



Agricultural Policy Research in Africa



APRA POLICY PROCESSES AND POLITICAL ECONOMY: TANZANIA COUNTRY REVIEW

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A stylized, light-colored plant graphic with three leaves and a stem, positioned in the top right corner of the page.

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LIST OF ABBREVIATIONS

| | |
|---------------|--|
| ACT | Agricultural Council of Tanzania |
| APRA | Agricultural Policy Research in Africa |
| ASDP | Agricultural Sector Development Programme |
| ASDS | Agricultural Sector Development Strategy |
| CAADP | Comprehensive Africa Agriculture Development Programme |
| CCM | Chama cha Mapinduzi |
| CDTF | Cotton Development Trust Fund |
| CSDP | Cotton Sector Development Programme |
| CUF | Civic United Front |
| DC | District commissioner |
| DFID | Department for International Development |
| EAC | East African Community |
| GNI | Gross national income |
| KSCL | Kilombero Sugar Company Limited |
| MP | Member of Parliament |
| NAIVS | National Agricultural Input Voucher Scheme |
| NEEC | National Economic Empowerment Council |
| NKRA | National Key Result Area |
| PPP | Purchasing power parity |
| PRSP | Poverty Reduction Strategy Paper |
| RC | Regional commissioner |
| SAGCOT | Southern Agricultural Growth Corridor of Tanzania |
| TACOGA | Tanzania Cotton Growers' Association |
| TAFSIP | Tanzania Agriculture and Food Security Investment Plan |
| TANU | Tanganyika African National Union |
| TCA | Tanzania Cotton Association |
| TCB | Tanzania Cotton Board |
| TNBC | Tanzania National Business Council |
| UKAWA | Umoja wa Katiba ya Wananchi |

1. INTRODUCTION

The objective of this review is to highlight key features of the political landscape that are considered to affect both the prospects for and the outcomes of agricultural commercialisation in Tanzania. It will highlight key dynamics and actors that subsequent empirical work within the Agricultural Policy Research in Africa (APRA) programme should pay attention to.

A defining feature of Tanzania's political system is the hegemonic position of the ruling party, Chama cha Mapinduzi (CCM),² which has held power continuously since independence in 1961 (Whitfield et al. 2015; Hoffman 2013; Whitehead 2012). However, during this period the character of CCM has changed considerably, especially in response to economic crisis in the 1980s and the challenges presented by multi-party electoral competition since the 1990s (Whitfield et al. 2015; Tilley 2014). Firstly, to maintain its dominant position in a multi-party context, the party has embraced business interests that were officially shunned during the socialist era presided over by Julius Nyerere. Secondly, a consequence of the regular need to mobilise votes is that officials at the lower levels of the party structure (from district down to neighbourhood) have acquired additional influence over the party's fortunes. Thus, the party has transformed from a relatively disciplined organisation with a clear ideological orientation to the vehicle of choice for people who are ambitious for power or money, irrespective of their ideological persuasion. Moreover, within the party, power has become less centralised as contrasting groups – major funders and local cadres – have acquired holding power³ in internal debates and struggles. As a consequence, a shifting array of individuals and groups across multiple levels of the party structure now contest the formulation and implementation of policy (Gray 2015; Whitfield et al. 2015).

This paper illustrates these dynamics in relation to policies for agricultural commercialisation. It argues that the evolving nature of CCM helps to explain observed agricultural policy and performance and sheds light on the current and potential future trajectory of agricultural commercialisation in the country. The paper focuses on the presidency of Jakaya Kikwete and the transition to the presidency of John Magufuli. While the period

of multi-party electoral competition started in 1995, the full impacts of the changes within CCM are best observed within this period. In turn, the changes within CCM threaten its ability to deliver developmental benefits to particular social groups, including rural households for whom smallholder farming remains an important livelihood activity. The final section of the paper, therefore, considers the political challenge facing President Magufuli if he wants to (re-) establish CCM as a party that delivers livelihood improvements to this important group of voters.

The paper advances its arguments through reference to three commodities: rice, sugar and cotton. The first two of these are produced for domestic consumption and Tanzania remains dependent on imports to supplement domestic production. The majority of cotton production is currently exported as raw fibre (lint), but around 20 percent is used by domestic textile and garments firms.

Rice is Tanzania's third largest crop by volume, after maize and cassava. It is produced in most regions of the country, primarily by smallholders, with major production zones including Mbeya, Morogoro and the north-western regions of Shinyanga, Tabora and Mwanza (Lazaro, Sam and Thompson 2017; Wilson and Lewis 2015). It is the most commercialised of Tanzania's staple food crops, reflecting the strong demand for rice in major urban centres (Wilson and Lewis 2015). The development of irrigation schemes to facilitate smallholder production of rice was a major thrust of the Agricultural Sector Development Strategy (ASDS) under President Kikwete, but production remains predominantly rainfed (Cooksey 2012; Therkildsen 2011). Large-scale production of rice occurs principally in Mbeya and Morogoro regions. It accounts for about 6 percent of national production, but a higher share of marketed output (Wilson and Lewis 2015).⁴

Sugar production in Tanzania focuses on four large-scale estates in Morogoro region (Kilombero and Mtibwa), Kilimanjaro and Kagera. According to Mmari (2015), in 2013 more than 20,000 smallholder outgrowers supplied around 40 percent of cane to the factories at Kilombero and Mtibwa, although reliance on smallholders is declining in Mtibwa. A growing number

of medium-scale farmers also sell sugar to these factories (Sulle 2016).

Cotton is produced predominantly by smallholder farmers in the Lake Zone of Tanzania (the regions close to Lake Victoria in the north west), where it competes with rice and other crops for farmers' attention.

This paper focuses on agricultural commercialisation and policy on Tanzania's mainland. Agricultural policy is designed and implemented separately on the semi-autonomous islands of Zanzibar. Some rice is produced on Zanzibar, where it is the staple food. There is also one recently revived sugar factory with a core estate and smallholder outgrowers. However, like the mainland, Zanzibar remains dependent on imports of both commodities.

The paper proceeds as follows. Section 2 reviews electoral trends in Tanzania since 1995, leading to a

discussion of how CCM maintains power, and where agricultural policy fits into this, in section 3. The rise of large-scale and (especially) medium-scale farms in Tanzania is discussed in section 4. Section 5 reviews a number of recent policy documents pertaining to agricultural policy, including commercialisation, and illustrates the contestation of policy in this area. Section 6 presents the case studies from rice, sugar and cotton. Although the first two of these draw on secondary literature, there is value in comparing findings and identifying common themes across cases. Section 7 reflects on agricultural policy processes in Tanzania, drawing on the three case studies. Finally, section 8 considers the prospects of agricultural commercialisation in Tanzania being successfully promoted under the presidency of John Magufuli, given the political challenges highlighted by the three commodity case studies.

2. ELECTORAL TRENDS IN TANZANIA

Having become a one-party state almost immediately after independence, Tanzania re-introduced multi-party elections in 1995. While this move mirrored a much broader trend in Africa (Bates and Block 2009) and was consistent with the views of international development partners, there was also important support for it from within CCM, including from former President Nyerere (Tilley 2014; Whitfield et al. 2015). Multi-party

competition was one way to restore the legitimacy of CCM, which had waned through a decade of economic crisis.

Table 1 summarises some key statistics from the five sets of national elections that have occurred since 1995. It shows that CCM has remained the dominant party throughout the two decades of multi-party elections.

Table 1: Selected statistics from Tanzanian general elections

| | CCM share of presidential vote (%) | Nearest challenger share of presidential vote (%) | Turnout for presidential election (%) | CCM share of parliamentary vote (%) | CCM share of all parliamentary seats (%)* |
|------|------------------------------------|---|---------------------------------------|-------------------------------------|---|
| 2015 | 58 | 40 | 67 | 59 | 69 |
| 2010 | 63 | 27 | 43 | 60 | 74 |
| 2005 | 80 | 12 | 72 | 70 | 85 |
| 2000 | 72 | 16 | 84 | 65 | 87 |
| 1995 | 62 | 28 | 77 | 59 | 80 |

Sources: www.nec.go.tz (various election reports), <http://africanelections.tripod.com/tz.html>

Note: * Surprisingly, different sources give different figures for the total number of seats during the various parliaments, so there could be a small margin of error in the figures in this column.

Despite its perceived waning legitimacy in 1995, CCM achieved a clear majority of votes in both the presidential and parliamentary elections of that year. Its share of parliamentary seats exceeded its share of votes due to the first-past-the-post system of voting for Members of Parliament (MPs) and the provision for a number of MPs to be appointed by the President in addition to those directly elected. The party then consolidated its position in the next two elections, arguably vindicating the stand of those who had argued that the party should embrace, rather than resist, the tide of multi-party competition. However, its position was somewhat eroded in 2010 and 2015, reflecting popular disenchantment with poor state performance and widespread corruption.

The most striking statistic in relation to the 2010 election is the low turnout. While many traditional CCM voters, especially in rural areas, did not switch their votes to opposition candidates, they did register their disgruntlement by not turning out to vote. The

opposition, which garnered support primarily in urban constituencies, thus achieved a similar result to 1995. However, opposition votes were split between two main candidates in 2010 (in 1995 there were three), so the overall result remained a comfortable victory for CCM.

In 2015, most of the major opposition groups allied under the banner of *Umoja wa Katiba ya Wananchi* (UKAWA),⁵ which backed a single presidential candidate – the former CCM Prime Minister Edward Lowassa. Lowassa could contribute considerable personal wealth to the opposition campaign, but his selection was at odds with the anti-corruption platform that several opposition leaders had campaigned on over the years, thereby at least partially undermining the advantages of a well-funded and largely united opposition campaign (Makamba 2015). Nevertheless, the outcome was the closest yet.⁶ It was also the subject of legal challenges by the opposition, who claimed that they had won.

3. HOW DOES CCM RETAIN POWER?

Scholars debate the factors that have enabled CCM to maintain its hegemonic position even since the introduction of multi-party elections (Hoffman and Robinson 2009; O’Gorman 2012; Whitehead 2012). A shared common assumption in these debates is that the party has *not* maintained its dominance through high-quality governance and service delivery. Some

insight into this is provided by Table 2, which shows progress on a number of important social and economic indicators over the past 20 years, but also a rapidly growing and still predominantly rural population in which many people remain extremely poor. Indeed, (O’Gorman 2012: 315) specifically addresses ‘the puzzle of... rural support for the CCM amid rural neglect’.

Table 2: Tanzanian social and economic indicators

| | 1995 | 2005 | 2015 |
|--|------------|------------|-------------|
| Population (millions) | 29.9 | 39.1 | 53.5 |
| Urbanisation rate (%) | 21 | 25 | 32 |
| Gross national income (GNI) per capita (constant 2010 US\$) | 450 | 604 | 828 |
| Poverty headcount (\$1.90/person/day @ 2011 purchasing power parity (PPP)) | 85% (2000) | 53% (2007) | 47% (2011) |
| Urban poverty rate at national poverty line | - | - | 16% (2011) |
| Rural poverty rate at national poverty line | - | - | 33% (2011) |
| Life expectancy at birth (years) | 49 | 56 | 65 (2014) |
| Adjusted net enrolment rate in primary education (%) | 49 | 89 | 82 (2013) |
| Pupil-teacher ratio in primary school | 37 | 56 | 43 (2013) |
| Transition rate to lower secondary education (%) | - | 33 (2004) | 56 (2012) |
| Adult literacy rate (aged 15+) | - | 69% (2002) | 80% |
| Urban population with access to clean water (%) | 89 | 83 | 77 |
| Rural population with access to clean water (%) | 45 | 45 | 46 |
| Maize production (tons per head of population)* | 0.08 | 0.1 | 0.11 (2013) |

Source: World Development Indicators database [accessed 9 January 2017]

Note: Except * calculated from FAOstat using three-year production averages. Yield data are considered too unreliable to report here.

Existing literature argues that CCM ‘hegemony’ has been sustained by maintaining an unchallenged ability to fight elections. There are several dimensions to this.

The first is the party’s superior financial position for fighting elections. This is partly a (deliberate) consequence of the country’s electoral rules, which allocate state funding for political campaigns on the basis both of a party’s previous vote share and its share

of seats in parliament. As shown in Table 1, not only has CCM gained comfortably the highest share of the vote of any party, with opposition votes split across several parties, but it also obtains a disproportionately high share of seats because of the country’s electoral system. Thus, it continually receives official electoral funding that is several times greater than its nearest challenger (Hoffman and Robinson 2009; Therikildsen and Bourgoignie 2012).

Equally as important, CCM under Presidents Mwinyi and Mkapa moved quickly to bring business people into the party to finance election campaigns once they had taken the decision to embrace multi-party electoral competition (Hoffman and Robinson 2009; Tilley 2014; Whitehead 2012). This was combined with strategic management of the privatisation of state enterprises during the 1990s, so as to create a large pool of business people with allegiance to CCM (Therkildsen and Bourgooin 2012; Tilley 2014). It had dramatic consequences for the character of the party, which will be explored further below. However, it also undermined the funding base of opposition parties from the start. It should be remembered that, prior to economic liberalisation, there were relatively few large private enterprises within an economy run on socialist principles, so there were few concentrations of non-state capital that could be mobilised by opposition parties (Whitfield et al. 2015).

The second dimension is CCM's superior organisational capacity. During the one-party state era, state and party structures were intertwined at all levels from village (and even neighbourhoods within villages) to central government. A formal separation between the two accompanied the shift to multi-party electoral competition. However, CCM has retained its organisational structure at all levels, such that each village still has a CCM branch with party officers, with successive tiers of organisation at ward, district, regional and national levels. In practical terms, this means that CCM has unrivalled ability to campaign and reach voters. Opposition parties have organised impressive rallies in urban centres, where they have found it easier to organise, but CCM can get its message out to every corner of the country (Makamba 2015; Whitehead 2012). Conversely, in a 2008 survey of rural voters, O'Gorman (2012) found that frequency of access to newspapers and radio plus membership of a farmers' organisation – three possible indicators of awareness of policy and politics outside of the home location – all reduced the probability of respondents voting for CCM.

