group received in addition Tsh. 500,000 (USD 1000) from a Swiss private individual, after intercession from a leading figure in *Kamahuru*.

Grants/donations were normally in the name of the President of Zanzibar or the Chief Minister, or their offices (this distinction was usually not apparent—and not intended to be apparent—to the recipients). However, four of the seven groups who had received external assistance appeared seriously aggrieved that they had not received more. Other grievances mainly concerned the inability of some groups to find a market for what they had been encouraged to produce. Three of the groups had leadership with Form IV or higher education, and two of these appeared amongst the most viable. The others, probably in higher proportions than elsewhere, seem to have drawn most of their members from the poor. One of the groups, the travel and tours agency, was unmistakably an elite venture. It was the only one that was capitalised, owning two tour minibuses, a tour boat, a fishing boat and a truck for construction work. These had been bought by the 14 members of the cooperative, which had also received a government loan of an unspecified amount. Amongst the members of this cooperative were Dr. Salim and the MP for Mkoani, Hon. Sheha Mohammed Sheha.

Tanga

The education sector in Tanga in 1993 comprised 60 public primary schools with 31,683 pupils and 856 teachers, eight secondary schools, a driving school and four tertiary-level colleges (Technical, Medical, Driving, Nursing and Commercial), 63 adult education centres and 10 centres for continuing adult education. Of the secondary schools, half were government-run and half run by other organisations. The non-government run secondary schools had all been opened since the late 1980s. One was owned by an Asian community group, one by BAKWATA (the state-sponsored national Muslim organisation), one by the parastatal Cement Corporation and one by a businessman from Kilimanjaro, a Mr. Tarimo. At the adult education centres 307 classes were being conducted, with an enrolment of 9,068 participants.

The district's primary and government secondary schools were said to have been suffering for some time from an acute shortage of desks and other equipment. 7,379 desks, 1,301 tables and 1,495 cupboards and chairs were said to be currently needed. Local government had resorted to fund raising drives in an attempt to solve the problem. One such drive took place on September 11, 1989, with the Prime Minister as guest of honour. At this event pledges and cash donations were made by parastatals, private individuals and government departments and institutions. These amounted to 4,774 desks valued at Tsh. 14,306,00 plus cash donations of Tsh. 15,102,674. However, up to August 30, 1992, only 1,894 desks of those pledged had been collected.

The municipality has also tried to remedy the situation by raising new local taxes, including a municipal education fund, *Mfuko wa Elimu* launched in 1992. This added thirty Tanzanian shillings per head to the municipal tax. That year the fund collected Tsh. 9.3 million, of which Tsh. 7.6 million was used to repair the government-owned Mkwakwani secondary school.

The publicly-owned health sector comprises a regional hospital, three health centres, eight dispensaries and one mobile clinic. There are numerous non-government actors in the sector, with a total of twenty nine dispensaries. Out of these fifteen belong to the various Asian communities, one belongs to the Roman Catholic diocese, another belongs to BAKWATA, six belong to (mainly Asian-owned) sisal estates, two belong to OTTU (the official national trade union body) and the army (JWTZ) has four. Apart from these 29 there are also eight dispensaries run by parastatals. All the Asian community-owned dispensaries and most of the other non-government ones were opened after the late 1980s. As in education, the absence of large scale collective private initiatives is striking.

Unlike in the other districts discussed so far, Tanga district authorities claim the area is the site of various Kenyan-style self-help development projects. In the year 1992, eleven of these so-called self-help projects were undertaken in the district. These included the building of classrooms and teachers' houses, construction of go-downs and village or ward offices,

construction of a dispensary for which the government would take responsibility, construction of regional stadium, etc. These activities had a total value of Tsh. 6.2 million. (equivalent to about USD 12,400).

A large majority of these "self-help" projects were actually initiated at least in part by government or by donors. One officially listed under this heading was found to have been undertaken entirely by the Prime Minister's Office. Such projects are undoubtedly present throughout the country, but not generally claimed to be of a "self-help" kind. Most (69 per cent) were based in the rural part of Tanga, where it is presumably easier to mobilise labour on the semi-compulsory basis typical of such projects. Their concentration in rural areas may also have something to do with the "rural bias" of donors, who for example contribute to funds (such as that for Village Development Projects (VDP)) earmarked to support rural self-help projects. (A condition for a project receiving VDP funds is however that labour and 30 per cent of all project funds are raised locally.)

External donors were generally not involved in large numbers in CDAs in the district. Those who were include the German government, which has some funds administered through the local RIDEP (Rural Integrated Development Project) arrangements and the New Zealand government, through its High Commission in Dar es Salaam. The ILO supports some community development activity, as we shall discuss shortly. The relatively insignificant donor presence in the local development space may also be partly explicable in terms of donor preferences for rural rather than urban areas, but the absence of donor-supported activities is still much more pronounced in Tanga town than, say, Dar es Salaam.

The only local or foreign NGO with a presence in the district seems to be the Tanga AIDS Working Group (TAWG). This non-registered local NGO undertakes unspecified AIDS control work and also provides counselling to AIDS-affected families. Its sources of income are unclear.

The state is disengaging from direct involvement with local CDA groups. At an earlier stage the state trade union OTTU and its predecessor JUWATA, Vijana (the CCM Youth Association), Wazazi (the CCM-affiliated Parents' Association) and UWT (the CCM-affiliated Women's Organisation) all sponsored groups. These latter actors are now almost dormant in terms of development activities, as a result of the separation of the party and its affiliated organisations from the state and the associated ending of the state/party monopoly over development activities. As an illustration of the latter I witnessed the transformation of a UWT working women's group into a cooperative. The leaders of the group had come to the office of the District Cooperative Officer while I was interviewing him, to seek to register their group in a new form. They said they were interim leaders of a group that had been organised under UWT but which was now seeking "non-partisan" status.

The main cooperative body in Tanga, the Tanga Regional Cooperative Union (TARECU) is also experiencing a divorce from the state, but in an essentially involuntary and disorderly manner. Like many other union societies it faces massive liquidity problems due to a freeze on new credit

from the banks. Partly as a result of this, it has long ceased to regularly pay for the cashewnuts it buys from local peasants. Rather than forming new cooperatives these peasants have instead begun a struggle against the TARECU leadership, and during fieldwork in the area they locked the latter out of their offices demanding that they be paid.

Of the CDAs present in Tanga, some have been registered as cooperatives while others have not. There are 28 active CDAs and five inactive ones in the district. Assuming an average size of 20 persons, this represents a total membership of around 560, and a low participation rate of 3.1 per thousand. Of the active CDA groups, 17 are women only, seven are men only while four have a mixed membership. The five inactive ones are all women only. Table 5 summarises basic information on the CDAs.

Table 5. *Active CDA groups in Tanga District, 1993*

Ward	M/ship (m/f)	Activities	When fmd.	Ann.t/ov (Tsh.)
Mwanzange	70(f)	crafts, local brew	1986	61,000
Central	32(f)	sewing, training	1989	38,000
Chumbageni	16(f)	hotel	1990	61,000
Pongwe	5(f)	gardening	1990	32,000
Mwanzange	20(f)	gardening	1993	7,000
Nguvumali	15(f)	crafts	1986	7,000
Makorora	30(f)	hotel	1984	13,000
Chumbageni	10(f)	hotel	1992	7,000
Ngamiani K	25(f)	sewing	1992	5,000
Mabawa	25(f)	sewing	1992	4,000
Ngamiani	250(m/f)	vendors	1977	1,000,000
Ngamiani	44(f)	vendors	1985	200,000
Makorora	20(f)	vendors	1982	142,000
Nguvumali	90(m/f)	local brew	1976	158,000
Masiwani	18(m/f)	dried fish sales	1990	139,000
Mwanzange	35(f)	local brew	1991	39,000
Majenjo	120(m/f)	local brew	1977	160,000
Usagara	32(f)	local brew	1971	90,000
Ngamiani	70(m)	"professional"	1974	2,000
Ngamiani	25(m/f)	porters	1979	120,000
Usagara	110(m/f)	local brew	1977	1,500,000
Ngamiani	10(m/f)	industrial	1990	1,500,000
Ngamiani	32(f)	industrial	1974	40,000
Mwanzange	n/a	salt sales	n/a	n/a

Source: Social Welfare and Cooperative Office records, Tanga

As in Hai and Ilala, CDA activity in Tanga was predominantly income-generating activity by groups of women. As elsewhere, most (80 per cent plus) of these groups were formed in the 1980s and 90s. But unlike in Hai, most (over 70 per cent) of the Tanga groups were urban, and unlike all the

areas previously described, NGO/donor support for them was almost completely absent. The great majority of groups received no support from non-members except commercial bank loans.

The exception to the latter picture was the involvement of the ILO with four villages in a project to modernise production and improve product quality of salt. This involvement was one episode in a complex story also involving the villagers themselves, certain government officials and their relatives, and an independent-minded District Cooperative Officer.

Prior to the ILO's "discovery" of the four villages, a few female villagers used to make salt from sea water and sell it to the public locally. The ILO was helped in its "discovery" by certain government officials, who themselves recognised the potential of the activity. The ILO then offered to assist the women financially and technically to modernise and improve production, on condition that the whole of their villages get involved in the project on an informal cooperative basis. The reasoning behind this was that it would supposedly improve the viability of the projects when the ILO finally withdrew its support to them, since it would allow them to be handed over as properly-organised registered cooperatives.

As the project began, some people began to migrate to the villages and in the process automatically became members of the projects. When eventually the ILO decided to withdraw and hand over the projects to the villagers, the government officials involved suggested that the projects should be reconstituted not as a cooperative but as a private company which the informal cooperatives' members should simply buy shares in.

It turned out that those who had recently migrated to the villages were actually relatives of these government officials. The idea was for these relatives to buy a majority of shares, at the expense of the genuine villagers who would not be able to afford them. In the process, the villagers would lose ownership of the projects as well as the premises where they were located. Luckily enough the District Cooperative Officer saw this trick before it materialised. He advised the villagers to stick to registering the projects as cooperatives and secure title deeds (legal ownership) for the project sites.

Through this process the villagers learned the lesson that behind the ILO assistance—which was perhaps genuine—were cunning officials who sought to gain control and/or ownership of their projects. Perhaps a more general lesson to the rest of the CDAs which operate without external assistance should be that they are better off the way they are, for without artificially enhanced resources they need not worry about losing their autonomy or identity as people's CDAs. A further lesson to be learnt by these CDAs is that any agreement to receive external assistance should be accompanied by thorough arrangements to safeguard the interests of the members.

On the whole however, as already noted, Tanga's CDAs have hardly experienced any interest from NGOs or donors. The latter's "rural bias" appears to have been reinforced in this case by the absence of signs of

either grinding poverty on the one hand or dynamic, local, popular- or even elite-initiated activity on the other. In this context, Tanga has continued on its long term downward development trajectory.

Songea

In 1993 in Songea Rural were found 25 nursery schools (all run by Catholic organisations), 151 primary schools (overwhelmingly government-owned), seven secondary schools (one government-owned with the remainder mostly owned by Catholic organisations (two) or built by ward-level branches of Wazazi (three schools), three government owned colleges (for teacher training, livestock training and folk development) and two vocational training centres (nursing and trade) run by the Catholic Church.

In Songea urban there were five nursery schools (two government owned), 33 primary schools (all but one government owned), five secondary schools (three government owned), a government-owned college and two privately-owned commercial schools. A Muslim community group and the army each owned a secondary school.

Songea Rural's health provision consisted of a Catholic-run hospital (Peramiho), 42 government-owned and 17 Catholic church-owned dispensaries and five government-owned and one Catholic church-owned health centre. Songea Urban had a publicly-owned hospital, 10 dispensaries, half publicly-owned, three owned by the Army and one each by Catholic and Asian groups, and a government-owned health centre.

