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A history of development aid and poverty alleviation in Tanzania: a case study of Finnish aid in Lindi and Mtwara regions

Rashida Shariff

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**A History of Development Aid & Poverty
Alleviation in Tanzania**

by Rashida Shariff

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A HISTORY OF DEVELOPMENT AID AND POVERTY

ALLEVIATION IN TANZANIA

A CASE STUDY OF FINNISH AID IN LINDI AND MTWARA REGIONS.

By

Rashida Shariff

**A dissertation submitted in partial fulfilment of the requirement for the degree of
Masters of Arts (History) in the University of Dar es Salaam.**

University of Dar es Salaam

July 2000

CERTIFICATION

The undersigned certifies that he has read and hereby recommend for acceptance by the University of Dar es Salaam dissertation entitled: **A History of Development Aid and Poverty Alleviation in Tanzania: A Case Study of Finnish Aid in Lindi and Mtwara Regions** in partial fulfilment of the requirements for the degree of Master of Arts (History).

.....
Prof. N. N. Luanda

SUPERVISOR

DATE:.....

**DECLARATION
AND
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I, Rashida Shariff, declare that this dissertation is my own work and that it has not been submitted to any other University.

Signed.....

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ACKNOWLEDGEMENT

I am sincerely grateful to various people who directly or indirectly contributed to the making of this dissertation. These include lecturers at the University of Dar es Salaam, my family and friends. Their support and guidance was really helpful.

Finnish Aid in Development (FAD) is also appreciated for sponsoring this study. Prof. Chachage S. Chachage and Prof. Koponen have also been of great assistance in ensuring that this study is possible. In addition, the villagers, village government officials, RIPS officials and workers in Lindi and Mtwara Regions were extremely co-operative in ensuring that this work is successful.

My special thanks go to the History Department for nurturing academic and scholarly qualities in me to facilitate the search for truth and social justice in society. This work would not have been accomplished without the intellectual and practical guidance of my supervisor, Prof. Luanda.

However, the above persons are not responsible for any shortcomings that might appear in this work. I am entirely responsible for this work.

DEDICATION

To all those interested in Development with social justice.

ABSTRACT

This study investigates whether Finnish Development Aid has taken into account social relations in its attempt to alleviate poverty in Lindi and Mtwara regions, southeastern Tanzania. It is also a historical study of how these two regions have remained largely poor compared to the rest of the country. Finnish aid has been aiming at alleviating poverty among the highly poverty stricken people of southeastern Tanzania.

Finnish aid approach to poverty alleviation in the 1960s-1970s was that economic prosperity would trickle down to the poor, thus tried to provide resource, expertise and technology to transform Tanzania into a modern state. This approach failed. After the collapse of the East and the Berlin Wall in 1970s to 1980s Finnish-aid approach to poverty alleviation in Tanzania has been through coercing Tanzania to adopt SAP policy. Its approach to poverty alleviation has since 1980s changed from technical to rural integrated. However, both the SAP policy and the rural integrated approach have failed to alleviate poverty in south eastern Tanzania.

There has been lack of historical and relational analysis to development. This is likely because political and economic concerns and fears of the western capitalists have been the fundamental concern of providing Finnish aid to Tanzania since independence rather than poverty alleviation and consequently less benefit to poverty alleviation in Tanzania. This is revealed from the continued differentiation between the north and the south in social and economic needs like adequate; health, education,

transport, tools of production, per capita GDP and reliable food supply, among others caused by an external oriented economy and its accompanied social relations serving the western capitalist needs. Finnish aid has also been established to maintain poverty because of the unequal power and resource distribution between the donor, the recipient (Government of Tanzania) and the target group (southern poor). Consequently, Finnish aid sustains rather than eradicates inequalities and therefore continued poverty of the south-eastern poor.

CHAPTER OUTLINE

The study has six chapters. Chapter one gives an introduction to the study and includes, history of Finnish aid in Tanzania, area of study and its background, the problem area, significance of the study, theoretical framework, literature review and methods of data collection. Chapter two is a historical and relational analysis of underdevelopment in south-eastern Tanzania from the colonial to independence period. Chapter three explains the general trends of aid in alleviating poverty in Tanzania from independence to the present. Chapter four provides an analysis of Finnish aid and poverty alleviation in Mnazimmoja and Mpeta villages. Chapter five makes an overall analysis of Finnish aid and poverty alleviation in Lindi and Mtwara. The general conclusion follows.