Moreover, informally, CCM structures remain intertwined with the parallel state structures. Regional commissioners (RCs) and district commissioners (DCs) are key figures here. Formally, they are the President's appointed representatives in their respective administrative areas. They are charged with ensuring that his will is carried out, acting as his eyes and ears in these areas and also exercising control over the security services there. Because all presidents have been from CCM, RCs and DCs tend also to be CCM members.⁷ Thus, they are sometimes observed to act to promote CCM in their areas, including using their control over

security to confer preferential treatment to CCM in the holding of election rallies (Hoffman and Robinson 2009) and availing state resources, such as vehicles, for use in CCM campaigns at election time. Hoffman and Robinson (2009) also offer a long list of ways in which DCs may use their influence over the district executive director – the most senior civil servant in the district administration – to generate revenue for CCM or intimidate supporters or funders of opposition parties.

Similarly, at village level, village officers (village executive officer, village chairman), whose positions are ultimately endorsed by the DC, tend to be party members and often work closely with officers from the party branch. In this way party officials can, for example, exert influence over the granting of land within the village (Therkildsen 2011).

Thirdly, founding President Julius Nyerere was careful to build CCM as a party that embraced all ethnicities and religions – the logical corollary of his broader nation-building efforts in an era when party and state were intertwined. This means that there are no major social groups who are collectively disaffected with CCM, so as to form the basis for opposition mobilisation (Whitehead 2012). Nyerere had a hard time persuading the peoples of northern Tanzania (Arusha, Kilimanjaro and Manyara) of the merits of CCM's socialist policies during the one-party state era, and these regions have subsequently provided a modest base for some opposition parties. Nevertheless, CCM has significant support even in these regions.⁸

Similarly, in the early post-independence years, the state (and hence also CCM) exerted its control over the few existing civil society groups such as the cooperative movement that could have provided an independent basis for political mobilisation. Thus, when multi-party electoral competition was introduced, there were no significant independent civil society groups that could provide a mobilising platform for opposition politicians (Gray 2015).

Fourthly, CCM's hegemonic position has a self-sustaining dynamic. Among the rural population, in particular, the party's pervasive presence – in contrast to the majority of opposition parties in any given area – gives it a degree of credibility, even when it does not perform to expectations (O'Gorman 2012). As a result, disappointed rural voters may still find a change message from a CCM candidate more persuasive than the claims of untested and perhaps largely unknown opposition candidates.⁹ Equally as important, people with political ambition may weigh up their chances of winning an election by fighting for a CCM candidature

versus taking on the CCM electoral machine as an opposition politician – and many opt for the former route.

Given these advantages, CCM hegemony has been maintained with little recourse to overt coercion, except on Zanzibar (Whitehead 2012). However, coercion has not been entirely absent (Hoffman and Robinson 2009; Jennings 2016). New laws, which critics argue represent a serious challenge to freedom of speech (Kabwe 2017; McNeish 2015), presented ahead of the 2015 election, may signal CCM's willingness to play a tougher game if the strength of the opposition challenge increases. The party's actions on Zanzibar, where its hold on power has been threatened since the introduction of multi-party electoral competition, also indicate its willingness to use more coercive tactics if necessary.

3.1 Where does agricultural policy fit into this?

CCM's electoral hegemony is based on its rural support. In the past two elections the major gains made by opposition parties have come in urban areas.

The previous section argued that the main reason why CCM remains so dominant in rural areas is its superior reach into rural space as a result of its superior funding and its organisational capacity. This in turn gives the party a credibility that is difficult for opposition parties to establish.¹⁰ Historically, the party has sought to reinforce this by emphasising that, in the tradition of founding President Nyerere, it has established peace and stability in the country. Turning to opposition politicians, it argues, could jeopardise this.

Because it has so many organisational advantages, to date CCM has not had to deliver much to rural voters to retain their votes. This is reflected in the mixed picture presented in Table 2.¹¹ Moreover, when the party has addressed genuine rural development concerns, some observers have discerned a tendency to prioritise investment in social sectors. Long before the advent of multi-party democracy, this was seen clearly in the policy of *Ujamaa* villagisation, whereby rural populations were concentrated in large village centres for ease of delivery of social services (schools, health posts) at the expense of locating them too far from their fields for them to cultivate them properly. Predictably, agricultural production suffered as a result (Coulson 2013). For example, in the cashew producing regions of the south, farmers neglected the pruning of their more distant cashew trees, which then created the conditions for the spread of powdery mildew fungal

disease that eventually threatened the productivity of the entire industry (Poulton 1998). Prior to structural adjustment the CCM government also heavily taxed Tanzanian agriculture, principally through exchange rate overvaluation (Anderson and Masters 2009). Reinforcing the phenomenon of urban bias observed in much of Africa, Bates (1989) linked this specifically to the origins of the Tanganyika African National Union (TANU) post-independence elite in urban areas and semi-arid rural areas, where social services were accorded higher priority than agricultural development. By contrast, the post-independence elite in Kenya were better-off farmers from the high-potential agricultural lands of central Kenya and accorded much higher priority to agricultural policy. In the end, however, agricultural taxation resulted in food shortages in urban Tanzania, such that even the urban middle class could understand the need to restore incentives to farmers through structural adjustment (Lofchie 1994).

Of course, agricultural neglect has never been official policy. By contrast, since the Nyerere era there has been a steady stream of politicised agricultural slogans, reflecting the fact that most Tanzanians live in rural areas. These have included '*ukulima wa kisasa*' ('modern agriculture'), '*siasa ni kilimo*' ('politics is agriculture'), '*kilimo ni uhai*' ('agriculture is life'), '*kilimo cha kufa na kupona*' ('agriculture as a matter of life and death') and, more recently, '*Kilimo Kwanza*' ('agriculture first'). The problem has been that these have tended to substitute for effective policy rather than to motivate it (Cooksey 2014; Coulson 2013; Lofchie 2014).

In the early 2000s it is possible that donor priorities, linked to the Millennium Development Goals (MDGs), reinforced any domestic tendency towards favouring health and education spending.¹² However, from the outset of his presidency, Jakaya Kikwete recognised the importance of paying attention to agriculture. At the end of 2005, while he was still president-in-waiting, Kikwete intervened in the final preparations for the new Agricultural Sector Development Strategy (ASDS) – the centrepiece for government–donor cooperation on agriculture – to raise the target for investment in smallholder irrigation facilities from 25,000ha per year to a total of 1million hectares over the five years of the programme (Therkildsen 2011). In 2007 he invited the Gatsby Charitable Foundation to work with the Tanzania Cotton Board and Ministry of Trade and Industries to revitalise the cotton and textile industries in the country (Coles, Ellis and Shepherd 2011). In 2007/08, taking inspiration from the Malawi Farm Input Subsidy Programme, a voucher-based fertiliser subsidy programme was piloted in two districts in Tanzania.¹³ With additional urgency provided by the increases in

international food and fertiliser prices in 2007/08, the National Agricultural Input Voucher Scheme (NAIVS) was scaled up to 53 districts for the 2008/09 season, with assistance from the World Bank, and was nationwide by 2009/10 (Government of Tanzania et al. 2013; Kato 2016; Mather et al. 2016).

In August 2009 President Kikwete launched *Kilimo Kwanza*, a policy vision for a more commercialised agriculture sector that was developed in conjunction with the Tanzania National Business Council (TNBC). In 2010–11, plans for a Southern Agricultural Growth Corridor of Tanzania (SAGCOT) were launched as an expression of the commercial vision of *Kilimo Kwanza* (Cooksey 2014; Smalley, Sulle and Mahale 2014). President Kikwete was personally active in encouraging international investors to invest in the Tanzanian agricultural sector and specifically within the SAGCOT region (Cooksey 2014; Elinaza 2012).

Towards the end of his tenure, President Kikwete championed an initiative called Big Results Now, inspired by the Malaysian development experience; it was intended to enhance public service delivery across six key sectors, including agriculture. Within agriculture, priority was given to rice, maize and sugar – the latter in particular designed to give added impetus to the direction set out by *Kilimo Kwanza* and SAGCOT. Several of these initiatives are discussed in more detail in section 5.

Political considerations clearly motivated or influenced several of the initiatives. For example, *Kilimo Kwanza* quickly became a slogan at political rallies during the 2010 election campaign (Cooksey 2014). Expenditure on NAIVS peaked in the 2010/11 season, allocating vouchers to as many voters as possible just before the election. NAIVS had originally been conceived as a programme to promote maize and rice in targeted high-potential production regions, but was extended nationwide in response to requests from politicians in other parts of the country (Government of Tanzania et al. 2013; Kato 2016; Mather et al. 2016).

On the other hand, as in previous eras, the rhetoric ran ahead of the delivery. NAIVS is widely regarded as an effective programme (Government of Tanzania et al. 2013; Mather et al. 2016), although there have also been dissenting voices (Kato 2016; Pan and Christiaensen 2012). However, the politically revised plans for irrigated rice expansion under ASDS did not translate into increased coverage on the ground (Therkildsen 2011). The introduction of contract farming

into the cotton sector – the centrepiece of the plan to revitalise the industry – was obstructed for several years by opposition from within CCM, despite both President Kikwete and later his Prime Minister Mizengo Pinda publicly backing it. Agriculture's share of total public expenditure peaked at 6.4 percent in 2009/10 – the year leading up to the 2010 election – and has declined since (Government of Tanzania et al. 2013). This is well below the target of 10 percent that African Heads of State committed to achieve in the Maputo Declaration of 2003 and recommitted to achieving at Malabo just over a decade later (Assembly of the African Union 2003; The Heads of States and Government of the African Union 2014). Progress with SAGCOT has been slower than anticipated (Byiers, Bizzotto Molina and Engel 2016). While Big Results Now is reported to have achieved some successes in the water, education, and transport sectors, the same does not appear to be true of its agriculture efforts (Department for International Development (DFID) 2016).

The limited share of public expenditure devoted to agriculture may be an indication that CCM, or some within it, still do not believe that the sector is critical to the party retaining its hold on power. Rural votes can still be relied upon even without high performance in the agriculture sector. However, as will be discussed below, a more persuasive reason for the limited delivery, relative to rhetoric, during the Kikwete administration was that the increasingly fragmented distribution of power within CCM made it difficult to achieve policy coherence or discipline and thereby undermined delivery. In turn, this may have discouraged the channelling of too many resources to the agricultural sector.

Certainly, the initiatives described above do not represent a coherent policy set, but rather the jostling of competing interests around the agricultural sector. One key tension that emerged during the Kikwete era was between investment in smallholder agriculture – emphasised, for example, in ASDS and attempts to revive the cotton sector – and encouragement for larger-scale private¹⁴ agricultural enterprises (emphasised, for example, in *Kilimo Kwanza* and SAGCOT). In turn, these larger-scale agricultural enterprises can be differentiated into the growing number of medium-scale farms owned largely by middle class, urban-based Tanzanians (Jayne et al. 2016) and large-scale production and processing enterprises owned by both Tanzanian and international companies. Another tension that affected policy implementation more than formal policymaking was between businesses that wished to invest in agricultural production within Tanzania on the

one hand and trading enterprises that profit from the importation of agricultural commodities on the other. Thus, while appeals to rural voters suggest policies that support smallholder agricultural development, other powerful forces also exert an influence over both the design and implementation of policy.

4. THE RISE OF MEDIUM-SCALE AND LARGE-SCALE FARMS IN TANZANIA

Particularly during the tenure of President Kikwete, medium- and large-scale farms have acquired greater prominence within Tanzanian agriculture. This section discusses the reasons for their rise and considers the implications for smallholder farmers.

4.1 *Large-scale farming in Tanzania*

Tanzania has a mixed history with large-scale farming. The unsuccessful groundnut scheme in the south of the country is a well-known example from the colonial era (Tyler 2007a). Some large-scale state farms were developed by Julius Nyerere's socialist government and the nationalisation of the country's European-owned sisal estates in 1967 represented the largest nationalisation of agricultural enterprises by any post-independence state in Africa (Baglioni and Gibbon 2013). However, many state farms encountered financial difficulties, so were later sold or leased to private investors. One example here is the two adjacent farms that comprise the core estate of Kilombero Sugar Company Limited (KSCL). These were privatised in 1997/98, with Illovo acquiring the main equity stake while the Tanzanian government retained a 20 percent shareholding. A second example is Mngeta Farm, which now forms the core rice production estate for Kilombero Plantations Limited. This was developed for the Tanzanian state through North Korean financial and technical support, but quickly ceased to function when the Koreans left in 1993 (Mung'ong'o and Kayonko 2009). After a first attempt to lease the site to private investors proved unsuccessful, it was leased to Kilombero Plantations Limited in 2008.

Baglioni and Gibbon (2013) argue that, while many state farms in Africa were offered for sale or lease as part of 1990s privatisation programmes, demand for such investments only took off in the first decade of the new millennium. The acquisition of large tracts of land for agricultural production then gained additional impetus as investors sought to capitalise on higher food and fuel prices post-2008. The early exception of Illovo's acquisition of Kilombero Sugar Company

notwithstanding, this pattern is also observed in Tanzania. Schoneveld (2014) records that 47 projects¹⁵ involving land of 2,000 hectares or more successfully completed their land transactions (mainly leases) in Tanzania in the period 2005-13. These comprised about 600,000 hectares of land. Taking a much smaller minimum size for large-scale farms of 100 hectares, Jayne et al. (2016) report that large-scale farms in the country own or control around 1.29 million hectares. Thus, large-scale farms account for around 8 percent of farmland currently occupied in Tanzania.

As already noted, prominent large-scale investments have been made in sugar and rice, which are two of the largest food import items in the country, after wheat.¹⁶ The Land Matrix database, which concentrates on international investors, also notes large-scale production activities within Tanzania in a range of other cereals, fruit and vegetables, oil palm, teak, coffee and livestock.¹⁷

While there has been increased investor interest in large-scale agricultural production, the scale of large-scale land acquisitions is put in perspective by the area of land now occupied by medium-scale farms (see below). Pedersen (2016) argues that Tanzania's 1999 Village Land Act has given communities the ability to defend their rights to land and that this has slowed the transfer of land to large-scale investors. Many large-scale land acquisitions to date have been former state farms, rather than land designated as 'village land' (see below). Business interests seeking to promote large-scale agricultural investments see the procedural difficulties in acquiring village land as a flaw in the current system.