As elsewhere in the country, public health facilities experience maximum demand early each month. The public are aware that at this time these facilities receive drugs kits and hence proper services are available. Later in the month non-government providers are in greater demand. The Peramiho hospital in Songea Rural receives many patients from Songea Urban at these times, and a shuttle bus service even connects it with Songea town.

The general thinness of private health services in Songea has led to considerable local pressure for the councils to expand public provision. Several of the dispensaries Songea Rural council was operating were established only in the last few years and the council was expecting to open another four before the end of the decade. A similar situation pertained in Songea Urban.

By contrast with Tanga, donor agencies were relatively thick on the ground in Songea. Those present included the World Bank (IDA), the FAO, the EEC, UNICEF, the ILO and DANIDA. The World Bank's involvement dates back to 1991 and concerns construction and rehabilitation of government schools and teachers' houses. The FAO's involvement is with a fertiliser and crop storage programme, and the EEC's with general agricultural support and improvements to feeder roads. UNICEF has a child survival and development project, the ILO a labour intensive public works programme and DANIDA a drinking water project. The projects associated

with these donors are all characterised by a rather old-fashioned top-down approach. Projects tend to be devised without significant local input and then imposed on localities. Nor do they incorporate any mechanisms of local accountability.

SNV and Caritas are the main international NGOs based in the area. SNV is a Dutch NGO, which however receives a major proportion of its funding from the Dutch Foreign Ministry. It is the main donor in the Songea District Integrated Rural Development Plan. This dates from 1992 and is meant to embrace livestock and agricultural development, road construction and community development. These are intended to be approached in a "participatory" way; the programme however is still at a formative stage and it is too soon to see if such claims are justified. In the meantime, SNV continues to sponsor individual CDA groups.

Caritas seems to farm out most of its activity to the main Tanzanian-based NGO located in Songea, CDTF (see material on Hai, above). CDTF has been in Songea since 1985. It is involved in relatively large scale projects in water provision, agriculture and livestock and in support to women's CDA groups, particularly ones running grinding mills. Besides this, the Songea Diocese of the Catholic Church functions as a major local NGO. Having traditionally run schools and hospitals (which it continues to do) it is now also involved in water projects and supports CDA groups.

As elsewhere, there is the usual basic selection of "GONGOs"—cooperatives, youth groups etc., linked to CCM, women's groups linked to UWT and so on. These have yet to free themselves from the state in Songea, even at the primary cooperative society level. However, the state is tending—voluntarily or involuntarily—to free itself from them, and they are all consequently in decline.

In 1993, Songea Rural had a total of 24 CDA registered youth groups (CDAYGs) and 35 CDA women's groups (CDAWGs). All the CDAYGs were established in the 1980s while of the 35 CDWGs only two were established before the 1980s. In Songea Urban there were registered 25 CDAWGs. Only one of these, a Catholic church group, was established prior to the 1980s.

Of these 84 CDA groups, 17 were randomly chosen for closer examination. Of these, seven were from Songea Urban and 10 from Songea Rural. The groups had a total membership of 734. Three had over 100 members but a majority (eight) had only between 10 and 25 members. If the average membership of these groups (43) held for those not sampled, then there would have been around 3,600 CDA group members in Songea, or 14.3 persons per thousand of the total population.

Group size was examined as a variable possibly associated with internal participation and accountability. Translating the latter into frequency of and attendance at membership meetings, levels of participation in discussion at these meetings and election of group leaders it was found that the most democratic groups tended to be the smallest ones. On the other hand there were three small groups sampled which were not controlled by the

members at all, but rather by their sponsors (in two cases churches and in the other the district authorities).

A majority of groups—small and large—were initiated by their own members, however. Even though many were not formally women's groups, all but one (a youth group) turned out to be so in practice. All but two were organised around economic objectives. One of the remaining two was both economic and religious in its objectives; the other was educational.

In contrast to some of the other districts examined, almost half of the Songea CDAs sampled were financially independent, i.e., wholly funded by own members' contributions. Five of the others were mainly externally-funded by NGOs or by donors, three were partly funded by an NGO or by government agencies, and one had received a Tsh. 100,000 (USD 200) loan from the government-run but donor-funded Small Industry Development Organisation (this had been repaid within a year).

Same

As in other parts of Kilimanjaro, Same district is relatively well provided for educationally. All major villages have government-owned primary schools and there are a good number of secondary schools. A majority of these are run by the Lutheran and Catholic churches. The district has two hospitals, three health centres, 39 dispensaries and a number of Mother and Child Health and mobile clinics. Roman Catholic organisations run a number of dispensaries and one rural health centre, while Lutheran ones run the Bombo Hospital (the largest in the district) and a number of dispensaries.

The major donor organisations present in Same during the research were NORAD, CIDA, JICA (Japan), UNICEF, the ILO and DANIDA. All worked through local intermediaries. NORAD and CIDA supported the Tanzanian Lutheran Church NGO, KKKT in the area and also directly supported women's CDA groups. So too did the ILO and DANIDA, the latter to a considerable extent.

The main foreign NGO in Same, as in Songea, was SNV. Since 1988 this has directly run a traditional irrigation project (SNV-TIP) in the district. It was also involved in water conservation, afforestation and "strengthening farmers' organisations and networks", in close collaboration with Same District Council. Moreover, it employed a "Women in Development" officer amongst its locally-based staff. In 1992–93 its budget for the district was Tsh. 35 million (USD 70,000).

A second international NGO found in the district is the Belgian COPIBO. COPIBO is a partner and financier of a local NGO, the Same Agricultural Irrigation Project (SAIPRO). The latter was set up in 1991 and by 1993 employed 12 people. It ran irrigation, agriculture and livestock projects with Same District Council and direct with COPIBO itself.

Besides COPIBO, the main Tanzanian NGOs based in Same are the Same diocese of the Catholic Church, the Same branch of KKKT, the

Pentecostal Church of Upare, World Vision Tanzania (a branch of World Vision International), CDTF, the Tanzanian branch of the YMCA and the Kilimanjaro Tanzania Aid Association (KITAA).

Same Diocese of the Catholic Church and KKKT are the main development actors in Same. The Catholics support projects (said to be mainly participatory in design and administration) in water, education, health, afforestation and "Women in Development", the latter through a Women Development Programme Fund. This assists a number of projects and groups, mainly through funding and training. The Diocese's annual development budget is about Tsh. 300 million (USD 0.6 million), and an unusually highly qualified group of staff are employed. Sources of funds are both local (contributions by church members) and foreign.

The Same branch of the Lutheran KKKT organisation mainly supports activities in the educational and health sectors. It also funds youth training, women's income generating projects and afforestation schemes. It has a limited but well qualified staff, employed in project monitoring and implementation. Its projects in 1992-93 also had a book value of Tsh. 300 million. Its main sources of funds were member contributions, NORAD, CIDA and World Vision International.

World Vision Tanzania, the local chapter of World Vision International, is a non-denominational Christian organisation funding nine projects on education, water, health plus some agricultural projects. It has a local staff of about twelve people. In 1992-93 the NGO's local activities were budgeted at Tsh. 130 million (USD 0.26 million), more than twice the previous year, and several times the district council's budget.

The Pentecostal Church of Upare is the third church-based NGO. Its projects focus on children (nursery schools), and support to youths' and women's groups. It receives donations from abroad in addition to local contributions from members. A fourth Christian organisation in the local chapter of the YMCA. This has run a Girls' Vocational Training Centre in the district since the 1970s.

The most important of the local secular NGOs present in Same is CDTF. CDTF's local projects include rehabilitation of schools, supporting water schemes, constructing go-downs and supporting women's groups. In 1991 its local outlay in Same district reached Tsh. 10 million (USD 20,000). KITAA is a purely local secular organisation of recent origin. Currently it has only a few projects for women and youths but it has ambitious plans for the future. It has a three person Board of Governors but no permanent staff.

Although these NGOs are financially a very important force in the district, most run their projects in much the same way as governmental organisations. Few had any mechanisms for promoting participation in project design or implementation, or for any more general accountability. The notable exception were the Catholics, who used a community based approach in their Women Development Programme.

CDA groups in Same were, as in most of the other areas examined, overwhelmingly female and oriented to income generation. By the begin-

ning of 1993, 81 such groups with a total membership of 2,673 persons (or 15.8 per thousand) had registered themselves with the District Community Development Office. Their size ranged from 3 to 180. Their main activities comprised agricultural projects (25 groups), tailoring/knitting (14), milling (10), and running canteens (8). Other groups engaged in bee-keeping, poultry-raising, fish farming, and running guest houses.

Almost three quarters of the groups (73 per cent) of a randomly-drawn sample of 37 groups were receiving or had received external assistance, and all but ten had been founded in 1990 or since (see Table 6). The latter date coincides with the initiation of a DANIDA local programme to stimulate the growth of women CDA groups. The programme was initially a six months' one but was then extended. It seems to have more than tripled the rate of CDA group formation.

Table 6. *Same women's groups, 1993*

Year	No. of groups established	No. applied for assistance	No. recvg assistance
1983	1	1	0
1986	1	1	0
1987	1	1	0
1988	1	0	1
1989	6	3	3
Sub-total	10	6	4
1990*	6	4	2
1991	16	7	9
1992	10	8	2
1993**	5	5	0
Total	37	24	13

*When DANIDA began to fund women groups under a six months' pilot project.

**Groups established in the first two months of 1993 only.

Source: Office of DCDO, Same District.

To what extent the post-1990 groups were all genuine, and more particularly if their activity is sustainable, could not be fully established. However, it should soon be possible to answer the latter question at least, since DANIDA is currently withdrawing from the project.

Newala

As in other districts, by 1993 central and local government development activities in Newala were confined mainly to nursery, primary and tertiary education and to some basic health provision on the one hand, and spon-

soring the traditional "mass organisations" and parastatals/semi-parastatals on the other.

The district had 24 nursery schools, of which half were run by village governments. The bulk of the remainder were run by churches, although some were run by parastatals or donor projects. The state also provided 199 local government-run primary schools and one central government-run secondary school. There were three non-government run secondary schools, two of which were run by the Newala Development Foundation (see below) and one by Wazazi, the government-sponsored national parents' association. The one government-run secondary school was built by the Newala Development Foundation (NDF) (see below) and later handed over to the Ministry of Education. There were also a (Catholic) church-run vocational training school and four state-run colleges—for teacher training, the training of medical assistants and nurses, and for "focal development".

The health sector was largely monopolised by the state. This provided the district's only public hospital, five of the six local health centres (via local government; the sixth is owned by the Catholic church) and 39 dispensaries (all also owned by local government). The district does not have a single pharmacy for sale of medicines, which makes the Newala people wholly dependent on the hospitals (plus a few stores selling simple tablets) for their health care. It would seem that unlike for example in Ilala district, private business in Newala has shown no interest whatever in investing in the health sector.

The two most important state institutions in Newala are the Mtwara Regional Cooperative Union (MARCUS)(Newala Branch) and the Newala Development Corporation (NEDECO). MARCUS was formed in 1991 and its membership consists of 62 primary cooperative societies. These contribute a membership fee of Tsh. 3,000 each per year. Total membership dues to MARCUS thus amount to only Tsh. 186,000 or USD 366, on which basis MARCUS is supposed to buy crops, provide transport to the marketing board go-downs and supply inputs. Like other union cooperatives it has therefore been dependent on commercial bank loans, which are now difficult or impossible to raise. This in turn means that MARCUS cannot pay peasants for their crops, at least regularly or on time. As a result of this and market liberalisation, MARCUS is losing an increasing proportion of the cash crop trade to private businessmen. By 1993 MARCUS was in danger of liquidation.