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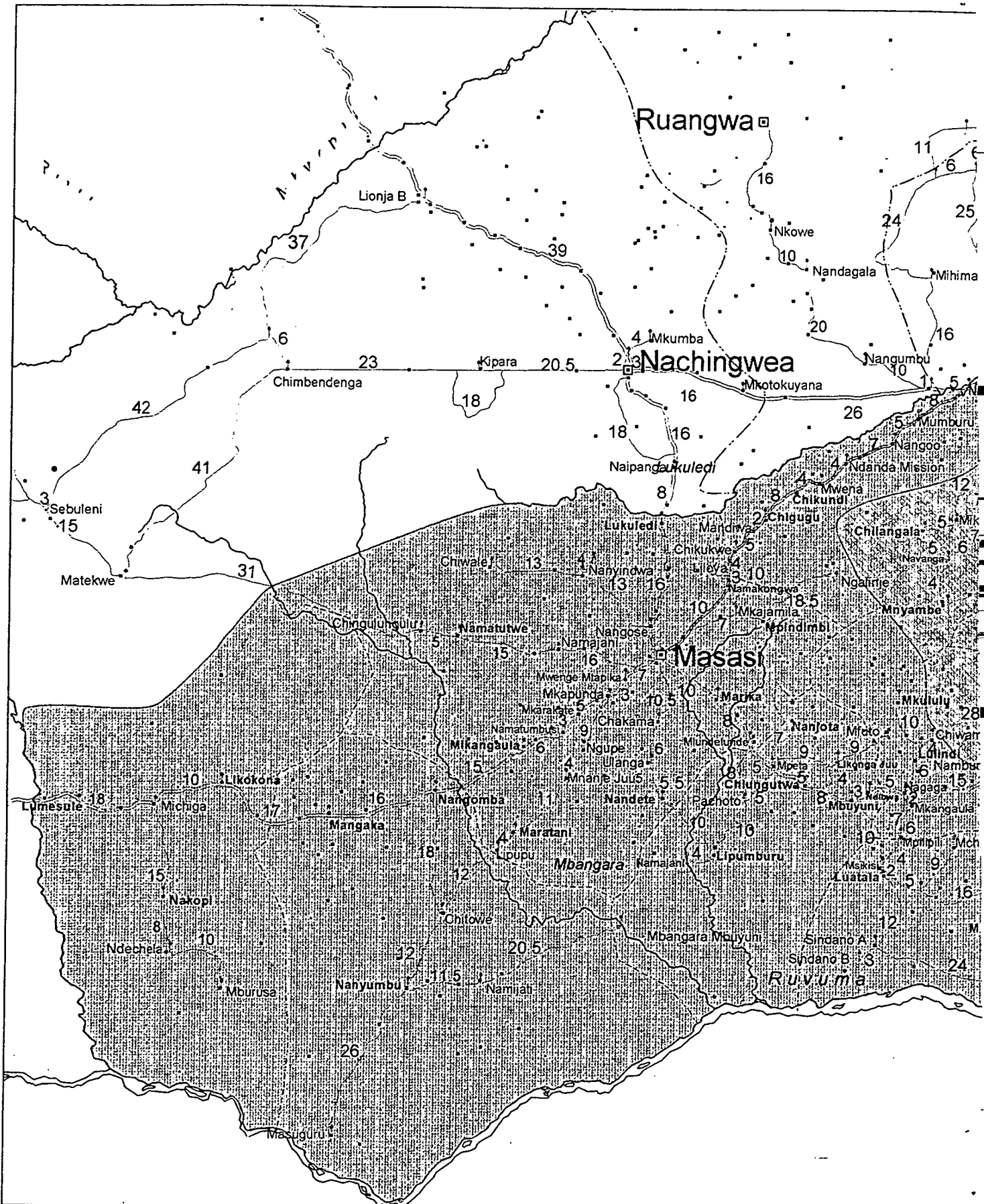
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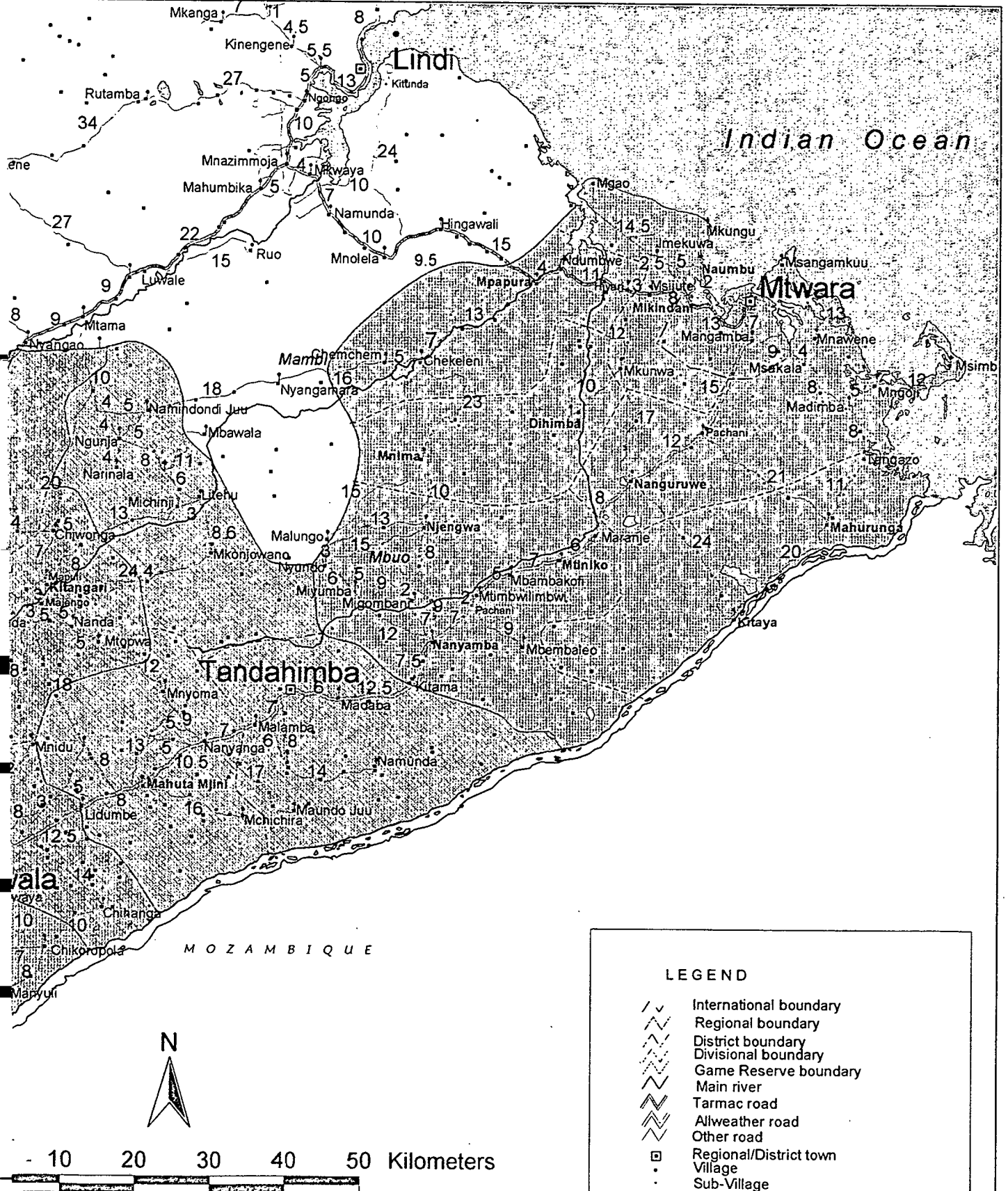
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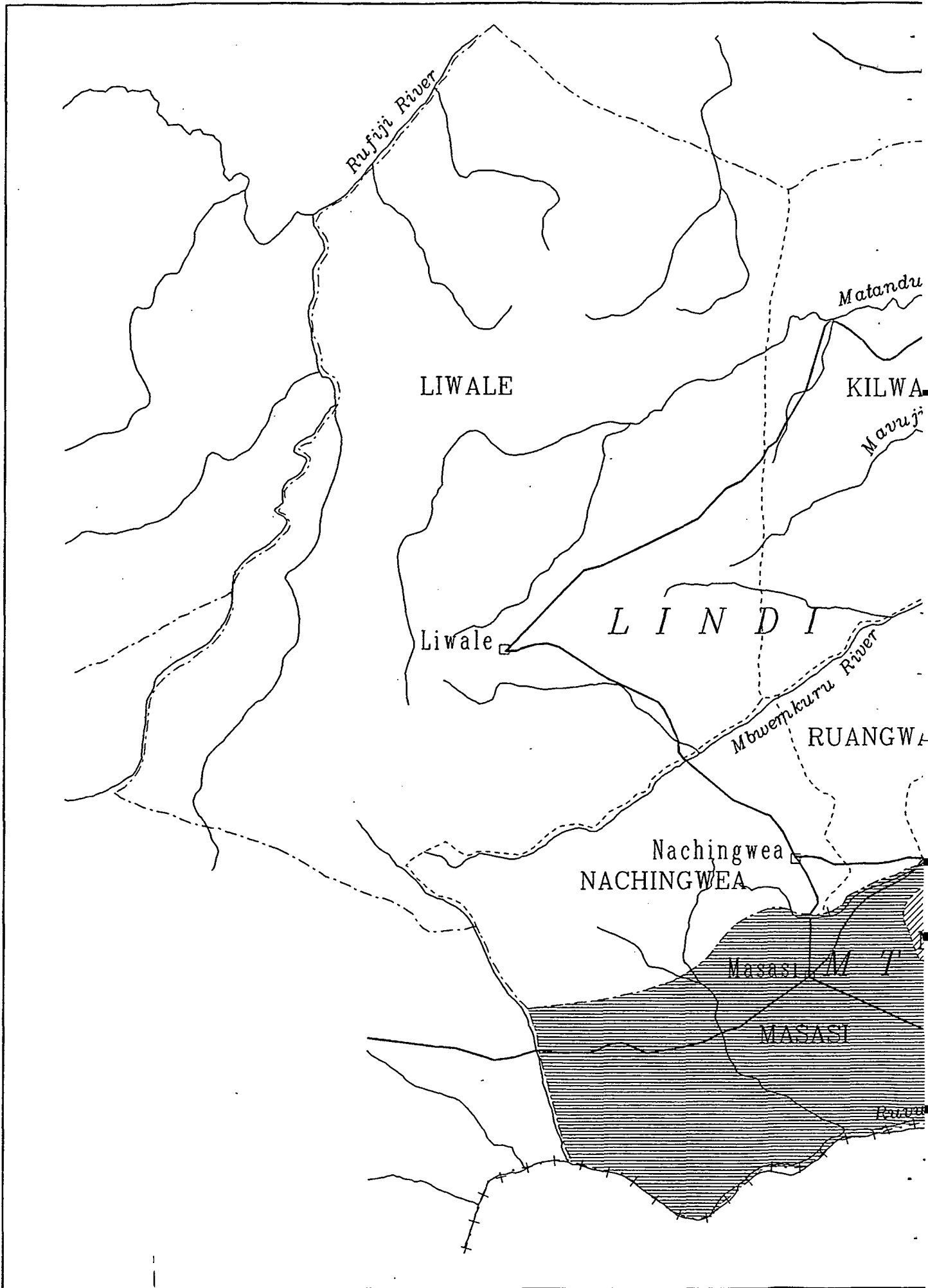
Map of Mtwara