Meanwhile, comparing inventories of large-scale land deals (of 1,000+ hectares) in Ethiopia, Ghana and Tanzania, Cotula et al. (2014) observe that most of the investors in Tanzania have come from Europe and the United States, with very few from Tanzania itself. This lack of domestic investors in large-scale land deals contrasts with their findings in both Ethiopia and Ghana. While they recognise that missing data could

distort the picture, an alternative explanation is that there are few domestic – and especially Tanzanian African – investors with the capacity to manage large-scale farm enterprises. This would be consistent with the observations of Whitfield et al. (2015) on the relative weakness of the domestic capitalist class in Tanzania, plus the observation (see below) that many enterprises with access to large quantities of capital in Tanzania are fundamentally trading enterprises.

4.2 The rise of medium-scale farms

According to Jayne et al. (2016), medium-scale farms (defined as being 5-100 hectares in size) occupy 5.86 million hectares of land in Tanzania. This is almost five times as much land as large-scale farms and surprisingly close to the 8.59 million hectares found within smallholder farms (defined as being 0-5 hectares in size). Even more striking is the apparent rate of growth in the number of such farms. According to that study, there was an almost 40 percent increase in the number of farms of 5-100 hectares in size in the four years after the international food price spike (i.e. 2008-12).

These farms comprise both the holdings of wealthier members of traditional smallholder communities and new enterprises established by urban-based investors, including large numbers of civil servants, for the specific purpose of making money. Even without the international food price spike, demand for food products is growing steadily as a result of increasing urbanisation in Tanzania (see Table 2) and increasing incomes within these urban centres.

4.3 Economic and political dynamics

Are large- and medium-scale farms fundamentally in competition with smallholders or are there complementarities between them? There are arguments both ways (Table 3). Smallholders are geographically

dispersed and typically poor and with low levels of education. Thus, their views are rarely heard directly in policy debates – a factor that has contributed to the neglect of smallholder agriculture in Tanzania described earlier. Owners of large-scale and perhaps also medium-scale farms may be more effective in arguing for policies that are supportive or protective of agriculture. Where the policies advocated primarily concern provision of public goods, then this will also benefit smallholders. Where they concern private goods, however, advocacy by large- and medium-scale farm owners may advantage themselves at the expense of smallholders. Arguably, this is most likely where medium-scale farms are concerned.

Similarly, large-scale farm owners may be able to negotiate improvements in local infrastructure, such as feeder roads or electricity, in exchange for establishing their farms, and these may have spillover benefits for local smallholders. Conceivably, medium-scale farms could also exert such local bargaining power, but only where a critical mass of medium-scale farms existed in a particular locality.

Large-scale farms with processing facilities or high-value marketing contracts may also offer services (technical advice, input provision, credit) to local smallholders through outgrower (contract farming) schemes. This is part of the official SAGCOT vision. Medium-scale farms are unlikely to have either the financial means or incentive to do this.

Table 3: Complementarities and competition between large- and medium-scale farms and smallholders

| | Large-scale | Medium-scale |
|-------------------------------------|--|--|
| Complementarities with smallholders | Lobbying on policy (e.g. protection against imports) | Yes, where policy concerns public goods; may be competitive where policy concerns private good distribution (e.g. subsidised fertiliser or tractors) |
| | Securing local public investment (e.g. road upgrading) from government or donors | Possibly, but only if there is a critical mass of medium-scale farmers within a given locality |
| | Support to smallholders through contract farming | - |
| Competition for smallholders | Land access | Land access |
| | Competition in output markets | Yes; may be stronger than for large-scale farms to the extent that medium-scale farms produce similar crops using similar production technologies and marketing channels to smallholders |

Source: Author's own.

Conversely, where land and market access are concerned, large- and medium-scale farms are essentially competitors. Because Tanzania remains a relatively land-abundant country, one might assume that competition for land is not yet acute. However, as Jayne, Chamberlin and Headey (2014) have argued (for Africa more generally), populations are unevenly distributed within countries, such that scarcity of land can be observed in particular regions – especially those with better infrastructure and higher agro-ecological potential – even of land-abundant countries.

Competition for land may also reflect competition for the accompanying water resources. In Tanzania, competition for land and water in the south west and south of the country has intensified in recent years, with smallholder and large-scale agriculture (including the SAGCOT zone), livestock and conservation (wetlands and other important habitats) coming into conflict. To date, it has been Maasai and Sukuma pastoralists, originally from the north and west of the country respectively (but some of whom have been present in the areas of contention for one to two generations), who have found themselves increasingly squeezed by competing resource users (Mwamfupe 2015; Nindi et al. 2014; Odgaard 2006). Access to land for crop agriculture is discussed further below.

The relative competitiveness of large-scale versus smallholder farmers in crop output markets has been a topic of long-standing academic and policy interest (Binswanger and Rosenzweig 1986). Baglioni and

Gibbon (2013) observe several waves of large-scale farming investment in Africa, including in Tanzania, but argue that these have often been followed by a subsequent retreat into a smaller range of crops where large-scale farms sustained a competitive advantage over smallholders. In recent years, export horticulture has been the primary example of this. Poulton et al. (2008) argue that, across Africa, large-scale farms have demonstrated a competitive advantage, inter alia, in export horticulture and sugar, while smallholders have maintained dominance in cereals and cotton.

In Tanzania, large-scale farms are engaged in the production of a range of commodities (see above). However, these include commodities for which the country is a large net importer, such as rice and sugar, as well as export horticulture, which has grown through large-scale investment. Thus, one could argue that the degree of output market competition with smallholders is currently modest. There is much less available information regarding medium-scale farms. To the extent that they produce similar crops to smallholders using similar production technologies and marketing channels, they are competitors. They are responding to growing demand in Tanzania's urban markets, but are thereby reducing the opportunities for smallholder commercialisation.

In light of these observations, plus the observation that appeals to rural voters should suggest policies in support of smallholder agricultural development, what reasons can be advanced for the rise of large-

scale and especially medium-scale farms in Tanzania in recent years? One hypothesis is that politicians are concerned that rapidly growing urban centres should be fed and food prices kept as low and stable as possible. Food shortages in urban centres prior to structural adjustment were one of the factors that challenged CCM's legitimacy in the eyes of the nascent middle class as well as poor urban workers. A second is that large- and medium-scale farms are not perceived in policy circles to be in competition with smallholders. As noted above, the picture here is mixed. Meanwhile, narratives regarding contract farming can strengthen the belief that complementarities can prevail.

A third hypothesis is that senior politicians doubt the capacity of their own government machinery to deliver the infrastructure investment and support services necessary to stimulate broad-based smallholder agricultural growth. Thus, while they publicly cooperate with international donor agencies in high-profile programmes such as ASDS and NAIVS, they have also increasingly reached out to other actors, including the large-scale private sector, to deliver agricultural growth (Cooksey 2012).

One of the attractions to policymakers of large-scale agriculture is that it requires less state support than smallholder development (Deininger and Byerlee 2012; Poulton, Dorward and Kydd 2010). In Tanzania, a process of decentralisation has given local government administrations, especially districts, greater responsibility for the implementation of key national policies. Yet local accountability remains a weak driver for service delivery. Meanwhile, the process of democratisation has made the central organs of CCM increasingly dependent on the lower tiers of the party (regional, district, ward and village elites) for mobilising votes. It has been argued that this, plus changes to the process of candidate selection, has strengthened the bargaining power of these local elites, with the result that they claim an increasing share of rents from major development programmes in exchange for their services. The consequence is that the power of the centre (CCM and hence government agencies) to discipline local administrations so as to deliver effective services to rural citizens has been diminished (Therkildsen 2011; Therkildsen and Bourgouin 2012).

Finally, the rise of medium-scale farms appears to represent the uncoordinated responses of numerous citizens, of above-average but not necessarily large means, to expanding market opportunities. Many bureaucrats and politicians have been attracted by these opportunities, but there are few monopoly rents

associated with medium-scale farming, so there has been little pressure to restrict the ability of others to access them.

4.4 Land acquisition

Access to, and use of, land are fundamental to rural livelihoods. This includes not just land for cultivation, but for livestock grazing and gathering of a wide range of common pool resources. Most uses of land are seasonal and some, such as gathering of wild foods, may occur primarily in years of inadequate rainfall for most crop cultivation. International evidence indicates that it is often the poorest who rely most heavily on common pool resources for their livelihoods and survival (Beck and Nesmith 2001; Cavendish 1999; Jodha 1995).

According to Alden Wily (2011: 744), Tanzania represents a 'best practice case' in Africa regarding protection of common property rights, with the system of 'formalized, democratized and legally acknowledged community-based government' (ibid.: 747) central to this. In Tanzania, the majority of land – officially estimated at around 70 percent (Mbilinyi 2016a) – is designated as 'village land'. Under the 1999 Village Land Act, this land is vested in the village council, which allocates it to community members for their use. Village land that is not allocated to individuals in this way remains as common land, supplying common pool goods to community members.

There is, nevertheless, a long history of tension between the state and communities over control of land in Tanzania. This is rooted in the claim, made since the start of the colonial period, that all land is ultimately vested in the state. Using this power, the programme of *Ujamaa* villagisation removed many rural households from their homes and lands¹⁸ and also created new state claims to land that were in conflict with pre-existing community claims. The 1999 Act strengthened local control over land, but the state still retains the right to acquire village land (with appropriate compensation) for broader developmental purposes.

Villages can grant portions of their village land to outsiders. The simplest case is where an individual village member wishes to sell or rent land that they have been given for cultivation to a fellow Tanzanian from outside the village. Such private land transactions do not need third party approval. However, the buyer will generally still go to the village council to secure assurance that the transfer is recognised.

Where village common land is involved, the village council negotiates with the investor in question and the decision is presented for approval by the full village assembly – i.e. all community members aged 18 or above. Transactions involving less than 250 hectares are handled entirely at village level, but transactions larger than this have to be approved by the district council too.

Foreigners are not allowed to acquire village land. However, village land can be reclassified (by the President) as general land, at which point the Ministry of Lands can issue a ‘granted right of occupancy’ (essentially a lease of 33, 66 or 99 years) to the investor. This only happens once the steps outlined above have been completed and the Commissioner of Land confirms that fair compensation has been paid to all within the village who are entitled to it (Sulle and Nelson 2009).

The rapid rise of medium-scale farms since 1999 indicates that these procedures are not an impediment to urban-based Tanzanian investors who wish to acquire plots of land for agricultural enterprises. Such people may have connections with the village in question, but, even if not, neither the procedural nor cultural barriers to completing a land transaction are particularly great. Some villages have given out thousands of hectares, albeit in parcels of less than 250 hectares (Sulle, pers. comm.).

By contrast, there are those both in government and within financial institutions that would like to finance large-scale agricultural investments who believe that these procedures are unduly cumbersome for large-scale and particularly foreign investors (Mbilinyi 2016b; Pedersen 2016; Sulle and Nelson 2009). For such investors, acquiring a lease to a suitable piece of land can take two years or more. This was one driver behind the drafting of a new Land Policy, commenced in 2016, that seeks to protect communities’ rights over village land while also streamlining procedures for land acquisition for large-scale investment in areas such as the SAGCOT zone.

However, the draft policy in turn has raised concerns among researchers and activists. While the responsibilities vested in village councils are progressive and unusual in Africa, the system is not perfect. The councils tend to be male-dominated (Mbilinyi 2016c). Members often have limited information about potential buyers of their land, so may be persuaded to approve dubious deals negotiated by village leaders. Large investors may come accompanied by district officials, promising schools or other projects that never materialise (Sulle and Nelson 2009). Despite the fact that full compensation is enshrined in law, there is no appeals system for community members who believe they have not received adequate compensation (Sulle et al. 2016). Indeed, Sulle et al. (2016) argue that displaced people should receive shares in the resulting land-based investments, rather than simply receiving a one-off payment and losing all claims to the land.

5. CONTESTED POLICY NARRATIVES AROUND AGRICULTURAL COMMERCIALISATION

This section briefly summarises and comments upon major agricultural strategy documents and initiatives produced since 2000, highlighting the different positions with regard to agricultural commercialisation that they represent. It shows that agricultural policy has been heavily contested throughout the period 2000–2015. Narratives emphasising the importance of agricultural commercialisation and the benefits of stimulating greater commercial investment in the sector have featured prominently throughout the period, provoking resistance from some within government who have continued to favour a central role for state interventions in stimulating agricultural growth.

Of equal interest, however, are the rationales for stimulating greater commercial investment in the sector, which have to be inferred from the various strategy documents and initiatives. Donors have formally championed commercialisation as a means to stimulating smallholder agricultural growth and ultimately reducing poverty in predominantly rural Tanzania, although some argue that they are also (more) interested in leveraging new market opportunities for agribusinesses and multinational corporations based in their countries of origin. At the same time, Tanzanian business interests have become increasingly influential in promoting a vision of agricultural transformation in which medium- and large-scale farms grow alongside smallholders, to the direct benefit of entrepreneurially minded Tanzanians of diverse means, but with the anticipated impacts on the poorest less clearly spelled out.

5.1 *The Agricultural Sector Development Strategy (2001)*

The ASDS was formulated to drive forward the agenda of Tanzania's first Poverty Reduction Strategy Paper (PRSP) within the agricultural sector. It was, therefore, an appropriately donor-friendly document that set out a limited vision for the Tanzanian state ('policy formulation, the establishment of a regulatory framework to reduce transaction costs, the provision of public goods including a favourable enabling environment and the provision of safety nets for the most vulnerable in society') (United

Republic of Tanzania 2001: 16), so as to create space for greater commercial private sector participation. The objectives of the strategy were framed in terms of poverty reduction, food security and economic growth, with the interdependent processes of commercialisation and enhancing productivity central to the vision of how these goals were to be achieved.