MARCUS's competition at this time came not only from the private sector but also from NEDECO. The latter was transferred from parastatal to local parastatal (local government) ownership in the late 1980s after the Prime Minister's Office refused to support its losses any longer. At this time it owned a 10,000 acre ranch, a 40 acre cashewnut farm, three grinding mills, a bar and a guest house. After continuing to run up losses, Newala District Council eventually commercialised the organisation, securing a commercial bank loan for it but simultaneously making it economically autonomous. NEDECO appears to have operated reasonably

successfully since this time. Besides operating the assets described it buys crops from and supplies inputs to peasants in a manner competitive with private traders.

In terms of the local development space, Newala offers a very interesting experience. Like Tanga district, Newala seems to have relatively few development actors compared to other districts studied. However, one of the non-state actors there was very important indeed. This was the NDF, which like the Development Trust Funds in Hai increasingly resembles a "private" local government form. As in Hai, the district council has given up the collection of the development levy and transferred it to the NDF. The same goes in Newala for the collection of farm produce cesses. On the other hand, the district council has remained responsible for school maintenance and the supply of new desks—although the latter has in practice been taken over by NDF. Meanwhile local government has become totally dependent on a mixture of central state grants and project funds from the World Bank, UNICEF, FINNIDA, DANIDA, Oxfam and CDTF.

Although the NDF's own officials describe it as having originated in 1987 as a collective initiative of prominent persons in Dar es Salaam hailing from Newala, in fact its formation was the sole initiative of Dr. Alex Khalid, Principal Secretary at the Ministry of Defence during the Gulf War, and now a well-known consultant and businessman—and Consul for the Seychelles—based in Dar es Salaam. Its Board of Directors reads like the roll call of state and private elites having some connection with the district. It includes actual and former cabinet ministers, the regional and district commissioner and former regional commissioner, the Member of Parliament, various members or former members of the national security establishment, officials of various parastatals and a number of businessmen of Asian and African origin. Many of the businessmen involved, including of course Dr. Khalid, are former high-ranking government officials (see Table 7). These are able to call upon support at the highest level. In September 1991 for example, the national President opened one of the NDF's secondary schools. The following year it organised a fund raising dinner in Dar es Salaam at which the guest of honour was the Prime Minister, John Malacela, who in the process became an honorary member.

The two main areas of NDF activity are education and transport. These are areas in which Newala district is widely regarded as most backward. Besides its involvement with secondary education, NDF has a permanent committee charged with the supply of desks to primary schools. In 1992 this is said to have supplied 8,000 desks to primary schools in the district.

On the transport front, NDF has bought five mini-buses and runs them in partnership with local businessmen including Dr. Khalid himself. Other assets owned by NDF include a tractor, a cashewnut farm, two grinding mills and a truck.

Table 7. *NDF Board of Directors, 1993*

Name	Title	Present status	Positions held before
L. Sijaona	Chairman	Farmer	Cabinet Minister
A Khalid	V-Chair	Businessman Consultant Consul, Seychelles	P.S., Min Defence Reg'l Dev Director Dir. of Intelligence
J Namata	Dir	Businessman	P.S., Off. of Presdt
Mj-Gen Makame	Dir	Director of Nat.Serv	Reg'l Comm
Capt Mkuchika	Dir	District Commissioner	various, CCM
Mr. Nandonde	Dir	M.P., Tandahinda	n/a
Mr. Malocho	Dir	M.P., Newala	n/a
Mr. N Jiwa	Dir	Asian b/man, Newala	n/a
Ms Mnungamo	Dir	UWT Reg'l Sec UNICEF Coordinator	n/a
Ms Mtanda	Dir	"Women's rights activist"	n/a
A. Maulidi	Dir	B/man, Newala	n/a
I Ajabu	Dir	B/man, Newala	n/a
Mr. Alimwike	Dir	Lawyer, Dodoma	n/a
Mr. Ndolanga	Dir	B/man, Newala	n/a
Mr. Madiwa	Dir	Asian b/man, Newala	n/a

Source: Collected by researcher from NDF Executive Officer.

The main source of NDF's resources are contributions from peasants. There is a "general understanding" that Newala people have agreed to contribute to the foundation ten shillings per kg of receipts from farm produce that they sell to MARCU or to local businessmen, who then forward this money to NDF. At the time of the research, NDF was allocating this tax in the following way: five of every ten shillings collected to the "education fund", two shillings to the "desk fund" and three shillings to the "Mtwara stadium fund". The contributions are compulsory. In 1990 alone Tsh. 260,542,063 (then USD 72,000) were collected in this manner. Since then, as already noted, NDF has also began collecting development levy.

The above arrangement seems to indicate that peasants are the main contributors to NDF funds. While this is true, it is only part of the picture. An investigation of contributions from other sections of society reveals some very interesting contradictions. The business community, which wields the main influence in the NDF and prides itself in running it, does not in fact contribute much to the foundation. Rather, the foundation contributes to their accumulation. NDF officials complained openly that business people who bought cashewnuts from peasants paid less money than they should have to NDF through under-reporting the quantities they bought. These officials noted that MARCU was the only crop buyer who accurately reported what they bought and therefore sent correct contributions to NDF. In time, this cheating will also have damaging effects on NDF. As liberalisation of crop marketing allows more business people to

buy cashews etc. in cash, it seems MARCU is becoming squeezed out of the market. The less MARCU buys, the less peasant contributions will be remitted to NDF.

When NDF was formed it was also "agreed" that all workers in the district should contribute one per cent of their monthly salaries to NDF. This actually occurred for a while until complaints from employees who do not originate from Newala forced a halt to the practice. This is a dilemma for DDTs which identify themselves with particular local development spaces but expand their fund-raising jurisdiction beyond their "own" populations. While workers who originate from Newala but work in urban centres outside the district are willing to contribute to their home-based DDTs, those who work in the districts but originate from elsewhere are not willing. Likewise business people based in cities who originate from Newala are willing and in fact do contribute more to the NDF than those based in the district itself—who rather use the fund as a source of accumulation.¹

NDF, like the Hai funds, seems to lack the most basic form of accountability. All Newala people are said to be members of NDF and the foundation is supposed to "belong" to Newala natives. This seems to be borne out by the fact that its headquarters, secretariat, Chief Executive and board meetings are indeed all based there. There is a Dar es Salaam office but formally it is just a branch one, like that in Mtwara town. But in reality the thinking takes place, and most decisions are made, in Dar es Salaam. And while all Newala people are supposed to be members of NDF, card holding members are confined to a few business people in Newala and all the Dar es Salaam members. Cards are offered only to the "influential", and holding one is a privilege since it confers, for example, the right to buy shares in NDF's sister organisation the Newala Community Bank (see below). And it is only card holders who are consulted before new courses of action are agreed.

Not only are ordinary Newala people separated from decision-making in NDF, but they know very little concerning its running. However, they seem to be happy with its performance, especially the establishment of the three secondary schools within the short time of its existence while the government had not established a single secondary school in the district over the three decades of independence.

Related to the NDF is the Newala Community Bank (NCB) which is still in the process of formation. The idea of forming this rural community bank also originated from Dr. Khalid, whose firm Agriconsult (T) Ltd. acts as a consultant to the bank. Dr. Khalid, accompanied by a few friends from Dar es Salaam, organised a meeting of Newala business people in Newala town to found the bank in January 1993. The rationale for its

¹ In an interesting turn of events, the Dar es Salaam Regional CCM Youth Conference in April 1994 issued a warning that the city should not be turned into a "hunting ground" whereby up-country District Development Trusts exported resources from the capital.

formation was that, due to the small number and bureaucratic character of banks locally, many Newala people still stored their savings in their houses where they could easily perish from fire, floods, or burglars and also failed to obtain credit even when credit-worthy. On the other hand, a new community bank which would strictly limit its area of operations to the district, could mobilise existing surplus money/savings in the district and transform it into credit for the community. Such a bank could also engage in other profitable activities for the benefit of its shareholders and the general development of the district. The bank could also provide credit facilities to people/institutions outside Newala, but only those who could show their interests were congruent with the district's development.

The Newala business community endorsed the idea of the bank and selected a committee of seven people from each of the six divisions of the district. This was charged with educating Newala people on the advantages of the bank. From the same committee, fifteen people were selected to serve as directors. Two famous Newala businessmen, Mr. S. Mtipa and Mr. S. Matumla, were elected Chair and Secretary to the Board respectively.

Membership of the bank is currently open only to the card-holding members of NDF. Members must also pay a compulsory fee of Tsh. 6,000 (USD 12). Thereafter they may buy shares at Tsh. 10,000 (USD 20) each. Initially 100,000 such shares were set aside for members. At the time of research, there were 200 members who had pledged to take up 5,930 shares between them, i.e., contribute Tsh. 59.3 million (USD 118,600) as paid up share capital. Tsh. 1.8 million (USD 3,600) had been collected from them by the time the research took place. All members were from the local business community with the Chairman of NDF and the foundation's Chief Executive acting as patrons to the bank.

Already the Bank of Tanzania has sent a team comprising its own specialist and a Ghanaian expert on rural banking (Mr. Boateng Abjepne) to inspect the bank and make a recommendation concerning its licensing. In principle the Bank of Tanzania is supposed to require that at least Tsh. 50 million be available as operating capital before it offers an operating licence. The government has meanwhile pledged to help the bank with tax exemptions as might be deemed necessary. According to the bank's chairman a number of international donors (he would not reveal which) were interested in assisting the bank financially.

The main international donors in Newala are UNICEF and FINNIDA. Of these UNICEF is the more important, running a relatively successful Child Survival, Protection and Development Programme (CSPD) through existing government personnel. The project has covered about half of Newala District since 1987 and covers training of extension workers, health cadres, traditional midwives and others, rehabilitation of roads serving health facilities, support to water projects and, chiefly, provision of mother and baby clinics. Local government staff are seconded for two year contracts with UNICEF. The project has 14 motor vehicles for divisional and ward operators plus 40 bicycles for village workers.

Through the programme the district is said to have achieved a remarkable decrease in severe (weight-for-height) malnutrition, from approximately 10 per cent of children in 1987 to 1.3 per cent in March 1992. Indeed UNICEF now regards Newala as a show case for the successful operation of its programme.

The only sizeable genuinely local NGO in Newala is the Newala Teachers' Savings and Credit Cooperative Society. This is a society for primary school teachers in the district. It started in 1976 with 25 members but by 1993 this had risen to 348. Members currently contribute a minimum of Tsh. 1,205 (USD 2.5) per month, comprising a membership contribution of Tsh. 1,200 plus a share worth Tsh. 5. Members can buy as many shares as they like and thus contribute more than this amount. However, the credit that a member can receive is based on how much money they have with the society at the time they apply.

Other than this, Newala is the site only of a small number of CDA groups/cooperatives. These comprise a group of blind carpenters in Newala town which was started with financial assistance from a British donor; a very small youth blacksmiths' group in Newala town which was started with financial assistance from a Finnish expatriate; a small elders' group in Mahuta village which built and runs a guest house from its own resources and three women's groups.

Two of the women's groups are church-based, one Roman Catholic and one Anglican. The Catholic group is a branch, founded in 1976, of the Tanzanian Catholic women's organisation *Wanawake Wakatolika Tanzania* (WAWATA). Activities of the 20-strong group include sewing, weaving and growing vegetables, maize and beans. Money earned is not distributed but used to start new projects. Recently the Prime Minister visited the group and made a donation of Tsh. 50,000 (USD 100) to the group, whose assets now total Tsh. 150,000 (USD 300). These are mainly derived from members' contributions.

The Anglican group *Ushirika wa Kinamama Wakristu* (UMAKI), numbering 46, was formed in 1986 and its activities are similar. The group further runs a guest house. Members make contributions to the group but its main source of funding appears to be a group of Finnish women staying in the district. This group also received a donation of Tsh. 50,000 from the Prime Minister.