(Distance in kilometers)

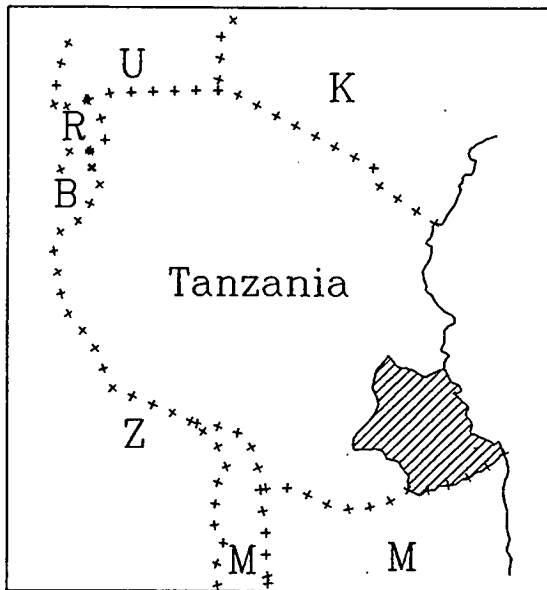
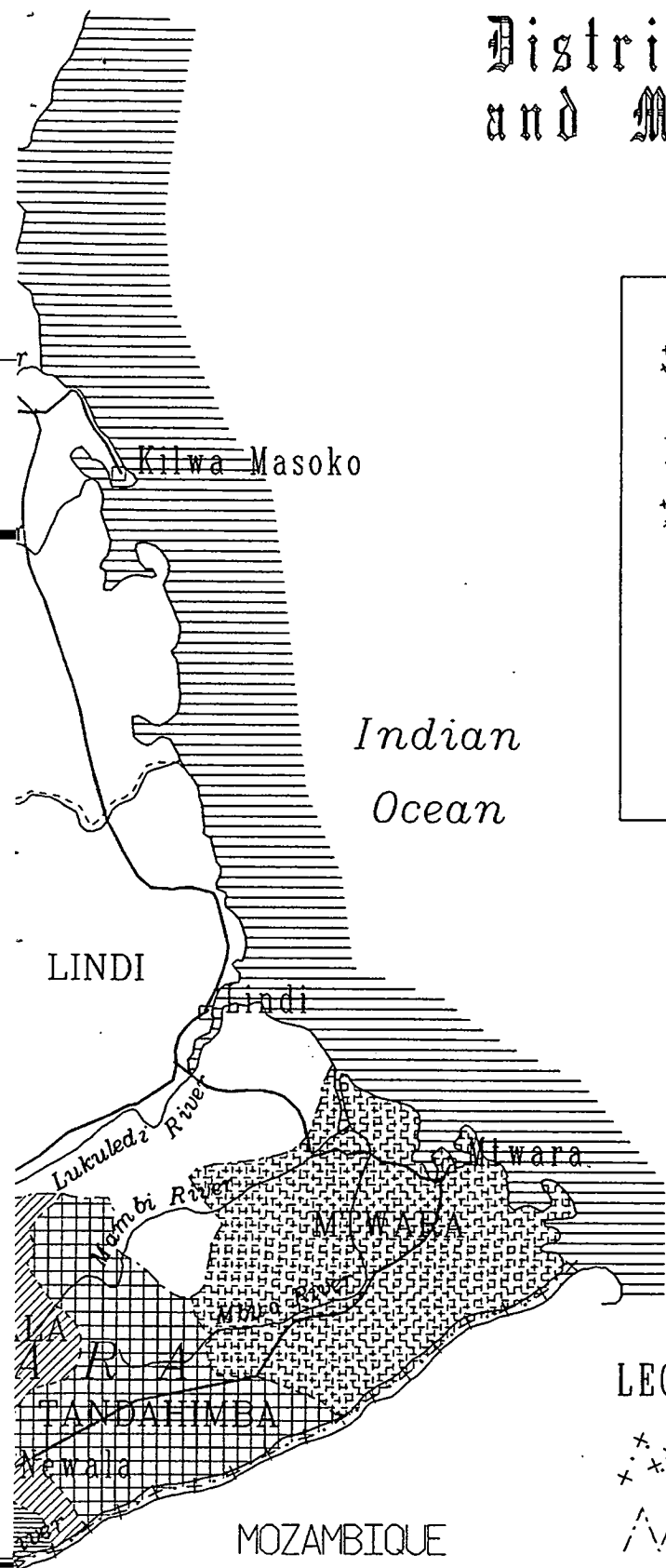