Both domestic and export market opportunities were recognised, as was an 'abundance of unutilised land' (*ibid.*: vi). In what is perhaps a revealing glimpse into the mindset of national agricultural experts and bureaucrats, lack of labour-saving technology was identified as the main factor constraining smallholders to cultivate small areas of land for semi-subsistence purposes. No trade-off was observed between supporting smallholders to expand their production and the development of large-scale agriculture. Rather, the ASDS noted the potential for smallholders to benefit from partnerships with emerging agribusiness firms and large-scale farms.

The ASDS clearly identified the private sector as the critical driver of agricultural growth. The appropriate role of the public sector was to create a stable macroeconomic environment so as to encourage private sector investment and to provide – or, given recognised resource constraints, to support the provision of – services designed to raise the productivity of smallholders.¹⁹ However, the existing legislative and institutional frameworks did not reflect this division of roles, which weakened incentives for commercial private investment. In particular, a number of commodity boards had broad and ill-defined mandates²⁰ and were insufficiently accountable to value chain stakeholders. A review of crop boards was listed as a priority action under the PRSP and was eventually undertaken with World Bank and European Union support in 2004/05. Restrictions on cross-border trade were identified as a disincentive to commercial investment – still an issue more than a decade later (Wilson and Lewis 2015) – and attention was also drawn to the tax regime for agriculture. High interest rates on commercial bank loans to agriculture and high energy prices were both identified as discouraging commercial investment in agriculture.

Finally, there was a need to ‘streamline procedures for legal access to land’ (United Republic of Tanzania 2001: viii). ‘The lack of legal and physical access to land [despite the stated land abundance] is a major hindrance to entry of medium and large-scale farmers into agriculture’ (ibid.: 30). The implementation of the 1999 Land Act was to be monitored to see whether it improved this access.

The ASDS recognised that there were ‘politically difficult aspects of the strategy’ (ibid.: vii). Coming less than a decade after the phasing out of fertiliser subsidies, some still regarded subsidies, rather than greater engagement with remunerative market opportunities, as the way to stimulate smallholder productivity. At the same time, there was a temptation to offer subsidies to favoured agribusinesses to encourage their investment, rather than focusing on the creation of an enabling environment for all investors. There was also a reluctance on the part of central government to be restricted to a policymaking role and to cede the central role in (supporting) service delivery to local government (ibid.: 16-17). These acknowledgements provide clues to the fact that the ASDS approach to the respective roles of state and private sector was not universally accepted within the Tanzanian government.

According to Therkildsen (2011: 16), some of the debates that were suppressed during the formulation of the ASDS resurfaced during the preparation of the Agricultural Sector Development Programme (ASDP). Central government ministries sought to expand their role within the ASDP relative to both the private sector and local government.²¹ In both cases the ministries’ positions were in tension with the preferences of the ASDP’s major donors. This is one reason why the ASDP was not launched until 2006. Combined with the political intervention of President Kikwete to dramatically raise the priority attached to irrigation investment, the final version of the ASDP focused more on state actions than had the ASDS, albeit still leaving much responsibility for implementation in the hands of local governments.

5.2 *Kilimo Kwanza* (2009)

The *Kilimo Kwanza* (Agriculture First) initiative was developed under the auspices of the Tanzania National Business Council (TNBC) – a forum for public–private dialogue chaired by the President of Tanzania²² – with the active involvement of the Agricultural Council of Tanzania (ACT).²³ It was endorsed by President Kikwete in August 2009 at an event in Dodoma celebrating Farmers’ Week.

According to Cooksey (2014), the development of *Kilimo Kwanza* was in part a response by the Tanzanian business community to the state-led nature of the ASDP. Its nature as a public–private initiative was contrasted with the centrally planned and largely government-driven ASDP. The content of *Kilimo Kwanza* was developed during a series of district workshops run by ACT during 2006-07, zonal workshops organised by TNBC and the National Economic Empowerment Council (NEEC) in 2008, and a local investor’s roundtable.

Since the commencement of the ASDP, world food prices had risen dramatically, accentuating the opportunities for profit within the Tanzanian agricultural sector. It supported the principle of domestic agricultural production in place of imports (using tariff protection if necessary) and argued for the establishment and/or revitalisation of domestic agro-processing industries and against the export of agricultural raw materials. *Kilimo Kwanza* argued that Tanzania’s agriculture sector needed to be modernised and commercialised, as a precondition for the wider structural transformation of the economy.²⁴ It noted the low use of improved seeds, fertilisers and crop protection chemicals in Tanzania, and the correspondingly low yields of major crops – all phenomena that input supply companies could address – as well as the need to revive local supply of agricultural machinery and implements.

The second of *Kilimo Kwanza*’s ten pillars drew attention to the need for greater financing for various activities within agricultural value chains in the country. This included both public and commercial finance. It argued for the 2003 Maputo Declaration target of 10 percent of the national budget to be dedicated to agriculture and specifically highlighted the need for greater investment in rural infrastructure and in irrigation. It suggested that 7 million hectares of land should be irrigated by 2015 – an aspiration way in excess of the politically inflated target of 1 million that was introduced into the ASDP. While even the 1 million hectare target had not been achieved by 2015, a *Kilimo Kwanza* recommendation that did come to pass was the establishment of a Tanzania Agricultural Development Bank (established in August 2015).

Kilimo Kwanza, therefore, promoted the interests of entrepreneurially minded Tanzanians; not necessarily the interests of large businesses (although some of these were associated with ACT, TNBC and the *Kilimo Kwanza* initiative) but not primarily the interests of poor farmers, who for some time to come were likely to face multiple constraints to the modernisation of production systems that *Kilimo Kwanza* envisaged. It argued that agricultural transformation could (and should) be

undertaken by small, medium- and large-scale farms alike – continuing the narrative of the ASDS that there is no fundamental competition between these multiple scales. In practice, this primarily meant expanding the opportunities for medium- and large-scale farms, and the various agribusinesses that would service them, alongside the existing smallholder population. Farmer organisations and contract farming should be promoted, which would benefit a sub-section of the smallholder population, but in practice these could also encompass (and may at times primarily benefit) medium-scale farms.

Nevertheless, *Kilimo Kwanza* was also astutely populist. The phrase evoked a narrative that the agriculture sector had been neglected – to Tanzania’s cost. Former President Nyerere’s observations along the same lines were quoted to support this position and suggest that this was an initiative to benefit all. The ‘home grown’ nature of the initiative was highlighted, and *Kilimo Kwanza* argued that ordinary Tanzanians should be sensitised to ask what they could do to transform agriculture. As such, the slogan *Kilimo Kwanza* became a regular feature of CCM campaign rallies in the run-up to the 2010 election.

5.3 The Southern Agricultural Growth Corridor of Tanzania (2010-11)

SAGCOT was initiated at the World Economic Forum Africa summit held in Dar es Salaam in May 2010. It describes itself as a public-private partnership that seeks to ‘ensure the necessary infrastructure, policy environment and access to knowledge to create an efficient, well-functioning agricultural value chain’ (www.sagcot.com). The government, alongside supportive donors, would invest in the upgrading of transport, electricity supply and other infrastructure in the SAGCOT zone, which covers around one-third of the country, while seeking to encourage private investors to develop agricultural production and processing enterprises there. By 2030, SAGCOT aims to have mobilised US\$3.5 billion in public and private investment, so as to bring 350,000 hectares of (new²⁵) land into profitable production, creating 420,000 jobs, involving 100,000 commercial smallholders and lifting 2 million people out of poverty (SAGCOT Centre Ltd 2015). SAGCOT’s strategy centres on the development of investment clusters. In 2015, six clusters were identified for infrastructure upgrading and investment promotion.

SAGCOT seeks to attract both domestic and international investment into agricultural production and processing investments in the SAGCOT zone.

ACT describes SAGCOT as ‘the first programme for implementation of Kilimo Kwanza’ and is proud of its contribution to the establishment and ongoing implementation of SAGCOT (<http://actanzania.or.tz/about-us/achievements>). Since 2011, a SAGCOT Centre has been established to oversee the SAGCOT development strategy. The SAGCOT Centre board comprises both Tanzanian and international members and is chaired by an ACT board member. None of the board members is either a Tanzanian government employee or donor representative, but a former official from the Ministry of Agriculture is the Chief Executive Officer. His deputy has a background in promoting international agribusiness.

The SAGCOT Centre has (wisely) spent time developing the ‘rules of the game’ that will govern its operations and those of investors who are attracted to the SAGCOT zone, and consulting with civil society and other groups regarding their concerns about an initiative with such a grand ambition. These include both social justice and environmental concerns, with land and water rights central to both of these.

As of 2015, SAGCOT claimed that 13 projects were underway within the zone, comprising ‘close to 100 active partners’, and that the centre had ‘close to US\$1bn in committed investment from its partners’ (SAGCOT Centre Ltd 2015: 6). SAGCOT is the pre-eminent initiative for promoting large-scale farming in Tanzania and flagship investments reflect this. At the same time, inclusion of smallholders and other rural households through contract farming schemes and employment opportunities is a central part of the official SAGCOT vision (Ibid.). It is claimed that ‘around 25,000 smallholder farmers currently benefit from SAGCOT’s initiatives’. What is less clear is where medium-scale farms and smaller trading and processing enterprises fit into the SAGCOT vision. To what extent will medium-scale farms compete with smallholders as infrastructure and market linkages within the SAGCOT area are improved?

5.4 Tanzania Agriculture and Food Security Investment Plan (2011)

In 2010, Tanzania embarked on the process of developing an investment plan in accordance with the Comprehensive Africa Agriculture Development Programme (CAADP). Although the government had signed the 2003 Maputo Declaration stating its commitment to increase investment in the agriculture sector, like most other signatories it had not engaged actively with the CAADP process until the world food price rises of 2007-08. At the L’Aquila summit in July 2009, G8 nations announced that US\$20 billion in aid to

support 'sustainable agriculture development' as part of their response to the crisis would be used to 'support the implementation of country and regional agricultural strategies and plans through country-led coordination processes' (G8 Heads of State and others 2009, para 10, quoted in Poulton et al. 2014).

Cooksey (2014) describes the process by which the ASDP was subsumed under the Tanzania Agriculture and Food Security Investment Plan (TAFSIP) so as to produce a document with sufficiently ambitious investment targets and suitable references to food security and climate change to satisfy the criteria for a CAADP investment plan. The name conveys that agricultural commercialisation was not a key theme of TAFSIP, although CAADP has increasingly recognised the importance of commercialisation alongside concerns about food security.

The presentational gymnastics also required that TAFSIP finesse the complexities of the relationship between the ASDS and *Kilimo Kwanza*. As the officials associated with TAFSIP were similar to those involved in the development of the ASDP, *Kilimo Kwanza* was given the somewhat dismissive status of 'slogan'. According to Cooksey (2014), in practice TAFSIP was unlikely to make much difference to Tanzanian agricultural policy or investment. While many elements of the *Kilimo Kwanza* programme have yet to be implemented (and may never be), the fact that it is owned by ACT and represents the aspirations of an important constituency of entrepreneurially minded and politically connected Tanzanians means that it is likely to have a more enduring influence.

5.5 Big Results Now (2013)

Like TAFSIP, the influence of Big Results Now on the agriculture sector was ephemeral. Inspired by Malaysian experience, Big Results Now was an initiative endorsed by President Kikwete in early 2013 to enhance public service delivery so as to accelerate policy impact in six priority sectors: energy, agriculture, water, education, transport and mobilisation of resources (www.pdb.go.tz). It involved the establishment of a Presidential Delivery Bureau within the Office of the President, which sought to identify so-called National Key Result Area (NKRA) initiatives within each of the priority sectors, then to monitor the progress of these initiatives. In other words, Big Results Now sought to

improve prioritisation within policymaking in key sectors and then to enhance coordination (across planning, budgeting and implementation stages) so as to deliver developmental outcomes. The fundamental challenge that its prioritisation and coordination efforts faced was the increasingly decentralised nature of the Tanzanian state and the rent-seeking demands that were made within this.

Within the agriculture sector, Big Results Now aimed to achieve three key results by 2015/16 (www.pdb.go.tz):

- 'Setting up 25 commercial farming deals for paddy and sugarcane
- Establishing 78 professionally managed collective rice irrigation and marketing schemes
- Setting up 275 collective warehouse based marketing schemes'.

Collectively, these interventions were designed to stimulate production of rice, sugar and maize and 'to involve 400,000 smallholder farmers and cover 330,000 hectares of land for smallholder farming. In addition, the NKRA aims to prepare 350,000 hectares of land for large-scale farming' – all by 2015/16 (www.pdb.go.tz). This makes the ambition of SAGCOT seem extremely modest.

The goals are interesting primarily in terms of the interests that they represent. While smallholders are the major producers of both maize and rice, large- and medium-scale farmers are important players in rice and (especially) sugar production. Large-scale production was explicitly targeted in the first results area. As already noted, irrigation investment, with a focus on rice, ended up being a major feature of the ASDP, but was also championed by *Kilimo Kwanza*.

It is hard to escape the conclusion that Big Results Now was a final attempt by President Kikwete to show commitment to agriculture ahead of the 2015 elections – and perhaps achieve some impact where previous initiatives had delivered very little. Needless to say, the agricultural targets of Big Results Now were not met (DFID 2016). In June 2017, President Magufuli disbanded the Presidential Delivery Bureau that had been established to coordinate Big Results Now (*The Citizen* 2017).

6. INSIGHTS FROM SUGAR, RICE AND COTTON

This section briefly summarises experiences from three agricultural commodity chains that shed further light on the political economy of agricultural policymaking in Tanzania. While some common themes emerge, there is also diversity across the commodity chains. These experiences must be seen as illustrative rather than providing a comprehensive picture for the agricultural sector as a whole. Moreover, the experiences summarised here all relate to the period of the Kikwete presidency from 2005–15. The final section of the paper considers how things might change under President Magufuli.

6.1 Sugar

Sulle (2016) analyses the expansion of sugar production on and around Kilombero Sugar Company in Morogoro region and, in particular, the political forces that have shaped this. His analysis highlights two main dynamics: the rise of medium-scale farms within the population of sugar outgrowers (a long-term threat to smallholder cane growers) and the struggle between domestic sugar production interests and importers (where the interests of medium-scale sugar outgrowers are aligned with those of smallholder cane growers).