The only secular women's group in Newala is based at Mwima Village. The group, *Kikundi cha Wanawake Mradi wa Nyuki* is a women's beehive project. In the past, Mtwara Regional Development Fund has been used to encourage beehive projects in villages. Mwima village got a bee-keeping expert through this fund but promotion of bee-keeping on an individual basis proved unsustainable. A group of ten local women was founded in 1991 to take up the challenge. From their own contributions they bought fifteen traditional beehives. The FINNIDA-supported Regional Integrated Project Support (RIPS) fund later donated 20 modern bee hives and associated equipment. In 1992 the project realised 36 kg of pure honey and other honey products valued in all at Tsh. 11,550 (USD 23).

Total CDA registered group membership in Newala totals only 108, or only 0.3 persons per thousand. This was easily the lowest in the areas surveyed.

Kondoa

The state continues to play a dominant role in Kondoa district as far as both education and health are concerned. In the education sector there are nine nursery schools, of which six are government-run, one run by a parastatal (the Prisons Service) and two by churches (Catholic and Lutheran); 174 primary schools, all government-run; and four secondary schools, two of which are government-run, and one each run by Wazazi and by local Moslems. The absence of a Christian church-run secondary school is an unusual feature of the district. The state is also responsible for the three tertiary-level educational institutions in the district, all teacher training colleges, and for the Folk Development College and the Maternal Child Health College.

The district has a general hospital, eight health centres and 43 dispensaries. The government runs the hospital, five of the health centres and 37 of the dispensaries. Religious bodies, mainly the Catholic Church, control the rest. The health centres/dispensaries owned by the latter tend to be in these groups' strongholds. Recently the Anglicans approached the local authorities for permission to build a new dispensary in Goima. This was rejected since the area was already well-served, but it is unlikely that the Anglicans can build elsewhere as they would not be able to mobilise the same level of resources.

In 1990 the first Sandawe MP since 1969, Mr. Degera, was elected for Ntomoko (Kondoa South) constituency. Mr. Degera has been identified with the Kondoa Development Trust, a body set up with the objective of providing secondary schools throughout the district. This body seems to fall somewhere in between the classical District Development Trusts and Development Funds/Foundations as they have emerged in Hai and Newala. The Kondoa Development Trust seems to have been granted some local taxation powers, or rather it receives a percentage of development levy in the district—which however, as has been seen, turns out to be of no great consequence as those paying the levy are so few. In practice, the bulk of contributions come from ex-Kondoa migrants. Moreover, the trust seems to be poorly entrenched amongst important sections of the ethnically—and religiously—divided local elite, and is in danger of gaining the reputation of being identified as a purely Sandawe/Burunge institution. According to Mr. Degera, Rangi communities in Mondo and Pahi were ignoring the trust and preparing to start their own secondary schools outside of its auspices.

There is a regional cooperative union in Kondoa (the Dodoma Regional Cooperative), but few active primary cooperative societies. In the late 1970s and during the early 1980s an attempt was made in Kwamtoro and

Farkwa wards by local government and private sector elites to run a passenger transport cooperative (*Kampuni ya Usafiri Usandawe* (KAUSA)). Two buses were purchased on the basis of semi-compulsory contributions of cash, crops and animals, supplemented by a loan from the Cooperative Rural Development Bank. The cooperative was registered as a company under the patronage of the District Executive Director, and management was provided by the Divisional Educational Officer (DEO). The cooperative eventually collapsed due to mismanagement and embezzlement of funds. The DEO was taken to court for corruption but, amidst allegations of bribery, the state failed to present a proper case against him.

The manager has now retired from his Divisional Education Officer's post and was elected as a CCM Village Chairman in the 1992-93 CCM elections. Meanwhile a new initiative had been taken by Mr. Degera to get another loan from the CRDB. As a deposit against a new loan, Tsh. 7.5 million (USD 15,000) was paid to the bank, having been realised through the sale of the two grounded buses. The initiative of the MP is backed by the Prime Minister who comes from the region.

Several government-owned development projects are underway in the district, some of them with a "self-help" component. The World Bank is involved with one of these, a rehabilitation of school classrooms and teachers' houses project, alongside the World Vision International NGO. This has a semi-compulsory labour component and a compulsory cash levy one ("Special Education Levy for School Infrastructure"). Other similar projects include road and rural health centre/dispensary rehabilitation. Besides the World Bank, bilateral and multilateral donors involved in projects in Kondoa include the ILO, UNDP and SIDA. ILO and UNDP were providing grants through the National Bank of Commerce for disbursement as loans to "small entrepreneurs"/CDA groups with economic objectives. Oxfam was also involved in this activity.

SIDA's involvement is more substantial. It has been organising a soil conservation project (*Hifadhi Ardhi Dodoma*) in Kondoa on a long term and intensive basis. SIDA supplies 95 per cent of the budget for this project and the Tanzanian government's contribution consists only in the provision of some of its personnel. SIDA also supports a series of small scale education projects, most of which are intended to lead to income-generating activities (see below).

Besides Oxfam and World Vision International, the main international NGO based in Kondoa is the Dutch SNV. This has also the largest project portfolio. As in Songea, SNV is the main donor for the multi-sectoral Kondoa Integrated Rural Development Programme (KIRDEP). This programme is even more recent than that in Songea, having been launched only in 1993. This programme will cover the two wards of Goima and Bereko in its first three years. Bereko is in northern Kondoa and Goima in the southern part of the district. However, Goima is also the main target area of migration by Rangi (potential) large scale farmers, while Bereko was the site of an on-going SNV soil conservation and afforestation

project. As in the case of the Songea programme, KIRDEP is supposed to be comprehensively participatory and "community-based" in its design and implementation.

Tanzanian-based NGOs active in Kondoa include the CDTF and five religious organisations—the Catholics, Anglicans and Lutherans, the African Inland Church and the state-sponsored Muslim organisation BAKWATA. Besides involvement in the education and health sectors these mainly support CDA groups, alongside the bilateral and multilateral donors and Oxfam. No attempt will be made here to list all the district's CDAs. Rather, a critical discussion will be undertaken of the nature of certain groups which have sprung up under the wing of different donors. As will be seen, a striking feature of the Kondoa situation is that despite the official separation of party, state and popular organisations from each other, most of the CDAs examined appeared to have been initiated through the agency or intermediation of the local state.¹

Most of the ILO-UNDP-Oxfam loans mentioned earlier went to urban youth groups. It appears that there were no applications forthcoming from adult groups. Five youth groups (four of them from Kondoa urban) were then mobilised by the District Council Community Development Department around 1990 to take advantage of the scheme. The groups comprised two (female) tailoring groups, two (male) carpentry groups and a (mixed) horticulture group. By the time of the research, one tailoring group and the horticulture group had disappeared. Another group was struggling and one had yet to get off the ground.

The loans were allocated by a committee comprising the District Executive Director, the NBC District Manager, the District Community Development Officer, the District Cooperatives Officer and the Head of the Folk Development College. One of the loans went to a CCM youth group. The loans were guaranteed by the District Executive Director and the groups were supposed to be supervised by the District Council Department of Cooperatives (for this purpose an inspector was sent to Kibaha for a one month course in 1991–92). The loans, of Tsh. 100–200,000 (USD 200–400) were normally for equipment. This was purchased by officials, but group members frequently complained that "change" from the purchases had been mislaid in the process.

The groups all suffered similar difficulties, which mainly stemmed from the artificial basis of their formation. They had no pre-existing division of labour or structure of decision-making or authority and most members simply continued to do their "own thing". Often this was outside the struc-

¹ In Kondoa little or no separation yet characterised state-CCM relation. Forced contributions were still organised by local government to support CCM activities, such as the "Uhuru torch" event. In Kwa-m-toro the researcher observed village executive members making forced collections of cash, crops and animals from residents. These were used to entertain the CCM Regional Chair and District Party and government officials at a 24-hour party from which villagers were excluded. It is officially said that "Uhuru torch" is now a government function but in practice it is still under CCM.

ture of the group. The groups which collapsed or which were in difficulties had experienced their participants taking other jobs on a part- or full-time basis while continuing formally as members. Most also experienced considerable pressure from parents and relatives—often succumbed to—to use group assets for “family” projects. Another major problem was that the groups were formed without any investigation of market conditions. The areas chosen were already over-crowded with participants, besides in some cases also being the site of cheap foreign imports. The conclusions drawn by the local government official responsible for the scheme were drastic. He had lost faith in cooperatives in general and stated during an interview that the strategy which should have been followed was to have divided up the group assets individually once funding had been secured.

A second set of ten groups emerged from a programme of SIDA support to small scale educational projects, also from around 1989–90. In 1989, the Ministry of Education and Culture introduced a new adult education syllabus covering agriculture, village technical services and domestic science and health. Ten projects in every Tanzania mainland district were to be run under a pilot scheme. SIDA provided assistance to the new programme.

The adult education section in Kondoa District organised ten groups of 20–40 people at education centres in seven villages and at one parastatal (Kondoa Prison). The groups were required to meet three days per week under an elected chair and treasurer and a secretary who was also the teacher of the group. Two (male) groups learning “technical services” and provided with carpentry equipment, four (female) groups learning agriculture and animal husbandry techniques and provided with simple implements, and four (female) groups learning domestic science and health and provided with raw materials were started.

The male groups suffered high drop-out rates as members branched out on their own account immediately after finishing training. Most of the female groups suffered from poor levels of attendance, although two seemed fairly stable. Attendance problems were attributed to women’s increasing domestic workloads by the organisers. With the exception of the urban-based prison group (actually warders’ wives and relatives), which presumably had easy access to water, all the agriculture groups experienced difficulties due to drought. Again, some of these problems seem to have stemmed from the artificial and hasty basis on which the groups were constituted and from the nature of the markets they were entering. It is interesting to note that one of the more successful “domestic science” groups was subsidising its own tailoring activities by selling second hand clothes donated to it by a Catholic mission.

In all there were about 60 CDA groups in Kondoa at the time of the research, with a total membership of around 1,500 or roughly 4.4 per thousand. More precise figures could not be obtained since the groups “have a habit of disappearing without notice” (interview with Kondoa District Community Development Officer).

Bukoba Rural

Like Hai, Bukoba is a traditionally well-off area in which there is a long tradition of voluntary self-help initiatives. Not surprisingly therefore, non-government actors play a prominent role in service delivery in Bukoba Rural district. The district has 71 nursery schools/kindergartens, all run by religious organisations or other non-state operators, 199 government-run primary schools and 12 secondary schools of which only one is run by the Ministry of Education. Most of the remaining 11 are run by Education or Development funds. There is also a government-run Folk Development College and four vocational training schools. Two of these were run by the Evangelical Lutheran Church of Tanzania (ELCT), one by the Catholic Church and one by Wazazi.

Despite the severity of the AIDS epidemic in Bukoba, there is still no public hospital in the district.¹ There are however two non-state ones, one a Catholic mission hospital at Mugana and one belonging to the privately-owned Kagera Sugar Company. There are eight health centres, five government-owned and three run by ELCT and the Catholics, and 36 dispensaries, 32 government-run and four again run by ELCT and the Catholics.

The local authority, Bukoba Rural District Council, experiences major difficulties in maintaining the facilities it is responsible for. The overwhelming majority of its revenue is consumed by employee salaries. A major problem is revenue collection. Its annual income in taxes and levies is supposed to be Tsh. 60 million (USD 120,000) but the highest amount it has ever managed to collect is only a quarter of this.

Kagera Region Cooperative Union (Private) is one of the few large independent cooperatives which have re-emerged from the ashes of the old state-dominated cooperative sector. It deals mainly with the collection and marketing of Robusta coffee. The collection function is carried out through its 42 district union and primary cooperative societies members. The district has also 26 savings and credit societies and five cooperative shops. In earlier periods the union and its constituent unions/societies supported a host of shops, savings and credit societies and the Balimi Education Fund, but although the Balimi Education Fund is still present (see below) there are few other echoes of this today.