LEGEND

- International boundary
- Regional boundary
- District boundary
- Divisional boundary
- Game Reserve boundary
- Main river
- Tarmac road
- Allweather road
- Other road
- Regional/District town
- Village
- Sub-Village
- Destination mark

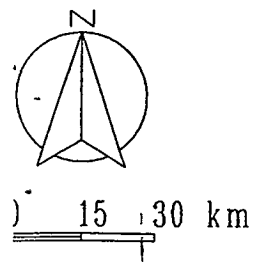


Districts of Lindi and Mtwara regions



LEGEND

- International boundary
- Regional boundary
- District boundary
- Road
- River



LIST OF FIGURES

Figure 1:	Road Map of Mtwara.....
Figure 2:	Districts of Lindi and Mtwara Regions.....

ABBREVIATIONS

FC	Financial Controller
FIM	Finnish Mark
FINNIDA	Finnish International Development Agency
GoF	Government of Finland
GoT	Government of Tanzania
IMR	Infant Mortality Rate
IRD	Integrated Rural Development
LIDECO	Lindi Development Corporation
RIPS	Rural Integrated Project Support
SAPs	Structural Adjustment Programmes
T.shs	Tanzania Shillings

CHAPTER 1

INTRODUCTION

1.0 Finnish Aid History in Tanzania

Finnish Support to Tanzania started in 1962. It started as part of Nordic aid. Later in 1971 Finnish aid to Tanzania became bilateral. Finnish aid has transformed from being technical to rural integrated. In the early stage the approach to poverty alleviation in many rural areas was technical. This proved a failure because the trickle down effect expected from this approach did not occur. This was experienced during the first and second decades of independence. This led to the introduction of elaborate rural development strategies. These strategies that were hoped to be an improvement to the initially narrowly defined projects failed. There was a realisation that the poor are faced by multi-dimensional and multiple problems. Hence, introduction of multiple development activities by Finnish and most donors in an effort to alleviate poverty became a common approach in the rural areas. This was when the Integrated Rural Development strategy was embraced in 1980s.

The period dominated by the trickle down influence was based on the fact that benefits of growth would trickle down to the poor.¹ This was believed to be the major

1. Harri Porvali, et al., (eds.), Evaluation of the Development Co-operation Between the United Republic of Tanzania and Finland, (Helsinki, Finnish Co-operative Development Report centre, 1995), p.203.

way to alleviate poverty. Among the projects implemented during this period include construction of an educational centre at Kibaha, and projects supporting the Uyole Agricultural Centre and Institute for Development Management. This approach was based on the modernist theory.

According to this theory, poverty is caused by lack of capital, knowledge and technology. It propounds that economic growth can result in alleviation of poverty through the trickle down effect. This theory provides the basic economic case for foreign aid. However, it was realised that though there was overall economic growth there was also consolidated disparity. Hence, the question of social relations becomes significant for a meaningful development process.

The political context at this time was globally dominated by the cold war. The 1960s were a time when there were newly independent states. The US had called on other capitalist European countries to join in security mission, which meant guarding the newly independent states from aligning themselves with the communist block.² Foreign aid became highly politically charged and has been correctly viewed as bribes. Giving aid or going to war between those two blocks was relatively the same. Therefore, aid was employed as a foreign policy. This implies the instrumentalist approach to aid in addition to the modernist approach at this time. Aid in the former perspective is an important foreign policy instrument for maximising power and

2 Keith Griffin, "Foreign aid after the cold war," *Development and Change*, 22, 4 (1991), p. 670.

influence and not basically for poverty alleviation.

At the national level Tanzania had been influenced by the modernist theory too. Tanzania's three-year Development Plan (1961-1964) was based on this theory that poverty alleviation was only possible through the infusion of scarce resources like capital, expertise and technology. Politically, modernisation theory assumes that the mass of the people is ignorant, primitive and lazy. The educated elite believed that they had answers to development.

Despite the policy of socialism and self-reliance from the late 1960s to late 1970s, there was increased aid flow to Tanzania. Political alignment concerns of the West and East ensured flow of aid to non-aligned Tanzania.

From the early 1970s there were political and economic crises in Tanzania. The economic crisis includes an expanding manufacturing and bureaucratic sectors dependent on the non-expanding agricultural surplus. In addition, there was the oil price crisis and drought that resulted in imports of food. The 1978 Uganda war consumed most of the foreign exchange. Inflation increased and basic consumer goods became scarce.

Politically, workers became violent. In the early 1980s rallies of workers and school children in Dar es Salaam were common.³ This is because in addition to the economic hardship the civil society was liberating itself from choking statism. The

3 Andrew Salehe Kiondo, "The Politics of Economic Reforms in Tanzania: 1977-1988," (University of Toronto, Ph.D. Thesis for Political Science, 1989), p. 107.

state had left no room for the civil society to decide their destiny.

In the late 1970s to 1980s the collapse of bureaucratic socialism of the East and the demolition of the Berlin wall marked the triumph of the Western capitalist economy and provided strong evidence of the unworkability of state led development. This justified the replacement of statist model of development for free market capitalism.

This marked the beginning of aid with conditional ties. The Bretton Woods institutions demanded the conditionalities. Faced with the economic, political and international pressure, the Tanzania State saw itself making a transition to the neo-liberal global capitalist stage. Hence the commonly referred market economy began to be institutionalised in the 1984 budget where devaluation and trade liberalisation came up.

It is during the end of the cold war that in 1986 Finland supported the IMF/SAPs conditions imposed on Tanzanians. The SAP policy advocates state contraction in the economy and favours the development of liberalised market.