KSCL was bought by Illovo in 1998, the first privatisation of a major state farm. According to Sulle (2016), the company was interested in expanding the core sugar estate, but was unable to acquire additional land. The 1999 Village Land Act requires village councils to give their consent to expropriation of land for use by foreign investors, but the communities around Kilombero were unwilling to grant this. Instead, therefore, the company sought to expand its operations by increasing supplies from outgrowers. It received support for this from development agencies, including the European Union, which supported the capacity building of outgrower associations as well as financing road upgrading in the areas around the core estate. Consequently, although production on the core estate increased by 75 percent in the 15 years following privatisation, the share of total cane production supplied by outgrowers increased from 20 percent to 45 percent over this period.

According to company figures quoted by Sulle (2016), as of 2013/14, 70 percent of the cane supplied by

outgrowers came from smallholders (defined as farms cultivating less than 5 hectares of land).²⁶ The remainder came from farms cultivating 5–50 hectares (19 percent) and farms cultivating more than 50 hectares (11 percent). While these medium-scale farms still accounted for a minority of outgrower supplies, this represented a considerable increase since privatisation. In 2002/03, KSCL purchased sugar from eight outgrowers cultivating 5–50 hectares and a further three cultivating more than 50 hectares. By 2013/14, these figures were 1,667 and 13 respectively (Sulle 2016). Moreover, the same study cites company sources acknowledging that around 60 percent of the land within a 40km radius of the core estate is now cultivated to sugar. Given non-farm uses, this leaves limited room for smallholder food crop production and raises the prospect of some smallholders eventually selling or leasing their land near KSCL to medium-scale farms and seeking land elsewhere on which to continue their more diverse farming activities.

Sulle (2016) also reports that medium-scale farmers have secured control of the various associations of sugar outgrowers that both contract with KSCL on behalf of producers and lobby government in regard to sugar matters, and describes how they use this control to their advantage. Contracts between associations and KSCL are negotiated every three years. Over time, the associations have secured a rising share of the reference sugar price for outgrower suppliers and in exchange have assumed primary responsibility for providing services (seed supply, extension, transportation) to outgrowers. The rising share of the reference price benefits all growers, but medium-scale farmers have used their control of associations to benefit themselves. As owners of tractors and trucks, they supply these to their associations to provide services to other members. Associations also obtain quotas of sugar that they are contracted to supply to KSCL, presumably a consequence of the perishability of sugar once harvested, hence the need to carefully schedule supplies to the processing factory (Binswanger and Rosenzweig 1986). Medium-scale farmers can use their control of associations to ensure that they get secure production quotas, leaving some smallholder members with uncertainty over their ability to market the sugar that they produce (Sulle 2016).

Between 1998 and 2013/14, the number of associations contracting with KSCL rose from 2 to 15. Sulle (2016) indicates that this proliferation was the result of disputes within associations. This suggests that leaderships are not fully accountable to members. However, it would not be surprising if many of the disputes were between the more powerful members – that is, medium-scale farmers, with disgruntled individuals then choosing to establish their own associations. As associations have proliferated, some constitutions require leaders to farm a minimum area of land (10 or even 50 hectares). Sulle (2016) reports that Illovo was unhappy with the proliferation of associations, as this raises its transaction costs in negotiating and managing supply contracts. However, it also reduces the bargaining power of the associations in relation to Illovo. Is it possible that the share of the reference sugar price received by outgrower suppliers could have been even higher had it been negotiated by one or two consolidated associations?

The second dynamic highlighted by Sulle (2016) is the high-level political struggle between sugar producer and importer interests over sugar import licences. Although recent reforms have sought to create more of a genuine world market for sugar, the high levels of protection in most producing countries have historically made the world market a residual market where excess supplies are sold at artificially low prices (Tyler 2007b). Thus, tariff protection is self-reinforcing at the level of the international market system. In this context, a sensible sugar policy in a deficit country requires a predictable level of sugar imports at known tariff rates. However, in Tanzania, as in several other African countries, the temptation for senior politicians is to offer (additional) import licences and/or tariff waivers to rent-seeking trading businesses, thereby destabilising price incentives for domestic producers. In Tanzania, the importers in question are understood to be primarily Tanzanians of Asian and Arab origin, who are also understood to be major funders of CCM (Booth et al. 2014; Sulle 2016). The temptation to offer additional import licences or tariff waivers may be particularly strong in the run-up to an election, so as to both reduce sugar prices for consumers and to generate rents that then find their way into election coffers.

Unpredictable imports were a problem for domestic producers in Tanzania in both 2011/12 and 2013/14 (Sulle 2016). In 2012/13, Tanzanian producers were forced to export sugar due to oversupply on the domestic market.²⁷

The struggle between sugar producer and importer interests is one where the interests of large, medium-scale and smallholder sugar producers are aligned.

Sulle (2016) notes that outgrower representatives – who are predominantly medium-scale farmers – have worked with KSCL to lobby politicians on this matter. As former and current civil servants are reported to feature prominently among sugar outgrowers, their connections may contribute significantly to the effectiveness of such efforts. This should also benefit smallholders.

In 2016, incoming President John Magufuli took the side of domestic producers and personally committed to oversee import licensing for sugar. However, this action coincided with scarcity of sugar on the world market due to El Niño. It may also have provoked a response from importers, looking to signal the dangers for government of challenging their interests. Either way, the consequence was shortages of sugar in Tanzanian supermarkets and considerable price rises. Reorienting agricultural policy implementation so as to provide credible investment guarantees for domestic producers is not going to be an easy task.

6.2 Rice

Therkildsen (2011) analyses the failure of government efforts to promote irrigated rice production in Tanzania during the first term of President Kikwete. This failure is noteworthy for two reasons: (1) President Kikwete personally intervened in the preparations of the ASDP – the main implementation vehicle for the ASDS – to raise the priority of, and ambition for, irrigated rice production, seeking to gain political capital from this; and (2) coincidentally, a common East African Community (EAC) external tariff of 75 percent on imported rice came into effect in 2005, ostensibly providing strong incentives for domestic producers to invest in rice.

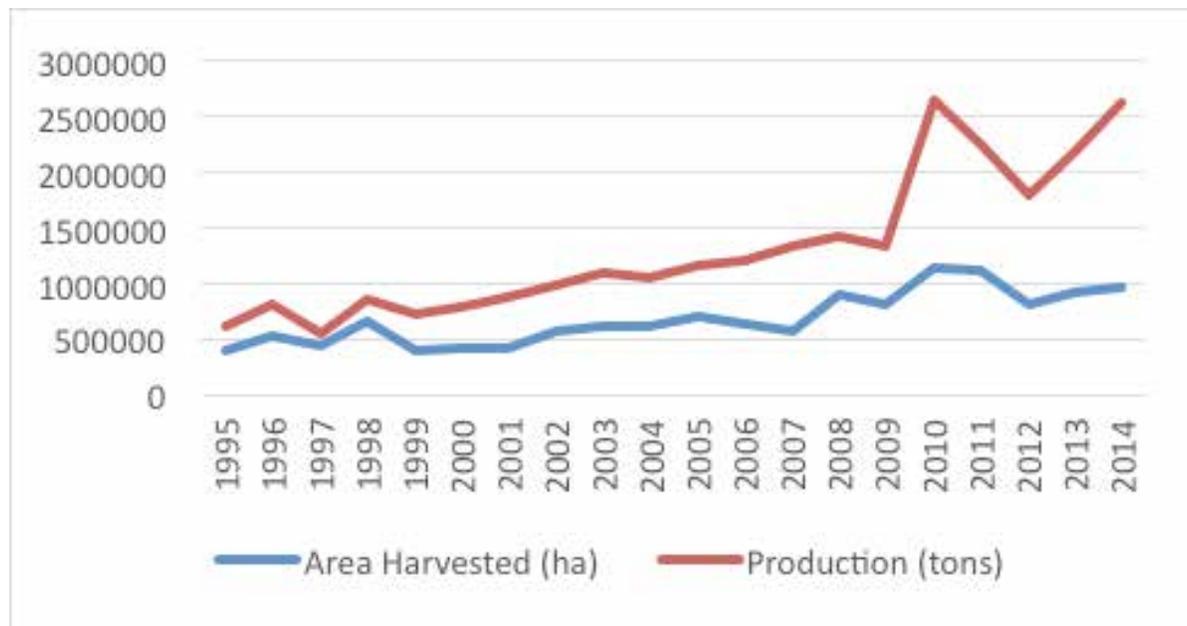
In practice, despite a target to reach 1 million hectares of irrigated land within five years, the rate of growth in the total land area under irrigation in Tanzania continued at its pre-2005 levels, increasing from 264,000 hectares in 2006 to 332,000 hectares in 2010 (Therkildsen 2011). Figures quoted in Wilson and Lewis (2015: 53) suggest that much of this area is cultivated to rice, but also that the majority is ‘traditional’ or ‘improved traditional’ irrigation. Progress in installing modern irrigation systems for smallholders has ‘been slow mainly as a result of poor institutional development and inadequate funding’ (ibid.).

Meanwhile, Tanzanian rice production has increased strongly, driven by rapidly growing urban demand, but over 70 percent of the area planted to rice remains rainfed. Wilson and Lewis (2015) suggest that the 75 percent tariff has provided an important stimulus to domestic production, but Figure 1 suggests that the

spi21q2007Ake in international rice prices in 2007–08 may have been equally as important. Either way, growing imports are projected in coming years.

Therkildsen's (2011) argument is twofold. Firstly, weak implementation capacity at district level, coupled with the inability of central agencies to influence performance at district level, undermined efforts to rapidly scale up irrigation infrastructure for smallholders. Secondly,

Figure 1: Tanzanian rice production 1995–2014



Source: FAOstat

unofficial imports of rice, principally through the port in Zanzibar, weakened the incentives provided by the 75 percent common external tariff.

On the first point, once ambitious targets had been set for expanded irrigation infrastructure and some (albeit insufficient) donor money had been mobilised to support the efforts, there was an unhealthy focus on quantity of infrastructure at the expense of quality of irrigation services. District administrations, tasked with achieving the increases in irrigated area, sought first to rehabilitate existing systems that had fallen into disrepair, without addressing the factors – principally, neglect of systems for operations and maintenance – that had led to them falling into disrepair in the first place. The same omissions characterised proposals for new schemes. Often, proposals were advanced without a feasibility study to show that the scheme could catalyse productivity and profit increases to justify its investment cost or to support subventions for operations and maintenance. Periodic ASDP evaluation reports highlighted the absence of water user associations on new or rehabilitated schemes and the failure to collect anticipated user payments. However, central agencies were apparently unwilling or unable to coax a move towards better practice over the time period analysed by Therkildsen.

A focus on quantity of infrastructure could also facilitate rent seeking and distribution at district level. The primary vehicle here would be the granting of contracts for infrastructure rehabilitation or construction to individuals or firms with connections to district officials in the government or party machinery (Therkildsen 2011). One piece of evidence that may support this interpretation is the number of schemes where rehabilitation or construction was started as part of ASDS, but not completed.

Overall, Therkildsen's argument in relation to programme implementation is that the holding power that local CCM elites have acquired as a result of democratisation – through their importance to the party hierarchy in mobilising voters – has reduced the ability of central government agencies to discipline district administrations to deliver even on priority national development programmes.

On the second point, Therkildsen (2011) notes that official rice imports fell considerably following the introduction of the 75 percent tariff. However, rice prices in the country did not rise to reflect an associated shortage.²⁸ The explanation here seems to be that rice was smuggled into the country via the port on Zanzibar. It is alleged that the rents associated with this trade are

important both to prominent individuals and to CCM party funding on Zanzibar. At the same time, rice is the staple food on Zanzibar, but production on the islands only satisfies around 10 percent of local demand, so keeping the import price low is an important political priority. Given the finely balanced political situation on Zanzibar, Therkildsen argues that mainland politicians were unwilling or unable to force their Zanzibari counterparts to clamp down on unofficial rice imports entering Dar es Salaam.

More recently, Wilson and Lewis (2015: 52) comment that:

The [common external tariff] applies... only to the mainland of Tanzania (imports to Zanzibar are subject to a smaller tariff of 25 percent, or are even exempt from tariff altogether). The law of unintended consequences again comes into force, and there is evidence that while official imports have declined, unofficial imports through Zanzibar have not (indeed importers through Zanzibar are likely to be making significant profits, as are those who are simply avoiding paying the tariff through a spectrum of devious ways).

They discuss the fact that the Government of Tanzania has periodically imposed export bans on Tanzanian rice – with the effect of reducing rice prices – at the same time as maintaining the (imperfectly enforced) import tariff, which should serve to raise prices. They observe that ‘the Government’s changing policies on export bans and import tariffs have reduced customer and investor confidence’ (Ibid.: 9) and list these as one of the ‘main threats’ to the future development of the industry.

Ultimately, both of Therkildsen’s points emphasise the inability or unwillingness of top CCM leadership to impose discipline on groups within the party who have acquired holding power through their contribution to winning elections, either as grassroots mobilisers of votes or as campaign funders. As with the sugar example, the power of importer interests is observed, presenting a challenge to policies that seek to encourage the capacity of domestic producers *inter alia* through tariff support. While the political importance of urban consumers is widely recognised in literature, the analysis reviewed in this paper emphasises the influence of the importers themselves through their contribution to CCM party funding.

6.3 Cotton

Recent experience within the cotton industry in Tanzania also presents a story of failure to implement a policy that had the public backing of President Kikwete: the introduction of contract farming.

The cotton industry in Tanzania is distinctive within Africa for its highly competitive market for seed cotton.²⁹ Poulton and Maro (2009) reported that, from 2003 to 2006, between 26 and 36 ginnerers purchased seed cotton at harvest time. The share of total seed cotton purchases accounted for by the top five buyers ranged from 35 percent to 45 percent, but the identities of the top five buyers changed each year. A decade later, only a modest amount of consolidation had taken place. From 2012 to 2014, between 30 and 34 ginnerers purchased seed cotton at harvest time. The share of total seed cotton purchases accounted for by the top five buyers had risen somewhat, to between 44 percent and 54 percent. Two companies appeared in the list of the top five buyers across all three years and another two companies featured in two of these years.