In the last few years the development landscape in Bukoba Rural has become dominated by the Bukoba District Rural Development Programme (BDRDP). The recent mushrooming of local development activities in the district has its roots in this programme. BDRDP is currently being mainly financed by the Dutch government. Bukoba Rural District Council is supposed to be a co-financier but has so far contributed little or nothing. This gives serious cause for concern as it will inherit the projects from the Dutch

¹ In fact, there is only one public hospital in the whole AIDS-ravaged Kagera region. This is lower than for any other mainland Tanzania region. On the other hand Kagera region has more non-state hospitals than any other.

when the latter withdraw. The programme started in 1988 with a target of covering almost all sectors. It initially focused on support to peasant agriculture and conservation of natural resources. In 1989–90 this was broadened to women's development, in 1991 to education and in 1993 to health and to support to village-level income generation projects. The last of these interventions is supposed to be limited to supporting the local authority Community Development Department to assist autonomous and viable groups by providing these with project write-up help and technical assistance and by helping to identify sources of potential financial support for them. This will be returned to below.

The second major donor project based in Bukoba Rural is SIDA's Health, Sanitation and Water Programme (HESAWA). HESAWA deals mainly with village water projects, including the funding of new and rehabilitation of old water sources, the digging of shallow and deep wells, the construction of rainwater harvesting tanks, the maintenance of water purity and the construction of pit latrines in institutions and private homes. A major emphasis is placed on the application of appropriate technology and use of local resources so that the project remains sustainable. Thirty local groups have been established, especially in Katerero division, which deal mainly with improvement of traditional water sources. Every village which is a beneficiary from the HESAWA project has to deposit Tsh. 20,000 (USD 40) in a bank so that when the donors pull out, the project can be financially sustained. Whether Tsh. 20,000 is a realistic sum for these purposes remains to be seen.

A third major donor important in Bukoba Rural is UNICEF, in the shape of another of its Child Survival and Protection Development Programmes. The programme is currently being undertaken in Misenye division and according to Bukoba Rural District Council officials, it is hoped that sooner or later the activities of UNICEF will be extended to other parts of the district.

Foreign NGOs or their local branches in Bukoba Rural include the Victoria Programme, World Vision, Medicine du Monde and the Misenye AIDS Control Programme (MACOP). The presence of medical NGOs in the district is related to the high incidence of AIDS. Most of these NGOs support local CDAs, alongside implementing their own projects.

Five Development Societies/Associations/Trust Funds were operating in the district at the time of the research. A few words will be said about three of them: the Balimi Education Trust Fund, the Tweyambe Ishozigera Development Society and the Kanyigo Development Association.

The Balimi Education Trust Fund was formed in 1958. Originally the fund was intended to pay fees for the few local students who got the opportunity to study abroad, in practice in the US, Britain, the Soviet Union, India, Kenya and Uganda. Today the fund runs Kashozi Secondary School in the district and Mugeza Secondary School in Muleba district. The fund's main source of income is school fees (Tsh. 20–36,000 (USD 40–72) per student a year) and a cess on coffee, collected by the Bukoba Rural Cooperative Union (part of the Kagera Cooperative Union). Currently

farmers pay Tsh. 3 for each kilo they sell through the union. In 1992, Tsh. 36 million (USD 72,000) was collected in this way. In addition, the fund received donations from parastatals and from government and party leaders. For example, the national President personally contributed Tsh. 0.5 million (USD 1000) in 1992. The total budget for Kashozi Secondary School in 1992 was Tsh. 95 million (USD 184,000).

Like the funds in Hai, Newala and Kondoa, this one represents a nascent form of privatised local government since it depends on compulsory levies on broad sections of the population. Moreover, these are basically used to subsidise the education of the better-off local strata. Ordinary peasants are taxed by the fund, but most could not afford to send their children to Kashozi. Meanwhile, local businessmen and civil servants, whose children do attend the school, do not pay the cess. Theoretically peasants could reverse this situation, since as members of the Cooperative Union they could vote on matters concerning the fund's management should these come up at the Society's Annual General Meeting. In reality however, the management of the fund is in the hands of a committee "of learned people with a very long experience of cooperative affairs", who few would dream of challenging.

The Tweyambe Ishozigera Development Society was formed in the early 1980s. *Tweyambe* is a Haya word which means literally means "let us help each other", and the society is therefore constituted in at least a partly ethnic form. The society started Tweyambe Secondary School in 1985 for children from Ishozi and Gera wards in the district. All members of the primary societies based in these wards become automatic members of the society. The school's annual budget is only Tsh. 6 million (USD 12,000) and fees are Tsh. 19,000 (USD 38) per pupil per year. The school is funded in an almost identical manner to that at Kashozi. All peasants pay a Tsh. 2 per kilo cess on the coffee they retail through the primary societies, regardless of whether they can afford to send their children to the school or not, while other contributions come from donors (including HESAWA and a sister school in Hedemora, Sweden), politicians (the Prime Minister led a charity walk for the school in Dar es Salaam in 1992 which raised Tsh. 3 million (USD 6,000), including Tsh. 1 million (USD 2,000) from the national President) and the proceeds of the school's own shamba—on which pupils and parents work without pay.

The society is led by a famous local figure, Mr. Alhaji Abdunur Sulieman, who has occupied several government posts of national consequence. Most recently Mr. Sulieman was Regional Commissioner in Arusha. It also has an extremely influential group of patrons, whose names are basically a roll-call of the section of the national elite originating from the area, or maintaining a connection with it for some reason. These included Gilman Rutihinda (the late Governor of the Bank of Tanzania), and still include Paul Rupia (Permanent Secretary in the President's Office), Hassan Diria (former Foreign Affairs and currently Labour Minister), Bernard Mulokozi (Chairman, Civil Service Commission), and Silver Rwebangira (Director of the National Transport Corporation).

The Kanyigo Development Association (KADEA) was initiated by Kanyigo inhabitants in 1984. The association is based in Missenyi division and Kanyigo ward, on the border of Tanzania and Uganda. It runs the Kayigo Secondary School and a petrol station, whose profits are meant to support the school. The school's annual budget is Tsh. 25 million (USD 50,000), raised by the same methods as the other schools just mentioned. The coffee cess from the Kanyigo society is Tsh. 3 per kilo, while school fees range from Tsh. 23,000 to 76,000 (USD 46–152) per pupil per year, and the school's list of foreign donors is longer (Sweden, Denmark, Holland, and the US). Reassurance to donors concerning the school's functioning is provided by the fact that the Tanzania Audit Commission has been persuaded to audit the association's accounts. About one third of students at the school in 1992 hailed from outside the district.

Members of the association fall into two categories. All members of the relevant primary cooperatives and parents of students at the school must join and they do so by paying a fee of Tsh. 1,200 (USD 2.5) a year. However, there are also a group of Dar es Salaam-based life members who pay Tsh. 10,000 (USD 20). As in the case of Tweyambe these comprise leading figures in government and the parastatal sector, under the chairmanship of the area's MP (and Cabinet Minister), Mr. Rwegasira.

The presence of a cess and membership fee levied on all peasants in the area once again suggests the presence of a privatised form of local government. Once again moreover, peasants were financing a school open to only a minority of them (a tiny minority in the case of the 'A' level students paying Tsh. 76,000) and also attended mostly by children of non-peasants—often from outside the district entirely.

There were about 80 registered CDA groups in Bukoba Rural in 1993, with a total membership of around 4,400 or 12.8 per thousand. Seven CDA groups were sampled from this total. Information on them is summarised in Table 8.

All the groups sampled were women-only, as indeed were all the registered CDA groups in Bukoba Rural. The groups were engaged in a variety of economic activities from producing fruit and poultry (two groups each) to engaging in contract farm labour (one group) and multiple activities including milling and running a small hotel (one group). All of these were being run only for the benefit of members themselves, except in the case of the group sponsored by MACOP. This, the contract farm labour group, provided incomes for its own members but also met the expenses for the upkeep of a group of AIDS orphans of unknown size. It is on this basis that it is supported by MACOP.

Half the groups (all small ones) relied on their members' own contributions and labour. This did not appear to be a guarantee of internal democracy and accountability though, as one of them appeared on the point of breaking up as a result of the appropriation of the group's assets by its leaders. The most economically successful group was that engaged in milling, hotel keeping, etc. In this case its success was tied to receipt of assets worth over Tsh. 2 million (USD 4,000) from donors. These were brokered

for it through its chair, the former Community Development Officer for the district.

Interestingly, besides the group just mentioned, the MACOP group and a Catholic group patronised by the local bishop, none of the groups could be said to have patrons who were not themselves group members. This was in sharp contrast to the district's Development Trusts/Trust Funds/Associations.

Table 8. *CDA groups in Bukoba Rural, 1993*

Name	Member-ship	Assets (Tsh) million	Budget (Tsh) million	Donors	Patrons
Kikundi cha Wakinamama	20	0.095	0.060	—	RC Bishop
Kikundi cha Maendeleo cha Wakinamama Ithawa	15	2.18	0.15	SIDA NORAD	—
Kikundi cha Wakinamama Tweyambe	?	0.01	0.02	—	village sec.
Kikundi cha Wakinamama Kikono	17	0.03	0.1	—	village chair
Kikundi cha Wakinamama Igombe	15	0.05	0.02	village govt	—
Kikundi cha Mapenzi ya Mtumi-Mwisa	70	0.03	?	—	—
Kikundi cha Wakinamama Tuinuane Kyanumbua	15	0.01	1.3	MACOP	MACOP

Source: own research

PRELIMINARY OVERVIEW OF NON-STATE DEVELOPMENT ACTIVITY

Taking the nine districts examined as a whole, there had been a profound and far-reaching growth in non-state development activities over the previous decade. In the education sector the state remained the dominant player only at primary and tertiary levels. Pre-school education was mostly (86.8 per cent) provided by a mixture of Christian religious organisations, private and public companies and individuals, while most (60.9 per cent) secondary education was being provided by a mixture of religious bodies, community organisations, Development Trusts and branches of the state-sponsored national parents' organisation. This proportion of secondary

schools in non-government hands is almost identical to the national proportion for 1991 given by Semboja (1992).

In the field of health, the state remained the main provider of all services (56.5 per cent of hospitals, 62.6 per cent of dispensaries and 75.7 per cent of health centres), except for hospitals and dispensaries in Dar es Salaam and dispensaries in Tanga. But except in Newala there was everywhere also a significant non-state presence in dispensary provision. In the health sector this generally came from religious organisations (Christian or Muslim) or Asian community ones, but private individuals were also present. In three areas religious organisations were also running health centres. Semboja's (1992) national figures for non-governmental shares of health provision in 1990 indicated a lower government share of hospital ownership (44 per cent) but considerably higher government shares of dispensary and health centre ownership (74 per cent and 96 per cent respectively). The major discrepancy in the data concerns health centres, where a significant rise in non-government ownership even since 1990 is suggested.¹

A summary of the available data on health and education providers in the nine districts examined is provided below (Table 9).

Table 9. *Government and non-government providers of education and health services, 1993*

Sector/Sub-Sector	Gvt(N)	Non-Gvt(N)	Non-Gvt %
Nursery schools	24	158	86.8
Primary schools	989	2	0.2
Secondary schools	27	42	60.9
Hospitals	13	10	43.5
Dispensaries	226	135	37.4
Health centres	28	9	24.3

Source: own research

N.B. Data on each sub-sector was not available from every district; available totals only have been added. "Government" refers to ministry or district/village government provided services and does not include parastatals.