This conditionality accompanying aid is a realist approach to aid that superseded the predominantly modernist approach to aid of the 1960s and 1970s. This realist approach is composed of the traditional realist or the instrumentalist approach. This approach regards aid as an instrument of foreign policy with which the ultimate aim of the donor is to influence the behaviour of the recipients to their interests or, to counterbalance the influence by a rival donor threatening their

interest.⁴ Siitonen suggesting some kind of competition between large and small donors, claims that small donors like the Scandinavian countries are incapable to dictate the behaviour of recipients. The issue of appealing to size does not suffice the ability to influence. In addition, where there is no competition between the various sources of aid then their size least explains their influence ability and that is why all Western donors unanimously supported the IMF conditionality to the recipients. In the Tanzanian context, the Scandinavian countries are as influential in affecting recipient's behaviour as any other donors are.⁵ The Finnish donors have been influential in adoption of SAP in Tanzania.

According to this program (SAP), Tanzania was supposed to have recovered from her ailing economy. Yet the economy has continued to deteriorate. The reasons include increased disparity between the rich and the poor since the inception of liberalization.⁶ The balance of Tanzania's trade has not improved and has remained USD 7.6 billion by 1994. This is because commodity export earnings that financed

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- 4 Lauri Siitonen, "A Study on the Determinants of Aid Policies with Special Reference to Smaller Donors," (FAD Working Paper 9/98), (Finland, Institute of Development Studies, 1998), p. 12.
 - 5 Severine Rugumamu, Lethal Aid: The Illusion of Socialism and Self-reliance in Tanzania, (Asmara, Africa World Press, Inc., 1977).
 - 6 Chachage S. Chachage, "Development Aid and the Reality of Tanzania: A study on Finnish Aid in Tanzania," (A research proposal at the University of Dar es Salaam), p. 8.

less than one third of the imports by 1985 have remained the same, an average of USD 400 million annually.⁷

Finnish aid has transformed from being technical during the cold war and state socialism to being rural integrated programme in the post cold war and neo-liberal global capitalism. Both programmes attempt to alleviate poverty but with different approaches ranging from modernist to instrumentalist.

1.1 Area of Study and its Background

This research was conducted in two villages in Mtwara and Lindi regions. The two villages are Mnazimmoja in Lindi District, Lindi and Mpeta in Masasi district, Mtwara.

Mtwara region came into being in 1971 as a result of the division of Southern Region into two separate regions. The total area of Mtwara is 16,720 sq. km. There are 21 divisions, 98 wards and 554 villages. This region is located at the extreme southern end of the Republic.

The region borders on the Indian Ocean whose prevailing winds are critical in determining its climate. The north-east winds of November/December to April/May bring humidity to the region, unlike the south-east dry, cooler and less humid winds. Precipitation tends to vary with altitude. The rains vary from 116 mm and 935 mm between the hills and plateau. The temperatures are 27° c in December and cooler in

7 *ibid.*

July where they are 23°c at the coast and relatively lower inland.

Mainly the Bantu populate the region. Its population size in 1967 was 621,293 and had reached 875,977 by 1988. Population growth has declined from 2.0 in 1967/78 to 1.4 in 1978/88. The decline is partly because of the high migration of the productive age group to the urban areas in the north. The life expectancy for male and female in Mtwara is 48 and 46 years respectively against the national average of 51 and 49 years respectively according to 1988 census.

Mtwara like the rest of Tanzania is predominantly agricultural. 92 per cent of the inhabitants of the region are engaged in agriculture. The peasants' common farming tool is still the hand hoe. They grow food crops including cassava, millet, sorghum and maize. Cashewnut is the predominant cash crop in the region. Mtwara region is the main cashewnut producer in the country. Cashewnut constituted 50.8% of the total volume of cash crops raised during 1990-91 to 1995-96. However, cashew export value trend has generally been declining. Apart from contributing to the national income cashew is also a regular source of income for producers of the crop, most of who are small peasants. Other cash crops include groundnut, sesame, soya and sunflower. In spite of this significant contribution to the national economy Mtwara is one of the least developed regions in the country. It ranks 16th out of the 20 regions of Tanzania Mainland. The inhabitants are also involved in other activities like fishing, bee-keeping and small-scale industries. There is some livestock keeping in this region.

The regional economy in terms of GDP between the years 1980 and 1994

portrays a gradual increase explained mainly because of increase in agricultural production. By 1994 Mtwara region ranked 14th in GDP contribution to the nation's economy among the mainland regions. However, the region's per capita GDP deteriorated within that same period when the region's GDP was increasing.

Socially, the region has only reached 32% of the regional target for permanent primary education classrooms. Despite a fall in per capita GDP, cashew exports value (major income earner of the peasants) and decline in the nation-wide economy the history of primary school education (basic) in Mtwara region is claimed to be of commendable development. This must be an exaggeration for political motives. The infrastructure for this basic social service in this region has reached only 32% of the regional target for permanent schools. The health sector is not any better. There is deterioration in maintenance of health infrastructure, inadequate and unreliable supply of drugs in the eighties and nineties because of decline in the socio-economy in this period. It is in this context of a low per capita GDP that cost sharing has been introduced. This means while the people are getting poorer they are not provided basic social services by the government. This is a deterrent to both economic and social development process because though investing in social services does not result to immediate pay-off, but if provided it allows the people to engage in productive economic activity.⁸ A sick population cannot meaningfully participate in productive

8 Peter Anyang Nyong'o, "Undemocratic China has much to Teach Africa," *The East African*, (Kenya, The Nation Group, July 12th - 18th, 1997), p. 26.

activities and manage to even contribute more to the national economy.

The region's soil gets more fertile towards the coast. The interior that is affected by the Makonde plateau has deep, well-drained and low moisture holding capacity sandy soils. The coast that extends 125 km inland from the Indian Ocean has coastal limestone that produces red, well-drained and heavy textured clay soils. The region is generally low level with isolated rocky hills and steep river valleys.

The second region in our study is Lindi. Coast Region in the north, Morogoro Region in the west, Ruvuma Region in the south west, Mtwara Region in the south and the Indian Ocean in the east border Lindi region. Lindi Region covers an area of 67,000 sq. km. The population census reports of 1948 and 1957 indicate that a large number of Lindi region population belongs to the Mwera, Ngindo, Makonde and Matumbi ethnic groups.

The last national census of 1988 showed that the region had a population of 646,345. The region's fertility rate is 4.6 against the national rate of 5.4 (1988 census). The region faces high mortality rate of 140 IMR compared to national average of 115. Low fertility rates, high maternal and mortality rates and high exodus of the population to other parts of the country particularly Dar es Salaam result to slow increase in the region's population.