As explained by Poulton and Maro (2009) and Tschirley, Poulton and Labaste (2009), this high level of competition is a mixed blessing. Positively, it means that a high share of the available lint price is passed onto farmers through seed cotton pricing. Negatively, it makes it difficult to organise collective attempts to raise farmer productivity (through provision of extension support or input credit), and incentives for seed cotton quality have been abandoned in the scramble to acquire seed cotton. Thus, farmgate prices are constrained by the quality discounts applied to eventual lint sales and low yields more than outweigh the benefits of competition in driving returns to farmers’ labour input.

In 2008 the Tanzania Cotton Board (TCB) and the Cotton Sector Development Programme (CSDP), funded by the Gatsby Charitable Foundation, decided that the best way to improve farmer returns in cotton production was to introduce contract farming into the sector. A pilot programme run in Mara region during 2008–09 to 2010–11 showed promising results in terms of both seed cotton yields and quality, with mixed performance in terms of loan recovery across the three participating ginnerers. The initiative was popular with farmers, in part because responsibility for seed cotton purchase was given to farmer business groups, mobilised and trained by TechnoServe, instead of the local buying agents who were traditionally relied on by ginning companies (Kiishweko 2010). These agents, who are

typically paid on commission (hence with an interest in volume rather than quality), are widely distrusted by farmers for fiddling weighing scales. Farmer anger at these practices prompts retaliatory measures, such as adulterating seed cotton deliveries with sand, water and other impurities that are an important part of the quality problems in the industry.

Encouraged by the experience of the pilot programme, during 2010 the TCB sought a change in the prevailing cotton legislation, so as to be given powers to regulate for the introduction of contract farming in other parts of the Tanzanian cotton-growing area. Ministerial support was not immediately forthcoming and the revised Cotton Act was passed following a change of minister after the 2010 election.

The TCB then announced that contract farming would be rolled out across the entire Tanzanian cotton-growing area during the 2011/12 production season. Apparently this rapid scaling up was in response to demand from regional and district commissioners, who had learned of the popularity of the Mara pilot. However, it was extraordinarily ambitious – not least because farmer business groups had yet to be established outside Mara. The primary mechanism for engaging ginners in the roll-out was to be a condition attached to the granting of buying licences – that ginners would only be allowed to buy in areas where they had supported farmer productivity through extension advice and provision of inputs on credit.

Some opposition to contract farming was expected from smaller ginners, who had less access to capital to fund provision of inputs on credit. In addition, many of the smaller ginners were perceived – by both the TCB and larger ginners – as having little interest in the long-term development of the industry. However, their continued presence in the industry, and ability to free-ride on initiatives led and funded by other ginners, was enough to discourage such initiatives, which were ultimately to the benefit of farmers. Contract farming was thus seen by some as a way of forcing smaller ginners either to contribute to longer-term industry development or to exit the industry altogether.

From 2012 to 2014, the top 15 ginners accounted for 88–89 percent of total seed cotton purchases. Thus, while smaller ginners might be relatively numerous, the financial resources at their disposal for a campaign against contract farming appeared to be limited. However, their holding power turned out to be a function primarily of their connections within CCM, rather than financial resources. Their cause was also aided by the unrealistically rapid scaling out of contract

farming that was announced, such that even ginners who ultimately stood to gain from contract farming were not persuaded that mechanisms existed to protect their investment in farmer support in 2011/12.

In practice, deadlines set by the TCB for ginners to deposit money to cover the costs of farmer support (primarily the importation of crop protection chemicals) passed without compliance. Farmer groups were hastily identified by district task forces and inputs were distributed, but paid for out of the Cotton Development Trust Fund (CDTF), an existing industry-wide fund. In March 2012, the Minister of Agriculture gave ginners an ultimatum to deposit their contributions by the end of May or be denied buying licences for the season commencing in June. He was reshuffled before the deadline expired and was replaced by his deputy. A bumper harvest followed, but loans were not recovered from farmers and the CDTF suffered a crippling loss. Later in the year the new minister pronounced contract farming to be 'dead'.

In 2013, individual ginners resumed efforts to promote contract farming on a local level, recognising that cotton farming would become increasingly unattractive to Tanzanian smallholders unless efforts were made to raise the productivity of their cotton cultivation. However, the story of these subsequent efforts, which have remained contested, is not told here.

Figure 2 shows the positions of various industry stakeholders in regard to contract farming around June 2012. There are two striking features. Firstly, the Minister of Agriculture opposed contract farming, despite the fact that the President always remained publicly supportive of it (although he had to conduct the ministerial reshuffle in May 2012), and that it was promoted by the TCB, an agency that reported to the Minister. Secondly, regional and district commissioners from the main cotton-growing area in the north west of the country were generally supportive of contract farming, but many MPs from the same area were opposed to it. These two groups had access to the same local information about the Mara pilot and could both gauge farmer sentiment towards contract farming. The two features of the story are linked.

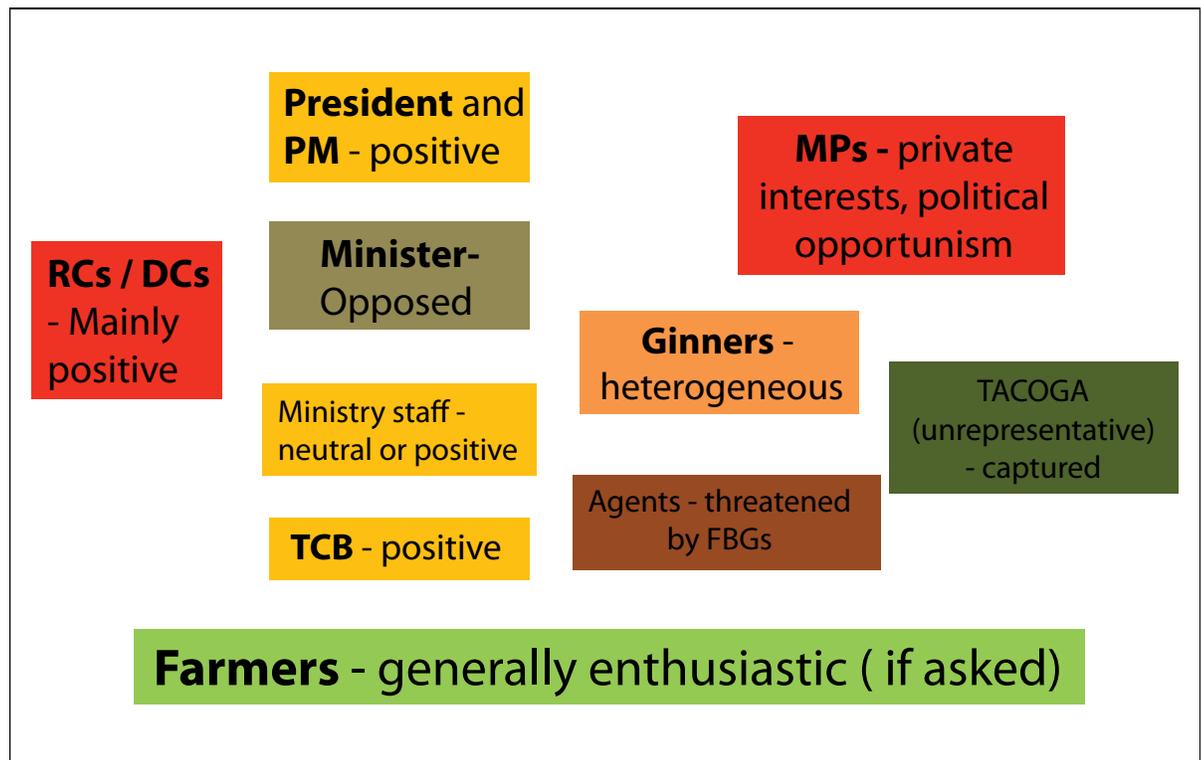
The right-hand side of Figure 2 shows a number of individuals and groups who stood to lose from contract farming and could make their opposition known either to MPs or, through MPs, to the Minister of Agriculture. It turns out that at least five MPs from the cotton-growing zone had some ownership stake in a cotton ginning company, generally the smaller companies that stood to lose from contract farming. Other ginners hold positions

within the CCM party apparatus at district or regional level. Additional opposition came from buying agents, who were directly threatened by the introduction of farmer business groups (FBGs). A significant number of these turned out also to be local councillors, who were, therefore, not only CCM members but also acted as election agents for MPs. The Tanzania Cotton Growers' Association (TACOGA) presented itself as a representative voice of farmers and, in the early stages of the Mara pilot, was supportive of contract farming. However, its Chairman, Elias Zinzi, also operated as a cotton-buying agent in Bariadi, the largest cotton-

producing district in the country (Matthew 2013), and decided to campaign against contract farming during 2011/12.

Three men held the position of Minister of Agriculture during the period 2006–2015. Among these the dominant figure was Hon Stephen Wasira, MP for Bunda, part of the Mara region pilot for contract farming. Hon Wasira was a trusted ally of President Kikwete, having been brought back from a period in the political wilderness when Kikwete made his bid for President in 2005. Hon Wasira was Minister of Agriculture from 2006

Figure 2: Industry stakeholders' positions with respect to contract farming



Source: Author's own

to 2010, then moved to the Office of the President, but was reintroduced as Minister in 2015 in the run-up to the election. The Minister who pronounced contract farming 'dead' was a former deputy of Hon Wasira.

It appears that Hon Wasira was sympathetic to the arguments advanced by fellow MPs and others within CCM from the cotton-growing area regarding contract farming. Their opposition can be understood both in terms of self-interest and in terms of what Whitfield et al. (2015) describe as African economic nationalism. In Tanzania, much economic activity has historically been controlled by Europeans and Asians. In the 1950s and 1960s, African economic nationalism was first expressed through the efforts of cooperatives to challenge this power. It was closely bound up with

the desire for political independence. Under President Nyerere, state organisations took responsibility for much of the economic activity previously controlled by Europeans and Asians. In an era of liberalisation, African economic nationalism may be expressed through the promotion of Tanzanian African enterprises in markets where foreign and/or Tanzanian Asian enterprises are once again important players. In all manifestations, the cause of the majority of Tanzanian citizens has been invoked, but wealthier and/or better-educated citizens have been driving forces and major beneficiaries.

In the 1950s and 1960s the cotton zone was home to the most vigorous cooperative movement in the country, which successfully challenged the dominance of Asian traders over seed cotton marketing and which

first campaigned against manipulation of seed cotton weighing scales. This history remains important today. Although the picture is more complicated than this, post-liberalisation, many of the larger ginners in Tanzania are again Asian owned, so the campaign against contract farming could be presented as a campaign to protect farmers against forces that would ultimately seek to exploit them. A particular concern was the potential effect of contract farming on the seed cotton price – an issue that would indeed require regulatory attention, but which should be seen in the context both of the highly competitive seed cotton market and the fact that productivity gains through contract farming could more than offset losses to producers through attenuated price competition. However, there were also references in some pronouncements against contract farming about the influence of *'wageni'* (foreigners).

Hon Wasira himself first served as a minister under President Nyerere, but, starting in the 1990s, developed a range of business interests, including seafood exports. In relation to contract farming, he raised concerns about seed cotton pricing and also claimed a responsibility, as Minister for Agriculture and Cooperatives, to ensure that reforms to the seed cotton market left room for cooperatives.³⁰

In the context of this paper, however, the most important points are not the motives of particular actors, but their holding power. Many smaller ginners turned out to be well connected within local CCM party structures. In constituencies where cotton is a major economic activity and potential source of accumulation, links to cotton also provide one of the main ways of funding election for political office, whether as ward councillor or MP. In turn, it is argued that Hon Wasira was able to sustain an influential position on contract farming that was out of line with the consistently stated position of President Kikwete because the President valued Wasira's loyalty in internal party struggles that erupted when Kikwete dispensed with the services of his first Prime Minister (and, up to that point, his closest ally) Edward Lowassa, over a major corruption scandal.

One may still ask why many MPs in the cotton-growing zone adopted a position on contract farming that was out of line with the interests of a large number of their constituents. One possible explanation is that, in a context where rural voters have historically voted overwhelmingly for CCM, securing the CCM nomination was seen as the most important step in becoming an MP. For reasons that have already been explained, many people within the party structures had vested interests in the existing organisation of cotton marketing – not in reform. That some of these MPs

were perceived not to be adequately representing the interests of their constituents became apparent at the 2015 election, however. Hon Wasira was defeated in his Bunda constituency and at least one fellow MP with a prominent position within the cotton industry was deselected at the CCM primary stage.

Like the sugar and rice stories, the cotton story illustrates the influence of trading interests within CCM and the challenge that this poses for initiatives to promote domestic productive capacity in agriculture. Unlike the sugar and rice stories, however, the trading interests in the cotton story are not importers, but domestic trading companies that are interested primarily in buying and selling agricultural commodities. Some of these are small and need to turn over their scarce capital quickly. Others are larger, but engage in a range of markets – agricultural and non-agricultural – partly as a way of diversifying risk and partly as a way of deploying their capital wherever returns are currently highest. For both types, a cotton market that allows buyers to purchase seed cotton in June and July, gin it and sell the resulting lint by September, with minimal commitments for the remainder of the year, is ideal. Firms that are interested in developing the supply base of smallholder cotton farmers either wish to establish a position as specialist cotton ginners or have invested in related industries (oil crushing or textiles and garments) that require reliable raw material supplies. They tend to have more capital, but they also have a fundamentally longer-term perspective on the industry.

Why are trading interests so influential within CCM? One possible explanation is that, during the Nyerere years, there were few opportunities to develop private sector manufacturing and agro-processing firms in Tanzania. Economic distortions did, however, present opportunities to import scarce commodities, albeit unofficially. People who did this were sometimes labelled as 'economic saboteurs'. However, when CCM reinvented itself under presidents Mwinyi and Mkapa – welcoming business people into its ranks so as to fund election campaigns – these were precisely the people who had accumulated the sort of capital that the party was seeking. They have supported the pursuit of economic liberalisation – a path that still sits uneasily with some who have roots in the party's socialist past. However, intentionally or unintentionally, their pursuit of their own interests through their connections within the party may also have discouraged the development of domestic productive capacity in agriculture and elsewhere.