No systematic attempt was made during the research to examine issues of quality of provision. However, impressions gathered substantively confirmed the pictures painted of primary and secondary education by Cooksey et al. (1993) and Lugalla (1993). These generally depressing pictures are well-known and do not need to be repeated here. Similarly, impressions of the health sector broadly confirmed those provided by Bloom et al. (1992) and Munishi (1992). Bloom et al. observe that roughly two-thirds of the income of non-government health providers comes from

¹ Almost identical figures to Semboja's are provided by Bloom et al. (1992) for 1991. In both cases the source is Ministry of Health data which had not been systematically updated. (Editor)

user fees, contrary to the popular perception that these services are provided free of charge. Munishi details the sorry state of the public health sector in Kagera district, where only 12 per cent of rural dispensaries were headed by a rural medical aid, as recommended, only 32 per cent had an employee qualified to use a microscope, and only 20 per cent of a sample of diagnostic instruments were in good working order.

There was a significant variation in the presence of foreign donors, multilateral, bilateral and NNGO by district. In Pemba South there were no foreign donors and only two foreign NGOs, both religious. The situations in Newala and Tanga approximated that in Pemba. On the other hand both Hai and Songea (especially Hai) were well-endowed with external organisations. There was little evidence to support the idea that NNGOs are found where state donors are thin on the ground. Rather, the reverse seemed to be the case, with strong NNGO presences precisely in areas where there were many bilaterals.

Local NGOs were surprisingly sparsely present almost everywhere except in Ilala, where many had their national headquarters. Only CDTF, the Christian Church organisations and the state-sponsored Wazazi and BAKWATA were present in more than one district. Christian Church NGOs moreover dominated the local NGO stage everywhere except the strongly Muslim districts of Ilala and Pemba South. On the other hand, the former was strongly dominated by Islamic NGOs. But with the exception of BAKWATA, these were perhaps somewhat surprisingly thinly spread elsewhere—even in potentially receptive areas like Newala and Bukoba.

Development Trusts in one form or another were present in half the districts studied. Two of the four where they were not present were the two urban districts in the sample. In four out of the five districts where they were present, Development Trusts were financed at least partly by local taxes or cesses. This phenomenon will be explored in more detail in a moment.

Registered CDA groups were present in all areas, but most appeared to be of very recent origin. In none of the areas studied did their density in any way approach Kenyan levels. In Hai, Pemba, Same and Songea somewhere between 14 and 20 persons per thousand were involved in them but elsewhere (except Bukoba) they had only a minuscule presence. In all areas except the strongly Muslim Pemba the groups were overwhelmingly women dominated. Almost without exception the groups' primary purpose was income generation for their own members. Only a handful of groups were identified which either did not have economic objectives at all, or which had a significant number of non-member beneficiaries.

A PRIVATISATION OF LOCAL GOVERNMENT?

Previous literature on Trust funds in Tanzania (e.g., Lugalla, 1990) have seen them as urban- and therefore externally-based but still popular supplements to a declining or disempowered local government. This literature

has moreover strongly emphasised their voluntary character as a central characteristic and strength. Generally too it has assumed that the funds limit their activities mainly to the provision of secondary education.

The most surprising phenomenon turned up by this research was the emergence of apparently genuinely locally-rooted organisations in Hai, providing or aiming to provide a comprehensive set of services across a number of sectors. The Trust funds involved, which seem to have all but displaced the local state, have as their central features the integration of local state-based and private elites in leadership roles on the one hand and the marriage of state (taxation) and private (donation) forms of revenue raising on the other. Most of the donations come not from the local private elite itself but from individuals in the national elite with links to Hai, who are mobilised as patrons of the whole exercise. This process allows the local elite to establish a functioning local government for itself in which state services are reorganised and supplied independent of the state itself. The role of the state becomes simply to maintain the legal conditions for the whole enterprise, by ensuring that taxes are paid to these essentially private bodies. This phenomenon was replicated to one degree or another in three of the eight other areas studied.

The current research suggests that the Development Trust/Trust Fund phenomenon in Tanzania is generally less about the supplementation of weak and ineffective local government by voluntary initiative (although this is going on) than it is about the privatisation of local government—or at least an increasing range of locally-devolved services which have hitherto been under state control. Together with user charges, in most cases taxes or cesses formerly reverting to state institutions are these bodies' main income source. "Privatisation" is an apt description of the process since the trusts have no formal mechanisms such as elections based on universal suffrage for ensuring their accountability to those paying taxes or cesses. Even those based on cooperative societies or unions and dependent on cesses raised from their members are only indirectly answerable to cess payers through the annual general meetings of the cooperatives themselves.

Of course, arrangements like the latter were also used in colonial Tanganyika to provide secondary education for Africans in areas like Kilimanjaro where cooperatives were strong, and at the time were seen as paradigms of voluntary endeavour. What has changed is levels of popular participation in the management of cooperatives, which has declined substantially, and the role of non-local elites, which has increased. Popular accountability in the colonial-era cooperative movement was never comprehensive, but was at least present in part. Accountability in the Development Trust/Trust Funds on the other hand seems to be at best to local elites and in some cases to elites which are not really local at all. Development Trusts/Trust Funds are typically led by a district's most distinguished son (never daughter)—Reginald Mengi in Hai, Alex Khalid in Newala, Salim Ahmed Salim in Pemba—and really incorporate only its leading political, administrative and business (parastatal and private)

figures. Often this arrangement is formalised, as in the cases of Newala and one of the Bukoba trusts, by membership rules which exclude from decision making or even voting roles all those not of proven elite status.

On the other hand, since the 1960s, official local government in Tanzania has not been accountable to anyone at all outside the state apparatus, including local elites. Furthermore it proved greatly deficient in providing effective services. Insofar as Development Trusts/Trust Funds have an input from even a limited group of local residents, and provide services which are reasonably efficient (even if not particularly equitable) then they are an improvement on what went on before.

Serious problems arise however for the effectiveness of Development Trusts/Trust Funds when local elites are weak or divided. This was evidently the case in Kondoa, where a trust set up by a MP from a traditionally subordinate ethnic group appears to have been perceived by members of the traditionally dominant one as a vehicle for the pursuit of a "tribal" agenda. The section of the local elite drawn from the latter then boycotted its activity and seem to have set up their "own" Trust Funds for "their" parts of the district.

An interesting aspect of the whole issue is the manner in which the central and local state, at district level, has normally been so apparently willing to surrender their own powers to the funds. This indicates a degree of flexibility not traditionally associated with the state at any level in Tanzania. Presumably it also indicates the extent to which the local state was becoming politically and economically marginalised in the period prior to the creation of the funds. In the words of one local observer, "Since the government wanted to have ... sustainable programmes, it was therefore necessary to incorporate the *wananchi* (citizens) or at least the more influential ones."

Relations between government and funds have not been universally free of friction however. In Newala, a major rift opened in 1992-93 between the NDF and the Mtwara Regional Development Committee (RDC). The occasion of the dispute was the "desk issue". It has been observed above that peasants contributed to the foundation ten shillings per kilogramme of marketed produce at the point of selling their crops. The money was collected by whoever bought the crops, and sent to NDF who were supposed to use three shillings out of the ten for the supply of desks to primary schools in the whole district.

On September 25, 1992, the Mtwara RDC Committee (RDC) directed that farmers' contributions for desks should not be sent to NGOs but rather to district councils throughout the region. The directive affected all Trust Funds in the region (i.e. the NDF for Newala, the Mtwara Development Fund (MDF) for Mtwara district, and the Masasi Education Fund (MEF) for Masasi district), all of which had similar arrangements for supplying desks to primary schools on behalf of their districts. The RDC's decision to transfer the collection of desk money from the funds to the district councils was based on the assumption that the funds were not using the money strictly for the purposes intended.

The funds responded to the RDC's directive in different ways. Both the MDF and the MEF reluctantly complied with the directive. On the other hand, NDF through its Annual General Meeting (the organisation's highest decision-making body) refused to surrender the desk money. The RDC then ordered MARCU, who collected most of the money, to hand it over to the local council instead of NDF. It complied. On June 14, 1993, it was reported that the NDF's Dar es Salaam branch (the most powerful in the organisation) had complained to the Minister of Home Affairs and Deputy Prime Minister, Mr. Augustine Mrema (known for his anti-corruption campaigns) that Newala District Council, since it had taken back responsibility for the desk purchases almost a year before, had used the money collected for expenditure on other items (*Uhuru*, 14 June 1993).

During interviews with central and local government staff in Newala it became apparent that underlying the dispute was a feeling that local government elites had been excluded from influence in NDF. Subsequently, NDF resisted local government efforts to coopt it. These included invitations to attend/report to the District Development Committee. Since local government elites could not reproduce themselves through NDF, they had to do so "traditionally"—hence a collision of interests over who could tax the peasantry. Problems of this kind had been avoided in Hai and Bukoba, perhaps suggesting a closer general integration of private and state elites in the latter districts.

THE NEW POLITICS OF PATRONAGE AND BROKERAGE

Much of the more recent literature on NGOs (and, by implication, CDAs) in Africa has stressed their actual or potential contributions not only to development management, but also to fostering general social and political accountability and "good governance". The latter are extremely important issues which should not be belittled, and they will be returned to in the concluding section. But preliminary impressions generated by the research described here suggest that an equally important issue for many of the actors themselves is that of patronage. This in turn has important political dimensions.

There are a series of different patronage and sub-patronage relations embedded in the new local level development space in Tanzania. First of all there is the patronage of local communities as a whole by outsiders, with regard to the provision of social development. As this research shows, except in the case of secondary school provision, "voluntary development" in Tanzania is practically co-extensive with economic development. While a number of NGOs (mainly the District Development Trusts and the religious ones) concern themselves with social development, almost none of the CDAs do. Moreover, some of the District Development Trusts and almost all religious NGOs are also involved to one degree or another in supporting economic development activities by CDA groups. The prioritisation of economic development by actors in the lower social strata presu-

mably relates to the situation of acute economic need which the great majority has felt since at least the late 1970s. But, on the basis of the data described above, even the better-off sections of rural Tanzanian society often seem to see voluntary collective action and business activity as identical, and there are elite-oriented NGOs and CDAs as well as elite attempts to "privatise" more plebeian CDAs for their own economic advantage. With the exception of secondary schools, social development tends today to be seen as something which can and should be provided by organisations of migrants who have made good, Tanzanian or foreign NGOs, religious organisations, foreign bilateral or multilateral donors or, of course, the state. Although such assumptions have roots in some features of Tanzanian society which go beyond the last twenty years, these should not be exaggerated. As the discussions of Hai and Bukoba showed, social development in Tanzania was until the 1970s identified not with the state and outsiders at all, but with organisations such as the KNCU which were (albeit highly bureaucratised) people's organisations.

A second aspect of patronage concerns the linkage between CDA groups and other development actors, as well as to particular individuals. Two basic patterns of CDA group formation could be discerned in the study area. The first pattern comprised the formation of groups at their own members' initiative. This was the dominant pattern in Ilala, Hai, Tanga, Songea and Bukoba. The second was groups being called into existence by patrons of one sort or another. This was the pattern in Pemba, Same and Kondoa (there was no dominant pattern in Newala). Groups which were formed at their own members' initiative did not necessarily have subsequent trajectories which were wholly independent, for many later sought out patrons or were sought out by them. On the other hand there was no evidence of any patron-created CDA groups ever becoming independent of external financial assistance.

As just hinted, the relationship between CDA groups and patrons is a two-way one. Some CDA groups seek external assistance for their projects as a shortcut to growth and profitability. On the other hand, in certain districts at least, there are plenty of would-be patrons who are anxious to enlarge their own circle of (CDA group) clients. Mostly the patron's motive here is political either in the narrow sense of gaining votes, or in the broad one of enhancing their status and influence. Such status and influence is usually, but not necessarily, in regard to the clients themselves, or to the broader local community. For donors, or at least their local representatives, it may be their home organisation or broader public audiences too or instead.