The annual contribution of this region to the national economy is only 2%. The main economic activity of Lindi population is agriculture. The agricultural technology has remained rudimentary. The hand hoe is still the major tool of production. The sector employs over 90% of the population all at the subsistence

level. Commercial farming is not very common. There are a few coconut plantations and cashew crops like those on the way to Kinyope and Mnazimmoja villages respectively. The livestock sector is very small. These economic activities are far from being developed to a point where they would meet the year round economic needs of the peasant farmer. For this reason the young people who are within the economically active group are reluctant to join these sectors.⁹ They prefer to out migrate from the rural areas to towns within the region or to far away towns such as Dar es Salaam. The agricultural sector contributes about 60% to the regions annual GDP. However, shortage of food happens almost every year. The natural resource sector contributes about 27%. Such resource include the well endowed natural forests that are rich in trees harvested for various usages such as timber, poles, fuel and charcoal. The region has abundant wild game that has contributed to the establishment of the Selous Game Reserve.

Like Mtwara Region, Lindi's population per capita GDP is declining and this implies they are getting poorer.

9 The United Republic of Tanzania, Lindi Region Socio-Economic Profile, (Lindi, The Planning Commission Dar es Salaam, 1998), p. 5.

1.2 The Problem Area

This study examines the role of Finnish aid in alleviating poverty. There have been various studies using different theories trying to explain how aid in general has attempted to alleviate poverty. These theories have ranged from the Modernist, Realist and Neo-Marxists. This study investigates whether Finnish aid has taken into account the importance of social relations and its consequences. It is within this context that the study has made a critical and detailed examination of the Finnish development aid in the two villages. The study is focused at Mnazimmoja, Lindi District, Lindi and Mpeta, Masasi District, Mtwara.

RIPS, a Finnish supported programme explicitly states in its objectives that it intends to alleviate poverty through enhancing equality. This is also the Governments' of Finland and Tanzania stated development goal. It is against human rights to have social inequalities. Yet especially since 1989, it has been shown in the independent media that the dividing line between the rich and the poor in Tanzania was becoming greater.

Mnazimmoja and Mpeta villages are some of the villages benefiting from Rural Integrated Project Support (RIPS) in the southern region. The study was carried in these villages to understand the nature, method and effects of Finnish development aid in poverty alleviation in the two regions. They were taken as case studies in order to get a detailed examination of the problem. They were picked randomly for analytical reasons that would give specific information that can be generalised for the whole two regions in respect to this study. These two villages were also important in that they

would contribute to build up a body of scientific knowledge on southern Tanzania that has so far been scarce. Studying Finnish development aid intervention and poverty alleviation in these two villages was in an effort to contribute to the construction of a wholistic resource base on southern Tanzania that previously has been mainly economic. This study contributes towards the struggles of the poorer segments of the society.

Mnazimmoja is in Lindi district in Lindi region. Mnazimmoja according to the villagers is an old village that existed even before colonial rule. The village is occupied by various groups of people including Wayao, Wamakonde, Wangoni and Wamakua. The size of the population of the village by 1998 was 4,075 with 2,041 male and 2,034 female. Most of the villagers are peasants.

The name of the village is after a palm tree that was planted by mzee Kalombe. The village was officially recognised in 1974 during the villagization process when small villages were united to form the present Mnazimmoja. To the west the village is bordered by Masasi, to the north-east Lindi and east is Mtwara.

The people of Mnazimmoja grow cashew crops under sedentary cultivation and food crops under shifting cultivation. The south of the village is mainly characterised by cashew crops, social services like a school and a market and residential houses. The west of the village has a mixture of cashew and coconut trees, some residential houses, schools, small industries, a mosque, a library and a cemetery. The cashew trees decrease towards the north while coconut trees increase and some sugarcane is grown. The centre of the town that is around the crossroads to Masasi,

Lindi and Mtwara is a growing business centre. This is the bus stop area with a few shops, guest houses and small hotels. With an exception of a few coconut trees there is less agricultural activity within this area. River Mlowela passes from north to the south in the eastern part of the village. There are more coconuts and sugarcane along the river. Sugarcane, coconuts and some mango trees grow along the river in the south east of the village. This part has less residential houses and it is where the water pump is located. Agriculture is common to the eastern, western and southern borders of the town. Settlement is concentrated around the centre of the town and towards the north and less common towards the south.¹⁰ The village income is mostly from agriculture. Common food crops are cassava, maize and rice. Most of these depend on rain fed agriculture. The major farming tool is the hand-hoe. There is some livestock keeping like goats, cattle and chicken.

The size of the land of this village is hectare 4,857.¹¹ Initially this land began was owned by a Greek called D. Halikas in 1948 who revived sisal plantation that had earlier been attempted by German colonial rulers.¹² This farm was later sold to

10 This descriptive and historical information of Mnazimmoja was extracted from a map drawn in 1997 by 30 villagers of Mnazimmoja and additional explanation of the map and clarification by Hassan Dienga, Interviewed on 2-10-98 at the village government office.

11 Dienga, *op.cit.*

12 *Ibid.* and

LIDECO (Lindi Development Corporation),^o a government established organisation. It is claimed this organisation was established to facilitate a livestock programme introduced in southern Tanzania.¹³ Yet this never happened instead cashewnut agriculture was practised. The title deed to this farm came to an end in 1981. Thereafter, the land belongs to the public while the cashewnut trees to LIDECO.¹⁴ Population pressure made LIDECO surrender some of the land to peasants. LIDECO surrendered some of the land to gain sympathy from the villagers on whom they depend for renewal of their title deed after which they will ruthlessly deny the villagers any access to the land as symptoms already show.¹⁵ In 1994 LIDECO declared that the cashewnut trees would belong to anyone who buys them. Well off Lindi residents are able to buy the cashew trees. The poor farmers of Mnazimmoja are left high and

Letter from T.B. Nzumbi (LIDECO's General Manager) to Mnazimmoja Village chairman, Ref. no. U.L.2/vol.II/117 (12/3/91).

- 13 Letter from Asst. General Manager M.S. Bushiri, of LIDECO to Mnazimmoja village chairman, 28/10/93, Ref. U.L.2/Vol.11/81.
- 14 Meeting Summary held on 17/06/97 in Mnazimmoja (Mnazimmoja LIDECO File).
- 15 On villagers decisiveness in determining LIDECO's land ownership rights see: Letter from T.B. Nzumbi's (LIDECO's General Manager), Letter to Katibu of Village Government, (25/8/1992) *op.cit.*, On merciless behaviour of LIDECO see threats by LIDECO's manager in Summary meeting (17/06/97) *op.cit.*

dry.¹⁶

The other village under review is Mpeta. Mpeta is in Masasi district in Mtwara region. It is bordered to the east by Malawi, west by Tandahimba district, south by Mozambique and north by Nachingwea district.