7. REFLECTIONS ON AGRICULTURAL POLICY PROCESSES

This section draws primarily on the experiences of the three commodity chains that were summarised in the previous section to offer reflections on agricultural policy processes in Tanzania. It should be reiterated that these experiences are only illustrative, and do not provide a comprehensive picture for the agricultural sector as a whole.

7.1 *Where are the key decisions taken and who is involved?*

The three commodity chains present a diversity of experience with regard to the relative importance of central government and sub-national (region and district) administrations in decision-making and influence over policy outcomes. The differences reflect the nature of the commodity chains and specifically the ability of the major private actors to achieve coordination in service provision to smallholder suppliers without state support (Poulton et al. 2010; Poulton and Lyne 2009). Where the state plays, or should play, an active role in the delivery or facilitation of services, then sub-national administrations assume a greater role in decision-making and influence over policy outcomes.

In the sugar case, village councils are involved in the land allocation process, given the significant influx of medium-scale farmers whose requirements fall below the 250 hectare threshold that would necessitate involvement of district authorities. However, local government plays very little role in service provision to sugar farmers. The perishability of harvested sugar cane means that farmers have to sell to the nearby processing factory; multiple marketing channels are not available. In turn, this facilitates the enforcement of contract farming arrangements, so farmers can access inputs and services on credit. In the Kilombero case, the core sugar estate has devolved responsibility for service provision to farmers' associations. However, the need to transport harvested cane to the factory almost immediately makes it fairly straightforward for associations to secure payment for their services.

Meanwhile, several key decisions affecting the profitability of sugar production are negotiated at national level: the tariff levied on imported sugar; the amount of sugar that is imported (and the unofficial decisions that determine how fully the tariff is applied); and the pricing formula for sugar cane, which is negotiated across companies and growers' associations.

In the rice and cotton cases, policy is formally set by central government, but formal rules and informal practice have often pulled in different directions. In rice, the major manifestation of this is the uncertainty surrounding import volumes and tariffs plus export taxes.

In cotton, the lack of alignment between the President, Prime Minister and the TCB on the one hand and the Minister of Agriculture on the other was highlighted in Figure 2. This intersected with the divergent positions adopted by regional and district commissioners and by MPs in the cotton-growing area. The former are presidential appointees and as such are supposed to represent the President's wishes in their administrative areas. However, they also act as the President's eyes and ears, so provide feedback on initiatives that are popular or unpopular in their areas. In this latter capacity, a number of regional and district commissioners in Mara, Shinyanga and Mwanza are understood to have given their support to the cotton contract farming initiative, based on the pilot in Mara.

Commencing in 2013, individual commissioners entered into discussions with ginners interested in pursuing local contract farming experiments in their areas. Commissioners undertook to use their control over policing to enforce restrictions on seed cotton marketing so as to provide a form of guarantee for ginners who invested in input provision and perhaps also extension support to local cotton farmers. During the 2014/15 season, an agreement of this nature, involving several ginners, was concluded for the whole of Geita region plus a couple of neighbouring districts. With only a fortnight to go until the official start of the buying season, there were still rumours swirling that

the Minister of Agriculture would use his authority over buying licences to grant buying rights, via the Shinyanga cooperative union, to a buyer that had not invested in the contract farming scheme. However, both the President and Prime Minister formally reaffirmed their support for the initiative, so the marketing restrictions were upheld in practice. Since then, a number of district commissioners have endorsed local contract farming agreements in their areas. However, others have taken a contrary view, including one case where it is understood that a disgruntled ginner used his influence within the regional CCM apparatus to persuade a commissioner to oppose the extension of such an agreement. In the cotton case, therefore, regional and district commissioners have assumed an increasing role in determining policy in practice, given the contested nature of policy at the centre.

Cotton is a crop in which contract farming arrangements are common in Africa and elsewhere (Oya 2012; Tschirley et al. 2009). However, this relies on there being limits to, or restrictions on, the competition between ginners for the purchase of seed cotton, so as to facilitate the enforcement of contracts. In the competitive Tanzanian industry, ginners alone struggle to enforce loan repayment, which has created a role for regional and district administrations.

In the case of rice, state agencies have been directly involved in the development of irrigation infrastructure for smallholder producers. Theoretically, this role could have been performed by a national irrigation authority. However, Tanzania's decentralisation policy means that responsibility has fallen to district administrations. Therkildsen's (2011) observation is that they have exercised this responsibility with little effective control or discipline from the centre, but that this independence is more the result of the growing holding power of local political elites than the formal provisions of the decentralisation policy.

7.2 The role of donors, farmers' organisations and business associations

The influence of donors over policymaking in Africa, for good or ill, has long been debated (Binswanger and Deininger 1997; Collier 2007; Edwards 2014; Mkandawire and Soludo 1999; Moyo 2010; Tilley 2014; van de Walle 2001). In Tanzania, despite substantial increases in the domestic tax base over the past 20 years, donors continue to make an important contribution to the national budget (Therkildsen and Bourgoignie 2012). They are also actively involved in the formal processes of policymaking, as was made clear

in the review of strategies and initiatives in section 5. However, as illustrated by all three of the commodity case studies, policy implementation has often diverged from formal policy, reflecting the fragmentation of power within CCM. This reduces the influence that donors can exert over policy in practice, as shown by experiences in rice and cotton, and suggests a 'primacy of domestic politics' in determining outcomes (de Renzio 2006).

In the rice case, the development of the ASDP was dominated by mid-level civil servants (technocrats) in collaboration with donor representatives (Therkildsen 2011). Ministerial input was almost absent. The one striking exception to this picture was the unexpected intervention by president-in-waiting Kikwete to dramatically raise the ambition regarding the expansion of irrigated area to be achieved during the programme. This, however, was never fully matched by funding pledges.

As explained by Therkildsen (2011), significant challenges were encountered during the implementation of the programme, notably around systems for operation and maintenance of new and rehabilitated irrigation schemes. Joint government and donor monitoring reports highlighted these, but did not apparently lead to a change in practice. Moreover, overall progress in the programme was classified as 'satisfactory'. Cooksey (2012) criticises donors for acquiescing to unduly rosy assessments of programmes that they fund, recognising that they are under increasing pressure to show value for money from their activities to domestic taxpayers.

In the cotton case, early funding for the CSDP was provided by the Gatsby Charitable Foundation, later joined by DFID. Staff funded through the CSDP, national and expatriate, have worked with the TCB to develop and support contract farming initiatives. Although they have actively sought to monitor political forces that can affect programme implementation, staff of the CSDP and TCB have been powerless to push through contract farming reforms when opposition has been entrenched. This should not be surprising, given that the President's own stated support for the programme has not been enough to see it implemented.

With some notable exceptions, including cotton farmers in Burkina Faso and Mali, farmers' associations in Africa are commonly seen as weak. The sugar and cotton cases in Tanzania provide contrasting examples, emphasising the importance of going beyond generalisations. As noted in section 6.1, sugar has attracted the interest of plenty of well-connected urban-based farmers, who have subsequently assumed

prominent positions within growers' associations. This gives these associations a greater degree of bargaining power with government and companies than is found in most other commodity chains in Tanzania, although this is partially offset by the splintering of associations that has occurred (Sulle 2016). One potential concern with the dominance of medium-scale farmers within sugar growers' associations is that their interests might diverge from those of smallholders. This could be the case in regard to the services provided to cane growers by associations and how much growers have to pay for these services (Sulle 2016), but their interests are more closely aligned in relation to sugar cane pricing and the regulation of sugar imports.

In cotton, there is a long history of cooperative involvement, but primary societies and cooperative unions have long ceased to function as effective membership societies, and they have been unable to compete with private buyers in a liberalised market. TACOGA aspires to fill part of the gap left by the decline of the historic cooperatives and it is formally represented in the governance structures of the CDTF. However, TACOGA has never had the resources with which to build a strong, representative membership base (Kabissa 2014); indeed, its establishment may be seen as something of an opportunistic move on behalf of its first Chairman, Zinzi. Farmer business groups were promoted as a central element of the contract farming model that was piloted in Mara. They were clearly perceived as a threat by existing buying agents, which may be taken as an indication of their potential to bring benefits to farmers. However, reliance on an external agency for their mobilisation was resource intensive and subsequent experiments with contract farming have worked with individual farmers, albeit exploring alternative ways of doing this. As in sugar, strong farmers' associations may only arise when there is symbiosis with the buying companies. To date, the institutional framework for contract farming has been too contested to allow companies to invest in medium- or long-term efforts to build up the smallholder supply base – a prerequisite for any such symbiosis.

Finally, business associations have not featured in the accounts of any of the three sectors, although the role of the TNBC and ACT in developing *Kilimo Kwanza* and subsequently in supporting SAGCOT was highlighted in section 5. In the cotton case, the account emphasised the heterogeneity of ginners (see Figure 2). Divisions between ginners that are fundamentally trading firms and those that want to pursue a longer-term developmental agenda for the industry have undermined collective efforts to raise farmer productivity since liberalisation, whether these efforts have been driven by the TCB or by sub-groups of ginners. The Tanzania Cotton Association (TCA), which formally represents ginners in some public forums, is severely weakened by these divisions.

Commenting on the Tanzanian economy as a whole, Therkildsen and Bourgoignie (2012) report that in 2007, 410 large companies paid almost half of the total taxes collected in the country. They observe that this should give these companies considerable influence over policymaking and implementation. However, they find that, 'the relationships of such companies to the state are particularistic rather than formally organised' (ibid.: 38), which reduces their influence. In the three commodity case studies considered in this report, the relationships of companies to the state are indeed primarily particularistic, effected through connections within CCM. However, this still translates into discernible influence over policy implementation – for example, rice and sugar importation, and the non-implementation of contract farming.

ACT represents a range of private sector interests, both large and small. Through first *Kilimo Kwanza* and subsequently SAGCOT, it has contributed significantly to policy discourse. It has no direct influence over public agricultural expenditure, so many elements of the *Kilimo Kwanza* programme have yet to be implemented (and may never be). Nevertheless, the constituency of entrepreneurially minded Tanzanians that ACT represents has grown in economic and political influence since the establishment of ACT and it seems likely that they will continue to do so in coming years.

8. AGRICULTURAL POLITICS UNDER THE MAGUFULI PRESIDENCY

This paper was written 18 months into the presidency of John Magufuli and there is still considerable uncertainty about what impact his presidency will have on agricultural policy and performance (as on many other areas). There was considerable enthusiasm initially for his energy, apparent willingness to tackle corruption and emphasis on delivery of public services. However, many people's enthusiasm has been tempered by concerns over an authoritarian streak in his personality and government, as well as by economic dislocation resulting from some of his anti-corruption initiatives, which have hit the banking sector³¹ and reduced the volume of grey money circulating in the economy.

Looking at the record to date, some question whether President Magufuli has a clear vision or strategy. By contrast, this section posits a coherent vision to restructure power relations within Tanzania. This vision returns to the original objectives of TANU and the early cooperative movement (strong in Magufuli's home region of the Lake Zone): to establish power in the hands of the African majority, asserting a greater degree of control over the Asian traders and external business interests that have dominated the Tanzanian economy for significant periods of the past century. Not only does state power have to be exerted to effect this change, but CCM itself needs to be reformed. During the liberalisation era, the party has wandered from its original objectives. In the process, powerful vested interests have established themselves within the party. To achieve his economic and social vision, President Magufuli has to confront the power of these groups and gradually replace them with people loyal to his ideals. The big question is whether he can achieve all this.

In his election campaign in 2015 Magufuli emphasised that he would be a president who delivered jobs and services to ordinary Tanzanians – in (undisguised) contrast to his predecessor, who promised much but was widely perceived to have delivered little. This likely reflects a recognition that CCM's hold on power has become increasingly insecure over time, the comfortable margins of victory in elections to date (Table 1) notwithstanding. The low rural turnout in 2010 was a cause for concern. Nationally, the opposition challenge in 2015 was the strongest yet.

The nature of the 2015 presidential contest also necessitated an emphasis on delivery. Magufuli's opponent, Edward Lowassa, had been forced to stand down as Prime Minister as a result of a corruption scandal, even if he claimed to have been treated as a scapegoat in this matter. Nevertheless, he retained a reputation for getting things done, which gave him popularity. With Lowassa's defection to the opposition – a possibility at the time that CCM completed its selection process – CCM needed a candidate who could also credibly claim to get things done. Magufuli's track record as Minister of Works enabled him to make this claim. His personality also inclines him to action.

Magufuli also apparently perceived that he had an opportunity to achieve change. In his bid for the CCM presidential nomination, Magufuli's predecessor, Jakaya Kikwete, mobilised a network (*'mtandao'*) of supporters who backed him with money and influence within the party committees that comprise the selection process.³² Some of these people, like Lowassa and Wasira, were brought back to the centre of CCM politics by Kikwete's bid for power, so debts ran both ways. Nevertheless, it is understood that Kikwete came to power with debts, both financial and personal, to numerous individuals, who could thus call in favours during his presidency. Where these favours related to companies, they could impact on policy implementation (albeit informally), thus weakening the ability of Kikwete's administration to pursue consistent policy objectives.

By contrast, Magufuli emerged as the surprise CCM presidential candidate when the two frontrunners, Lowassa and Bernard Membe, were vetoed within the various party committees – victims of the feud between Kikwete and Lowassa that dated back to the latter's dismissal as Prime Minister. At this point, with Lowassa now threatening a well-funded opposition challenge, CCM needed Magufuli's energy and reputation for delivery as much as he needed the party. In contrast to Kikwete, it would appear that he emerged from the selection process beholden to relatively few people.