Most of the literature on patronage distinguishes between patronage and brokerage although the distinction in practice is rarely watertight. A broker is someone whose main role is to establish a link between a group of clients and a patron. In this sense, brokers are themselves both clients (of more senior patrons) and minor patrons (of the clients they provide links for). The leaders of CDA groups are brokers insofar as they provide

the group with contacts. Patterns of patronage of CDA groups will be explored in more detail in a moment.

Both these latter dimensions of patronage reappear in relation to those African-based NGOs which are not Development Trusts/ Trust Funds. These act themselves not only as patrons (of CDA groups), but also as clients, usually of foreign organisations. Some local NGOs also act as clients of the state elite or, more usually, of individuals in it. Their "competitiveness" as clients normally depends upon their ability to function as brokers.

It is worth pointing out that NGOs are not the only brokers, or even necessarily the most effective ones. Individual politicians have traditionally occupied this role in most of Africa (and not just Africa, of course), although probably to a lesser extent in Tanzania than elsewhere. Whatever the historical situation, they are certainly playing this role now. Because of the opportunities open to politicians for accumulation, they may also have the resources to act as patrons in their own right.

Patronage of communities as a whole, and of CDAs within them, has in Tanzania been traditionally dominated by two sorts of agencies: donors (especially the Nordics, Dutch and UNICEF) and religious organisations. Both continue to play a major role, the latter now in their NGO guise in Ilala, Hai, Pemba, Same and Kondoa. In Hai, Same and Kondoa this has probably always been the case, but in Ilala and Pemba South it is a trend of the last few years. In these districts, religious patronage is increasingly associated not with the European churches but with Islam. Interestingly, the form of patronage adopted by the Islamic organisations closely resembles that of the European churches in their initial evangelical phase. The provision of social facilities is directly accompanied by building places of worship, proselytising and also by cruder patronage techniques such as giving away free food and clothing. Presumably areas such as Ilala and Pemba South have been targeted, since here the populations have been predominantly Moslem since colonial times. In the case of Ilala, the scale of patronage involved is quite spectacular. Moreover, it has allowed certain of the individual patrons involved to present themselves as political representatives of the community and to negotiate on this basis with Dar es Salaam City council.

Some of the broader, local-level political implications of this Ilala-Pemba trend will be explored later. But it is worthwhile underlining that, as a mode of patronage, it is also linked to (elements of) the Tanzanian state itself playing a new brokerage role. Although some Islamic NGO funding is locally-derived, much of it comes from various Islamic states such as Saudi Arabia and the Gulf states, Sudan, Iran, etc. This was "accessed", and Tanzania was "accessed" for these states, by the ascendent Zanzibar-linked section of the political elite. Somewhat surprisingly however, there was a virtual absence of Islamic organisations from areas like Newala and Bukoba where there have always been large numbers of Muslims. The only obvious reason for this is these areas' physical inaccess-

ibility relative to Ilala and Pemba. However, their absence also perhaps allows the scale of this "accessing" to be put in proper proportion.

As already noted, the Nordic aid agencies, the Dutch (in their governmental and SNV guises) and UNICEF all also act as "community" patrons. UNICEF's role is most prominent in Hai, through its provision of large numbers of feeding centres. Granted UNICEF cannot be everywhere, but its presence in Hai as opposed, for example, to Tanga needs explanation, or at least it needs explanation in terms beside those of the district's malnutrition problem. Presumably it was persuaded to "target" Hai by a broker of some kind. UNICEF's presence in significant terms is also observed in Newala, Songea and Bukoba Rural districts.

As already suggested, the general pattern that foreign patronage assumes is such that most foreign patrons normally cluster in certain regions/districts which were already favoured even during the colonial times. Most of the areas which were marginal then, or which have been marginalised since, register an insignificant presence of foreign patrons. One disgusted development worker once remarked that "in development terms the foreign patrons still adhere to the lines drawn by colonialists. Those areas that are already favoured in development receive the most attention while the disadvantaged areas continue to be marginalised!" The explanation for this seems to be that the historically favoured areas acquired educational facilities which enabled their sons and daughters to reach the highest echelons of the state. It is these well-connected sons and daughters who then persuade foreign donors to patronise their home areas. On the other hand historically or more recently marginalised areas do not have sufficient sons and daughters in elite circles to exercise a similar degree of influence. The rule therefore seems to conform to the biblical saying that "unto those who already have, more is added" or as former President Nyerere once put it "water always flows to the ocean and never to the mountains".

District Development Trusts/Trust Funds represent the other sort of community patron. As has been seen, everywhere except Pemba South where they do not tax the local population, they also represent a privatised form of local government. As such they not only extract generalised goodwill from the clients but also specific resources. Sometimes (as in Newala) these are partly privately appropriated. But in general the Trusts/Trust Funds are careful not only to preserve but also to extend the reputation of their elite organisers. Their objectives are to provide client communities—and themselves as elites—with one of the most highly valued "public goods" in Africa, namely education—and more specifically, education at a level and quality where it may still lead to real jobs and incomes for the scions of the local respectable classes. This is in fact a precondition for these organisations occupying a more directly extractive public role.

However, the Development Trusts/Trust Funds in Pemba South more closely resemble the Islamic NGOs. This is complicated further by divisions in the local elite, as in Kondoa. The two Pemba trusts represent different,

and almost certainly rival, groups. The MDDF was not only founded by Dr. Salim, who continues to act as its Chairman, but its establishment-dominated Trustees' Committee includes the district's Zanzibar House of Representatives MP, its national MP, the District Commissioner, the District CCM chair, the Secretary General of the CCM Youth Organisation as well as the politically well-connected "hometown" figures of the General Manager of the National Insurance Corporation and the General Manager of Bizanje (the Zanzibar state export corporation). On the other hand, the Wawi Development Fund seems to be under the control of some of the Pemba South business community. Its Trustees' Committee consists of local business people and some professionals. The Wawi Fund, as indicated, is regarded as oppositional by the local state elite.

An examination of the CDA groups discloses a somewhat different pattern of patronage. Mainly as a result of the single party system, until the late 1980s it was difficult for such groups to emerge except as part of, or at least patronised by CCM or one of its "mass organisations", normally the national women's organisation UWT.¹ This relation was almost always a formal one, and CCM branch officers used to report them as part of their party mobilization activity.

The separation of party and state since 1992 has meant, in the case of registered CDA groups, formal political non-alignment and being "supervised" by local government rather than the party. Supervision is in the hands of District Community Development Officers, but these are more technical experts than patrons. Thus, if groups want a patron, they have to seek a new one. Of course, this may involve confirming a pre-existing relation in some cases.

As already noted, CDA groups may have been self-initiated or initiated as part of the strategies of particular patrons. Amongst the former, some later also enter relations with patrons. In the areas studied it was client-initiated patron-client relations which were preponderant. A classic form of self-initiated groups themselves initiating relations with a patron or patrons can be found in Hai. Such cases are found in diluted forms with respect to CDAs elsewhere, and in Bukoba in respect of the smaller Development Trusts.

In Hai, two of the three zero-grazing groups who were willing to disclose information on their patrons revealed that an interest had been taken in them by the wives of the national President and Vice-President. Others who had taken an interest included local businessmen, the local MP, and ex-MP who became the Tanzanian High Commissioner in Zimbabwe (thus opening up what is known locally as the "Harare connection"), the wife of an ex-Minister and the wife of the ex-President! All these connections were basically mobilised by the local businessmen—some of them presumably of national importance—who were themselves linked by marriage etc. to the CDA group officials. At the same time, it was also

¹See Madsen (1984).

an attractive proposition for politicians to be identified with the large and thriving Hai-based projects.¹

The presence in Hai both of an apparently effective privatised form of local government and of so many "high quality" donors is also not accidental, but mediated by some of the connecting chains just described. A strong business community has merged with politicians to chart out a development path for the district which grasps all the opportunities of the new international and national climate. Influential people in high positions respond to this agenda, and in doing so influence NGOs and donors to channel resources to Hai. Of course, this is not the only part of the story in Hai. Another part is the emergence of certain dynamic women's groups and their acquisition of a prominent position in the district's development agenda. These groups originate in collective responses to the tendency for men to monopolise household income and channel it into businesses in urban areas.

Like Hai, Pemba has seen a great expansion of CDA activity in the last few years. But this is not characterised by patronage relations of the kind found in Hai. Whereas in Hai CDA group formation was initiated spontaneously, in Pemba South it was by and large initiated by the state and by CCM. The Zanzibar government's return to the politics of an earlier era has been motivated by the strength of the political opposition on Pemba, where it is anticipated by observers that CCM would win only two constituencies in the event of a multiparty general election. The government has responded to this in a variety of ways, but central to its strategy has been a tactic of showering money and resources on areas where political competition is fiercest. In these areas CDA groups have been formed from above, or mainly stimulated to appear, in order to receive state resources and money. For example, when taking a day to tour one CCM Branch in Chake Chake district in August 1992, the President of Zanzibar donated Tsh. 5.5 million (USD 11,000) in cash and kind to various projects. Meanwhile in neighbouring areas where CCM is either not under challenge, or where the opposition dominates and has "captured" CCM branches, CDA groups which formed received little or nothing. The central role played by money, as opposed to equipment, in the donations made in Pemba is worth underlining. It is also worth pointing out that insofar as an opposition patronage strategy was detectable in Pemba, it did not actually differ that much from the state's. Basically, cash was provided to individuals or groups through the intercession of *Kamahuru* notables. Of course, there were aspects to the opposition's strategy other than patronage politics, but these cannot be explored here.²

¹ Through personal relations developed with officials at the New Zealand High Commission in Harare, the Tanzanian High Commissioner there helped certain CDA groups in Hai to receive assistance directly from the government of New Zealand.

² During the research CUF was observed trying to pursue similar tactics in certain mainland districts. In Newala local CUF leaders went around offering to buy cashewnuts from peasants at Tsh. 300 per kg, instead of the Tsh. 150-175 which

"Non-political" replicas of developments in Pemba, i.e., replicas where the agents who called CDAs into being were not politicians, can be found in Kondoa and Same. In Kondoa one whole set of groups was called into being by the District Community Development Officer to receive some ILO-UNDP funds which had become available while a second set was created to receive funds from SIDA. In Same several women's groups were summoned into existence by the inauguration of a DANIDA project. The long term viability of groups in all three districts seems highly dubious.

A NEW CIVIL SOCIETY?

As stated earlier, much of the literature on the recent rise of NGOs in Africa, and voluntary development initiatives more generally, suggests that they contribute to increased democratisation. They are said to do this in a number of ways. Firstly, they empower their own members, said to usually be those traditionally excluded from economic and political benefits, especially the poor. Secondly, in forming a mass of organisations between the state and citizen, the power of the state is balanced and the "shelter" which citizens can find from an arbitrary state is increased. Thirdly, they propagate participatory methods of organisation which can lead to the generation of a political culture of increased accountability. The data described above bears out some of this picture, but also shows it to be very incomplete. In reality the NGO/CDA group phenomenon has no single or unambiguous meaning as far as questions of "civil society" and politics are concerned.

The issue of who is empowered and how by the developments described is a complex one. As noted, the majority who were involved in CDA group activities everywhere except Pemba South were women. Little unfortunately is known of their social composition, but extrapolating from the activities they were carrying out and from what was known about membership contribution levels, it would appear that it was the poor who were mainly but not exclusively involved in all areas. In most areas there were usually also at least one or two exclusively elite-based CDA groups. In Hai—in the successful zero-grazing projects at least—better-off women were probably over-represented. The precise degree to which "economic empowerment" was taking place through the projects, and how this was internally distributed, is rather hard to gauge. The picture generally seems to be that the mass of CDA groups are involved in collective extensions of personal economic survival activities. On the other hand, in Hai, some of the groups had visibly accumulated, sometimes on a truly spectacular scale. Although it is a novel phenomenon for women in Hai to be able to do this, the households these women came from are probably ones which were relatively well-off already.