Mpeta is a small village of a total population of 2,082. Largely peasants populate the village. However, there are very few large-scale farmers like Wadi Shomari who is said to possess about 3,000 cashewnut trees. With a few exceptions like Shomari who can afford to hire a tractor to till his land for growing crops like cassava, the peasants use simple tools. Only a few can afford to spray their cashew crops to protect them against a fungal disease as it requires hiring the spraying machine and a bag of sulphur that goes for T.shs. 9,500/=. A few civil servants like teachers and government officials also populate the village and a few small businessmen like shopkeepers.

Food crops grown in the area include maize, cassava and sorghum. While cash crops grown include groundnuts, cashewnuts, sesame and rice. Common

16 Struggle for land is noted in Meeting Summary (17/06/1997) *op.cit.*,

Mnazimmoja village Committee formed by Villagers on 17/06/1997 to follow up the land matter (LIDECO File),

On confrontation with Bwana Ardhi (w) and Afisa Tawala (district) on 2/7/1997 on land being privatised at the expense of the village inhabitants see: Mnazimmoja Land committee Report of 14/8/1997.

farming method is mixed cropping because of shortage of land. It is remembered that there has been livestock keepers since the colonial period.

Water is a persistent problem and the main source of water has been underground water. Water is plenty during the rainy season that stretches between November/December to April/May. The rest of the year is the dry season. Rainwater affects availability of crop harvest and animals for example: in 1997 livestock died because of drought. The village has River Mwiti. The villagers have dug traditional wells near this river to fetch water for domestic use. The river is 15 to 20 minutes walk from the village.

The village has one primary school and no dispensary. The nearest dispensary is in Chiungutwa some few kilometres away from the village. Otherwise for those few who can afford they go to private hospitals in next villages in Lupaso and Nanjota that are a few kilometres away. The village does not have electricity.

The indicators that would be used to establish the achievement or failure of Finnish Development Aid in alleviating poverty in Mtwara and Lindi are the distribution of resources and power to the target groups, administrators, donors and recipients, aid conditioning at the project and macro-economic levels their effects on the mainly agricultural producers of the two regions.

1.3 Significance of the study

The study is an effort to accumulate scientific knowledge on southern Tanzania. Accumulation of scientific knowledge on southern Tanzania has been rather low. Consequently, researchers have had to start from the basic and do substantial groundwork before they are able to dwell on their specific topic of interest.¹⁷ This study is a contribution in improving the situation.

Also, this study is an attempt to construct a wholistic information resource base on southern Tanzania. There have been some researches on the economy of Lindi and Mtwara especially on cashewnut production. However, there has been very little work on social issues.¹⁸ Given this pattern there is need to cover more social issues. The current coverage is therefore limited and partial. This research is a contribution in advancing social knowledge on southern Tanzania and hence a better understanding of that region. It is hoped the study will provide for professional and quality policy decision-making rather than continuing blaming on the lack of sufficient information.

The study is a genuine contribution to the struggle of the poorer segments of the southern regions. This is supposed to have a liberating effect.

17 Pekka Seppala and Bertha Koda (eds.), The Making of a Periphery: Economic Development and Cultural Encounters in Southern Tanzania, (Uppsala, Nordiska Afrikanstitutet, 1998), p. 34.

18 Ibid.

1.4 Theoretical framework

There has been a general tendency to treat development process questions technically particularly economically. Development process questions have also been centred on technologism and structuralism. Such an approach has ignored the question of enduring relations in any process. This involves history and change as part and parcel of viewing collective phenomena and not the static idealistic manner that has been previously common.

This approach of viewing development process linked to the whole question of social relations in which relations and products of such relations are central is called the Neo-Marxist analysis of aid. The structuralists have viewed relations as a structural feature of the capitalist world economy. However, the Neo-Marxists use social relations to analyse development process instead of the structural approach.

This study intends to use the question of inequalities in the examination of projects supported by Finland in Mtwara and Lindi so that we can emphasize relational and historical aspect of development aid in poverty alleviation. This is necessary for the construction of a just society whereby we are able to focus more sharply on issues of resource control, social and political transformations more clearly.

1.5 Literature review

A Review Report of 1991 on RIPS (1988-1992) for Lindi and Mtwara regions comments RIPS as basically a healthy programme.¹⁹ It states that only 10% of the total expenditure during 1988-1990 has been spent on activities which directly benefit the target group, the rural small scale farmers, women and youths. The Report also reveals that the strategy of the programme includes technical assistance, which includes experts. The 1991 Review Report further shows that RIPS had yet to identify the target group so that there could be clear focus of the programme to these people. It has been revealed that experts, expensive administrators and construction of administrative offices have been the major cause that consolidates inequalities.²⁰ Such processes have been an extra burden to agricultural producers. Much of this money did not benefit the rural poor. Such minimal expenditure on the rural poor raises doubt on equality concerns of the RIPS programme.

19 Timo Linkola (ed.), "Rural Integrated Support Programme - RIPS 1988-1992: Lindi and Mtwara Regions, Tanzania," *Mid-Term Review Mission Report*, (Helsinki, Finnish Co-operative Centre, March 1991), forward.

20 Timo Voipio, "Poverty Alleviation as an objective of Integrated Rural Development Plans in Mtwara-Lindi 1972-1995. A History of Paradigm Shifts," (A paper presented in research seminar: Culture and Development in Southern Tanzania, organised by the Scandinavian Institute of African Studies in Mtwara, Tanzania, 5th - 9th 1995), p. 22 and 27.

The inequalities extend beyond economics. There are also political inequalities. Rugumamu in his general study of aid in Tanzania establishes this structural power relation.²¹ He argues that this form of aid delivery serves only to subdue and disempower the recipient state and its citizens. Hence evidence of surrender of sovereignty in the form of the donors assuming the functions of the recipient state in planning, material procurement and financial control are common. Political disparity is further reinforced from policy level whereby Tanzania was forced to make a political guarantee to adopt the market economy and liberalisation in order to continue to receive aid from Finland in 1986. Suggested reasons for such a relationship include: the rush for quick visible results back home hence donors employ their foreign experts in technical jobs who can quickly perform the job. In the course of doing so, the local government is bypassed, and parallelism prevails instead of integration. In addition, the local government incorrectly believes that too much government involvement might be readily misconstrued as a hindrance to speedy project execution and ultimately dampen donor's enthusiasm.