There is greater uncertainty over the financing of Magufuli's campaign. It was not flashy; it deliberately set out to portray him as a friend of the worker and

the farmer – in stark contrast to the enormously rich Lowassa. It was thus not particularly expensive. In a televised meeting with members of the TNBC in Dar es Salaam on 3 December 2015, soon after the election, Magufuli challenged them to say whether he had sought money from any of them to finance his election campaign (*The Insider* 2015). He claimed that he was not indebted to any of them, a claim that gained some credence when he took high-profile action against under-payment of customs duty at Dar es Salaam port, apparently taking on some of the large import firms that were believed to have financed previous CCM campaigns. However, TNBC members are not necessarily representative of all businesses in Tanzania in regard to this matter. Few believe that his campaign was funded wholly or even primarily out of the official election subvention for CCM, large though that is in relation to the official funding for opposition parties. Nevertheless, it seems that Magufuli is freer from past debts to large businesses than Kikwete was.

Yet Magufuli still has to consolidate his own support base within the party, which was not thought to be particularly strong at the time of his nomination, and to secure party funding for the 2020 election. Policy change is not simply a question of redrafting formal documents to conform to the ideology and priority of the new person in charge, but of building and consolidating a coalition to support the new direction of travel. Ultimately he has to craft a credible plan for winning the next election, despite pursuing a course that will upset many actors whom he would otherwise have relied on for party funding or for grassroots voter mobilisation. Of course, a track record of policy delivery should itself provide a strong foundation for an election campaign. The risk is that there are lag times in delivering policy outcomes, whereas vested interests are upset more immediately, such that the president fights for re-election without CCM's traditional organisational resources but before voters have seen many of the changes to delivery that were promised.

President Magufuli has, therefore, engaged energetically both in radical policy initiatives and in attempts to reform CCM. His intention to restructure power relations within the economy is observed in efforts to redefine the terms on which the state engages with both telecoms and mining companies. Both of these key sectors are dominated by multinational companies. His determination to move government ministries from Dar es Salaam to Dodoma – after years in which this was official policy but not implemented – may appear symbolic, but could also alter power relations in important ways. In this case, distance will be placed between importer interests (located in Dar

es Salaam) and government ministries. At the same time, representatives of the Lake Zone and west of Tanzania will gain greater access to national political decision-making. It is noteworthy that Magufuli is the first president since Nyerere whose home area has been closer to Dodoma than to Dar.

President Magufuli's mantra of promoting industrialisation has to be analysed in light of the factors just discussed. As well as generating employment, this emphasises the expansion of domestic production capacity at the expense of importation. References to industrialisation sometimes explicitly mention agri-processing, but not always. However, those responsible for turning the objective of industrialisation into practical policy implementation know that agri-processing, and hence links to the agriculture sector, will be critical to success.

The top expenditure priority of the Magufuli government is infrastructure: roads, railways, ports, rural electrification. This, plus the current economic squeeze, means that funds for direct agricultural investment are extremely limited. Agriculture's share of the national budget is unlikely to rise in the immediate future and expensive programmes, such as the fertiliser subsidy programme, have been dramatically scaled back. Instead, policy attention is being focused on individual agricultural value chains and what can be done, at low cost, to enhance their efficiency and/or productivity.

The commodity case studies in section 6 highlighted the systemic challenges that confront a CCM president who wants to deliver results in agriculture: the dispersed nature of power within CCM and hence the wide range of individuals and groups with holding power to claim rents from state activity and to resist reforms that seek to remove these. President Magufuli has, therefore, set about challenging the power of some of these individuals and groups, so as to enforce his preferred policies from the centre. Most notably, he has committed to providing tariff protection to domestic producers, taking on the power of importers. This may be politically costly, but has a neutral or positive impact on the national budget. His championing of domestic sugar processors and restricting import volumes was noted in section 6.1. He has similarly upheld the tariff on rice imports. Oilseeds are another area where domestic production stands to benefit against import competition.

The sugar example illustrates how difficult it is going to be to reorient the economy and the party towards domestic production. However, this reorientation does not have to depend entirely on bringing new players into the heart of the party. President Magufuli will be

hoping to persuade existing trading firms to invest more in domestic productive capacity (Masare 2016).

To strengthen the ability of central government to impose discipline on elites at local government level, under President Magufuli, regional and district commissioners report directly to the Office of the President rather than the Prime Minister, and have been given expanded powers. The President has also replaced most existing post-holders with his own appointees.³³ In the short term this should enhance the capacity of government to deliver services to citizens. However, the lower tiers of the party hierarchy will themselves have to be excited by the outcomes if they are to campaign with enthusiasm come 2020.

The popular campaign against corruption has given President Magufuli the opportunity both to pursue politicians and business people who supported Edward Lowassa in the 2015 election and to restrict the resources flowing to elements within CCM who might

oppose the government's new policy directions. New restrictions on freedom of speech and the freedom of association for opposition parties were highlighted as a genuine cause for concern in section 3. A sympathetic interpretation is that restrictions on freedom of speech may be deployed to keep intra-CCM battles out of the public eye as Magufuli seeks to stamp his authority on the party and bring it into line with his vision for a reputation based on policy delivery. Meanwhile, the tough line taken against opposition parties can be understood (though not endorsed) in part as a way of closing off the exit options – and hence reducing the bargaining power – of people within CCM who stand to lose from the new policy stances. However, if the vested interests favouring the status quo prove too strong or the obstacles to improving public services and creating jobs create long lags before improved performance is seen, CCM will again depend primarily on its organisational advantages at the 2020 election and these restrictions on civil liberties will be a powerful weapon to ensure the continuing hegemony of CCM.

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ENDNOTES

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- 2 The party that assumed power on Tanzania mainland (Tanganyika) at independence was the Tanzania African National Union (TANU). In 1977 this merged with the Afro-Shirazi Party, which governed Zanzibar, to form CCM.
- 3 (Khan 2011: 23) defines ‘holding power’ as ‘... the ability of a particular organization [or group] to hold out in actual or potential conflicts against other organizations, including the enforcement organizations of the state. The organization that can survive longest in a conflict with organizations with contrary interests is likely to be able to achieve a change in formal or informal institutions in line with its interests.’
- 4 Both Mbeya and Morogoro regions fall within the SAGCOT zone, which is discussed in more detail below.
- 5 UKAWA stands for Umoja wa Katiba ya Wananchi and was originally formed in 2014 to provide a strong voice on proposed changes to the Constitution. President Kikwete and his government suspended efforts to revise the Constitution in 2015.
- 6 The figures in Table 1 refer to Union elections comprising both Tanzania mainland and Zanzibar. Zanzibar also maintains its own Parliament, which has sovereignty over matters designated as non-Union matters, including agriculture, and elects its own President, who then also acts as one of two Vice-Presidents in the Union government. Unlike Union elections, all elections for the Zanzibar presidency and Parliament since 1995 have been extremely close. They have also become increasingly prone to violence as opposition supporters protest at perceived rigging of the results. In 2010 CCM and Civic United Front (CUF), the two main parties on Zanzibar, formed a government of national unity to head off another round of (feared) violence. In 2015 the election result was declared void by the Zanzibar Electoral Commission after the CUF presidential candidate had declared himself the winner, and a re-run was ordered for early 2016. However, CUF boycotted the re-run.
- 7 According to Hoffman and Robinson (2009), the CCM Constitution still recognises them as the party’s representatives in their respective areas.
- 8 Opposition parties gained more seats than CCM in three northern regions for the first time in the 2015 elections (Kimboya 2015).
- 9 There is a high turnover of candidates in CCM primary elections (Twaweza 2010), which may partially reflect this.
- 10 Similar dynamics are seen in other parts of Africa, too. On average, rural voters are more likely to vote for incumbent presidents than their urban counterparts (Bratton et al. 2011). The lower education levels and more limited access to communications of rural populations may contribute to this.
- 11 Rural water supply is an interesting case of neglect and broken promises that featured prominently in election campaign rallies in 2015.
- 12 The figures for enrolment in primary education 1995-2005 in Table 2 bear testimony to this effort. The enrolment rate continued to rise to 95 percent in 2008, but has since fallen back (World Development Indicators database, accessed 9 January 2017). However, many more primary pupils are now progressing to lower secondary education.
- 13 Prior to structural adjustment, the government had provided fertiliser subsidies primarily to four maize surplus regions in the Southern Highlands (Iringa, Mbeya, Rukwa and Ruvuma). These subsidies, plus the policy of pan-territorial maize pricing, compensated

- the farmers in these regions for the effects of exchange rate overvaluation on maize pricing. They were phased out as part of the structural adjustment process.
- 14 During the Nyerere years, policy did at times promote large-scale state or collective farms. However, large-scale private agricultural enterprises have only gradually risen to prominence since structural adjustment.
- 15 These include commercial forestry plantations, but exclude livestock ranches.
- 16 According to FAOstat [accessed 20 January 2017], in 2013 Tanzania imported wheat worth US\$312 million, sugar (in various forms) worth US\$145 million and rice worth US\$128 million.
- 17 This is based on a list of 17 large-scale projects recorded as being 'in production' (database downloaded 7 October 2016). Of these 17 projects, 11 signed their lease or other contract since 2008 and four prior to this. (The remaining two are undated.) The areas granted by the respective leases range from 263ha to 22,300ha, the latter being a biofuels (sorghum and sugar) project in Bagamoyo. However, actual production areas at the time of the various reports sourced by Land Matrix ranged from only 30ha to 9,000ha. The largest project in the list is the teak project (28,000ha), but this refers to the area covered by an exploitation licence, rather than a lease. As of 7 October 2016, the Land Matrix database also included: four projects (various crops) recorded as being in a 'start-up phase' prior to production; seven (including some sugar cane and rice) that have simply 'not started', and 11 projects (originally intended to grow jatropha, oil palm or rice) that are recorded as 'abandoned'.
- 18 Rist (2014: 132) cites claims in Nyerere (1977) that 'by 1977 a total of 7684 villages housed more than 13 million people'. This would amount to 75 percent of the total population and approaching 90 percent of the rural population in 1977.
- 19 With Tanzania's gradual shift towards decentralisation, these service delivery and support functions were as likely to be provided by local government administrations as by central government.
- 20 Cooksey (2003) advanced a similar argument, claiming that such powers encouraged interventionism.
- 21 More research would be required to clarify whether this was motivated primarily by ideology or by institutional interests to control the large flows of money that would be associated with ASDP.
- 22 TNBC comprises up to 40 members – 20 from each of the public and private sectors – all of whom are appointed by the President. Private sector members are recommended for appointment by the Tanzania Private Sector Forum. TNBC was established by then-President Mkapa, under Presidential Circular No. 1 of 2001, as a forum for public and private sector dialogue to foster 'a healthy and robust economy where the guiding hand of government, through enlightened legislation and transparent governance enhances the development of private initiatives, encourages local and foreign investments and provides an enabling environment for economic growth' (<http://tnbc.go.tz/v2>, accessed 5 June 2017). As well as stimulating dialogue between appointed members, TNBC organises roundtable events with local and international investors.
- 23 Similar to TNBC, but with a specific focus on the agriculture sector, ACT was established in 1999 as Tanzania Chamber of Agriculture and Livestock and 'inaugurated' the following year by then-President Mkapa. It changed its name to ACT in 2005. It describes itself as 'the agricultural private sector apex organization in Tanzania'. It welcomes farmer groups and associations, cooperatives, companies and agricultural institutions into membership. Its mission is to pursue 'modernize[d] and commercialized agriculture in Tanzania'. ACT's Board of Directors includes people with public, private and non-government organisation (NGO) sector backgrounds. The current Executive Director, Janet Bitegeko, was formerly Director for Policy and Planning in the Ministry of Agriculture, Food Security and Cooperatives, where she 'coordinated the formulation of the Agricultural Sector

- Development Strategy (ASDS) in 2001 and the preparation of the Agricultural Sector Development Programme (ASDP) which was concluded in 2006' (<http://actanzania.or.tz/about-us/who-we-are>, accessed 5 June 2017).
- 24 The notion that agricultural transformation is a precondition for wider structural transformation is questionable. Some productivity increase within the agriculture sector may be required to catalyse wider processes of structural transformation. However, the transformation of the agriculture sector proceeds in tandem with wider processes of structural transformation and, indeed, is increasingly driven by changes in the non-farm economy as those wider processes unfold (Poulton 2017).
- 25 According to FAOstat [accessed 5 June 2017], the total area of land cultivated for crop production in Tanzania in 2014 was 15.65 million hectares. The comparable figure in 2005 was 11.36 million hectares. Thus, while 350,000 hectares is a large area, it does not represent a particularly large increase in area cultivated within the SAGCOT zone over a 15-year period. We should expect the area cultivated by smallholders to increase by much more than this by 2030. By contrast, finding 350,000 hectares that are available for use within large-scale farms would be a major challenge.
- 26 It is unclear whether this refers to total area cultivated by the smallholder household or area of sugar cultivated.
- 27 Source: Sugar Board of Tanzania, www.sbt.go.tz/index.php/datas [accessed 10 May 2017].
- 28 Another explanation is that substitutability between imported rice, which is generally non-aromatic and low quality, and domestic rice, much of which is (semi-)aromatic and higher quality, is low (Lazaro et al. 2017). Instead, imported rice is a substitute primarily for maize among lower-income urban consumers. However, even Lazaro et al. (2017) acknowledge anecdotal evidence that a formal tariff waiver during 2012-13 did depress the domestic price of rice.
- 29 Cotton farmers grow seed cotton and harvest seed cotton bolls. A boll comprises cotton fibres that grow as a protective casing around the seeds of the cotton plant. During the first stage of processing, known as ginning (conducted at ginneries by ginners), the cotton fibres are separated from the seeds. The separated fibres, known as cotton lint, are sold onto spinners to make thread, while the seeds are typically crushed to give edible oil, leaving seed cake which is a good source of feed for livestock.
- 30 In fact, cooperatives were largely competed out of the seed cotton market by private ginners in the first decade after liberalisation (Poulton and Maro 2009). In 2010/11, immediately prior to the proposed roll-out of contract farming, they accounted for just 2 percent of total seed cotton purchases in Tanzania.
- 31 In January 2016 the government directed state agencies (ministries, public corporations and local government authorities) to transfer accounts held in the country's commercial banks to the Bank of Tanzania (The Citizen 2016). Commercial banks have responded by reducing the volume of new lending until such time as they have rebuilt their balance sheets.
- 32 See Mtega 2015 for the 2015 selection process.
- 33 Presidents regularly reshuffle regional and district commissioners, but this was a rapid and thorough refresh.



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