MARCU and private traders were offering. Peasants were initially impressed, but in the event CUF failed to keep its promise, leading to disillusion.

This point relates to a further dimension of inequality/empowerment, namely the regional one. In the areas covered by the research, more people belonged to CDA groups in the two Kilimanjaro districts (Hai and Same) and in Songea and Pemba. Almost everywhere else membership was insignificant. Kilimanjaro has been undergoing a severe economic recession for well over a decade now, as a consequence of the crisis of the coffee industry. But it is still considerably better-off than most rural areas in Tanzania, and is even comparable with Dar es Salaam on a certain counts (e.g., female literacy). Here CDA activity, like its NGO counterpart, tends to reflect existing regional disparities rather than overcome them.

With regard to political dimensions of empowerment through CDA group organisation, as has been noted there was stronger element of group self-organisation in Ilala, Hai, Tanga, Songea and Bukoba than in Kondoa, Same or Pemba South. But really dynamic self-organisation was again most evident in Hai. The extent to which the CDA group experience in Pemba, Kondoa or Same can be said to be politically empowering at all in this sense is open to doubt. In Pemba many of the groups which had been assembled to receive money and equipment from the state, basically for electoral purposes, were apparently engaged in dead-end and therefore disillusioning activities. More generally it seemed that a dependency culture had been created there and elsewhere, with frequent complaints from group members that they ought to be receiving more. How this relates to more general issues of the promotion of societal accountability will be examined below.

Bilateral donors and international and national NGOs can be found primarily in Tanzania in two roles. The first of these is directly filling the gap in social service provision either lately vacated by the state or never filled by it in the first place. The second is as patrons of CDA groups. Provision of education, health facilities and clean water to populations that have not had access to them can be said to be empowering in the general sense that recipients' capacities are enhanced insofar as they become fitter and better educated. But the mode of provision of these services observed here did not appear to be especially empowering to the recipients. The latter's involvement seems to have been generally passive, as it has traditionally been in relation to the state. The new RIDEPs in which SNV is involved promise to be different, but whether this actually happens remains to be seen.

Unfortunately, much the same can be said about the most important local NGOs—the Development Trusts and Trust Funds—which seem almost deliberately designed to exclude popular participation. Meanwhile, in the case of the Islamic NGOs the mode of provision has been explicitly charitable, with non-religious education being supplied through scholarships, and social services being supplemented by free food and clothing. Again, the consequence is likely to be a dependency culture amongst recipients. One could argue that if anyone or anything is being “empowered” in this process it is the NGOs themselves.

As far as the donors/NGOs which are (also) supporting CDA groups are concerned, the situation is rather different. These are usually engaged

in a genuine transfer of power, namely to the CDA groups themselves and the persons these represent (an exception is obviously the Zanzibar state-created groups). As has been seen however, CDA groups will not be the only ones to benefit in power terms from this process.

Any consideration of the NGO/empowerment question should not neglect considering advocacy NGOs like TAMWA in Ilala (see above). These play a crucial role with regard to those persons who they manage to come in contact with. But their membership is minuscule and their potential base for expansion, in the more progressive section of the urban middle-class, is a small one. This means that their capacity to intervene in an area like Ilala is also small, and that their overall social impact will unfortunately not be great.

The issue of the extent and ways to which state power is "balanced" by the great increase in private sector, NGO and CDA group presence is also a complex one. In general one can say that it has been balanced to a degree, but with important qualifications. Clearly with regard to economic activity and service provision Tanzania is a far more plural society than it was a decade ago. This is necessarily associated with a diminution of state power insofar as it was constituted in and through these arenas. But the state is still playing the primary role in service provision, however ineffectively, even though current trends suggest that this may not be the case for much longer. At present the alternative service providers are a fairly diverse and fragmented group, although of course there are some important emergent trends. One is the increasing significance of privatised local state forms run by local elites and/or their national counterparts; another is the durability of the "European" Christian churches and a third is the growing importance of Islamic organisations in certain strategic geographical areas (Dar and the islands). A fourth is the continued significance of foreign donors and of services being delivered in "projectised" forms. Fifthly, in none of these cases does the mode of service provision differ fundamentally from the state's, to the extent that it is likely to in itself provide a focus for popular self-mobilisation. This seems to be also true of the NGOs which are neither religious nor DDT/DTFs, which moreover are characterised by strong efforts to stay on as cordial terms as possible with the state. However, The DDT/DTF phenomenon does appear to genuinely signify the assumption by the private bourgeoisie of a far more prominent role than hitherto in national affairs, and to a certain extent an acceptance by most sections of the state that it cannot operate against, or even independently of it.

A heightened political role for the private bourgeoisie is also one of the emergent properties of the assumption of NGO patronage of CDA groups. This relation is tending to overshadow patronage as it was exercised by the local state, although the latter remains linked to the new one in a number of ways. So too, do national-level members of the state elite, indicating the close links which exist between business and state elites in any event. But as in the case of (the bilateral and multilateral) donors and international NGOs there is little evidence of local business elites attempting to

consciously monopolise the political benefits of the local patronage resources they acquire. Some such attempts are evident amongst certain religious NGOs, however.

In conclusion, this paper will look at the question of whether a tendency toward greater social and political accountability is implied by the developments described. The answer is generally a qualified yes, though not necessarily for the reasons proponents of the NGO-democratisation thesis have generally maintained. There is also an important range of exceptions, whose examination clarifies the general issue.

A few words have already been said about the Mkoani District Development Fund in Pemba. This is an extreme case of non-accountability and its reproduction but it is also part of a more general phenomenon. Not only is this fund run exclusively by the economic and political elite of Pemba South, but its chief patron and Chair continues to closely supervise its activities even though, as OAU Secretary General, he is based in Addis Ababa. All minutes of the fund's meetings have to be sent to Addis for his approval. But more to the point is that the fund's relation to ordinary people is simply that of providing basically public services to the population at large. A patron-client relation is present but it is an extremely diffuse one and to this extent one-sided. There is no organised client group, only a general situation of clientage. At the other end of the spectrum is the situation in Hai. Here certain client groups became organised in advance and independently of patrons, and for these, the patron/client relation is a negotiated one—even if it is often negotiated by brokers rather than with ordinary people themselves. To this extent donors and NGOs can be to some extent held responsible for their actions, and the rudiments of culture of accountability can develop. It is necessary to add that this accountability is basically marked by the nature and content of the patronage relation, though. The "civil society" that the CDA groups constitute is one organised around issues of resource allocation, in which those in power are held accountable mainly as patrons or brokers, and mainly in terms of their effectiveness in getting resources delivered.

Just as with the incorporation of local business elites into a (privatised) local government, this is an advance as far as democratic politics in Tanzania are concerned, for what it replaces is a situation where there was practically no form of public accountability at all. Moreover, it is accompanied by growth in other assertions of popular accountability, promoted by amongst other things the independent press and an increasingly self-assertive parliament. In some cases, a political voice is being found by long-silent organisations with strong links to CDAs. For example, the Catholic Bishop, J Lebulu, issued a statement in May 1993 criticising the country's leadership for its corruption and immorality and calling on all Catholics to expose corrupt leadership wherever it was found (*Family Mirror*, May 1993).

How the growing assertion of freedom of political criticism on the national stage relates to the rise of the limited form of public accountability described here remains to be thoroughly explored. The former is based

mainly on an opening from above by the state and the emergence of a new national political scene whose chief features are the demise of *Ujamaa* and a presidency associated with a transformation of the familiar Christian/Muslim and Zanzibar/ mainland balances of power. But even if the limited form of public accountability described has in no sense given rise to political liberalisation, it may in the future still be influenced by it in ways which favour its extension.

REFERENCES

- Bloom, G., G. Singleton and J. Toye (1992). *Public Expenditure in the Tanzanian Health Sector under Structural Adjustment*. European Community Business Times, Dar es Salaam.
- Clark, J. (1993). *Democratising Development*. Earthscan, London.
- Cooksey, B. (1993). Personal communication.
- Cooksey, B., G. Malekela and J. Lugalla (1993). *Parents' Attitudes towards Education in Rural Tanzania*. TADREG Research Report No. 5, Dar es Salaam.
- Family Mirror*, Dar es Salaam.
- Kikula, I.S. and C.G. Mung'ong'o (1992). "Environmental Problems of Natural Resources: A Case Study of HADO Project". Paper prepared for an Environmental Impact Assessment Seminar organised by NEMC, Dar es Salaam, November 1992.
- Kiondo, A.S.Z. (1993). "Structural Adjustment and Non-Government Organisations in Tanzania: A Case Study", in P. Gibbon (ed), *Social Change and Economic Reform in Africa*, Scandinavian Institute of African Studies, Uppsala.
- Lugalla, J. P. (1990). "'Socialist Construction' and the Urbanisation Process. An Analysis of Urban Poverty and Politics in Tanzania". Unpublished Ph.D. Thesis, University of Bremen.
- Lugalla, J. P. (1992). "The Role of the Non-State Sector in Funding, Supporting and Providing Secondary Education in Tanzania. A Brief Pilot Study Report". Paper presented at the Scandinavian Institute of African Studies Workshop on Adjustment and Social Change in Africa, Maseru, Lesotho.
- Lugalla, J. P. (1993). "Structural Adjustment Policies and Education in Tanzania", in P. Gibbon (ed), op.cit.
- Madsen, B.S. (1984). "Women's Mobilisation and Integration in Development: A Village Case Study from Tanzania". Centre for Development Research Report, Copenhagen.
- Munishi, G. (1992). "Social Services Provision: The Relationship between Political Development Strategies and NGO Participation". Paper presented at conference on State vs. NGOs in the Provision of Services in East Africa, Dar es Salaam, July.
- Semboja, J. (1992). *The Impact of the Economic Reform Programme on the Provision of Social Services, with a Focus on Health and Education*. Prepared for the World Bank, Dar es Salaam.
- Svantesson, B. (1994). "Donor Assistance to the Health and Population Sector in Tanzania". Danida, Dar es Salaam.
- TANGO (1990). *Directory of Tanzanian Non-Governmental Organisations*, Dar es Salaam.

- Tripp, A.M. (1992). "Local Organisations, Participation and the State in Tanzania", in G. Hyden, and M. Bratton (eds), *Governance and Politics in Africa*. Lynne Reiner, Boulder.
- Uhuru, Dar es Salaam.
- United Republic of Tanzania (1982a). 1978 *Population Census*, Vol. 6. *Private Households and Housing Characteristics*. Government Printer, Dar es Salaam.
- United Republic of Tanzania (1982b). 1978 *Population Census*, Vol. 7. *Basic Demographic and Socio-Economic Characteristics* (ibid.).
- United Republic of Tanzania (1990a). *Tanzania Sensa 1988. Regional Profile: Dar es Salaam* (ibid.).
- United Republic of Tanzania (1990b). *Tanzania Sensa 1988. Regional Profile: Kilimanjaro* (ibid.).
- United Republic of Tanzania (1990c). *Tanzania Sensa 1988. Regional Profile: Ruvuma* (ibid.).
- United Republic of Tanzania (1990d). *Tanzania Sensa 1988. Regional Profile: Kagera* (ibid.).
- United Republic of Tanzania (1992). *Tanzania Sensa 1988. Regional Profile: Tanga* (ibid.).
- World Bank (1993). *World Development Report 1993*. Washington.

About the authors

Chachage Seithy L. Chachage was educated at the Universities of Dar es Salaam and Glasgow. He lectures in Sociology at the University of Dar es Salaam.

Andrew S. Z. Kiondo was educated at the Universities of Dar es Salaam and Toronto. He lectures in Political Science at the University of Dar es Salaam.

Peter Gibbon was educated at the Universities of Leicester and Manchester. He is a researcher at the Centre for Development Research, Copenhagen.