21 Rugumamu, *op. cit.*, pp. 213-214, 220-3, 232.

1.6 Methods of data collection

The main method of data collection was qualitative. This is because the issue under investigation rules out the possibility of conducting surveys in the form of questionnaires. This implies non-standardisation of the methods and therefore simple reliability tests are not easy because the data generated cannot take the form of a clearly standardized set of measurements. The research is an attempt to investigate the relationship between Finnish Development aid and poverty alleviation. Both documentary and oral sources are used to investigate this relationship.

Documentary sources

These are some of the representation of the social world. Since they do not tell about the phenomena in their literal form then their critical scrutiny was inevitable.

The research investigation involved a critical review of secondary and primary data. This mainly involved a critical review of documentary work including existing literature like policy documents, project documents, evaluation reports and statistics. More documentary evidence has been sought from libraries, from central and local government offices and from personal documents. These sources provided valuable information regarding development aid and poverty alleviation.

Interviews

An in-depth interview in the form of life histories with some RIPS officials and villagers was undertaken. The interviews were taken with people related to the project. Twenty-one people were interviewed. The number of interviewees is small because the significance of the sample is not empirical but theoretical and therefore

the concern was what could be compared to what in order to test out and advance the explanatory thinking. The main practice was to ask questions in such a way as not only to build up my own explanation, but also to seek and try out alternative explanations. Using negative instances that included examples, themes and cases that ran counter to it tested the explanatory thinking of this study. The aim of the interview was to partly help to countercheck written documents. The researcher in the villages, districts and regions personally administered the interviews. This method provided useful information regarding the history of the villages and the transformations that have been taking place.

The two methods helped to give a holistic analysis of the setting and this helped to understand the project-working context. The two methods helped to reveal the attempt of Finnish aid to alleviate poverty.

CHAPTER TWO

THE LEGACY OF UNEVEN DEVELOPMENT IN TANZANIA

2.0 Introduction

Tanzania experiences unequal development. The attainment of independence did not bring about any significant structural changes in the economies of Tanzania. This is the essence of uneven development under perverted capitalism. The unequal development resulted in poverty in Tanzania which is much more rampant in southern Tanzania.

2.1 The Colonial Period 1880s-1961

Colonisation was a result of development of capitalism in Europe. It took place in Tropical Africa during monopoly capitalism. Colonialism was imperative to guarantee fields of monopolistic exploitation against other competing monopolies. The establishment of German colonialism in Tanganyika was consonant with the needs of the metropolitan economies. The Berlin Conference of 1884-1885 marked the end of the free grabbing of territories.

Germany started to rule Tanganyika after the Berlin conference. During the early years of colonialism, the administration of the colony was left in the hands of a German chartered company - German East African Company (Deutsche Ostafrika Gesellschaft, DOAG). This chartered company was appointed in order to co-ordinate and supervise the extraction of raw materials more profitably. In 1890, the Imperial

German Government took over from DOAG. Within the imperialism production system, East Africa became a producer of agricultural raw materials to service increased human and industrial consumption in the metropolis and particularly in Germany.

German colonial exploitation took advantage of the climatic and ecological endowments of the colony. The north was endowed with an environment conducive for cash and food crop growing. Consequently, cash crops and other economic activities were promoted in the north rather than the south. However, ecological determinism in itself does not adequately explain uneven development in Tanganyika. One must also look at the social relations.

Colonial disparity was also expressed in the way transport infrastructure was distributed. Early German official investigations focused on topography, geology, climate, plant and animal species. In correspondence to the results of the basically climatic investigations roads, bridges and railways were major infrastructure inputs into the colonial economy.²² This was the case because the economy was created to serve capitalist interests of Europe like cheap raw materials for their industries that would ensure huge profits. The colonial infrastructure network was oriented towards agricultural raw materials production areas: to Usukuma (cotton), to north-east

22 Walter Rodney, "The Political Economy of Colonial Tanganyika 1890-1930," in M.H.Y. Kaniki, Tanzania Under Colonial Rule, (London, Longman Group Limited, 1980), p. 128.

Tanganyika (Coffee). Other, less endowed areas, especially, south-eastern Tanganyika, were not favoured with transportation networks. The distribution of these inputs resulted in uneven development that caused poverty especially in south-eastern Tanganyika. Peasantisation and commodity production became perverted. They became in essence labour reserves.

South-eastern Tanganyika had no significant cash crop production. However, the area served as a labour reserve, in addition to the pre-colonial slave trade, that resulted in uneven development and left Tanganyikans in south-eastern Tanganyika poorer than the rest. Long distance migration had a very negative impact on the development of the region. The absence of young able-bodied men crucial for development of their respective areas left south-eastern Tanganyika in the hands of old men, women and children.

While the north was endowed with better social services the south east was typified by total lack of such services. This enabled people in the north to have access to education in primary and secondary levels. The output got government employment in the government administration where they got salaries, which improved their purchasing power to buy for example, land.²³ This resulted in more educated elites and a well socially serviced society in the north. Health services distribution matched cash crop production areas. However, there were a few reputable missionary health services in the south, for example, Ndanda and Masasi

23 Ibid., p. 155.

hospitals. With the exception of these few missionary hospitals always surrounded by christian settlements - the vast region of south-eastern Tanganyika whose population is hugely moslem - was left at the mercy of mother nature.

Large parts of the southern province never recovered from the effects of Maji Maji.²⁴ The Maji Maji uprising whose epicentre was the south-east and especially the punitive repression by the Germans that followed it left its marks on the minds and bodies of the south-eastern people for decades and left them poorer than north.

In addition, the south-east was a major battlefield during the World War I. This impoverished it further and left this part of Tanganyika poorer than the north.

Soon after defeating the Germans in the First World War the British took over control of Tanganyika as a mandated territory from the League of Nations. The basic sectional difference became more pronounced during the British colonial period than it had been before. The British conceived the advantageous form of economic activity of a tropical area to be the export of articles it could produce, in the case of Tanganyika, the export of sisal, raw cotton, coffee and cashewnuts, all of them impossible to grow in temperate climates.²⁵ Indeed, the colonial masters concern seems to have been how to get the necessary products to compliment their metropolitan economies. Consequently, their consideration of climate left the south

24 Ibid.

25 B.D. Bowles, "The Political Economy of Colonial Tanganyika 1939-61," in *ibid.*, p. 165.

disadvantaged and poorer compared to the north.

In addition to economic inequality there was also political disparity. Africans in Tanganyika were marginalized. The south composed largely of Africans did not have political room for influence in the colonial government. Therefore their state of poverty could not be remedied.

According to Bowles, historical evidence suggests that what was for the benefit of the 'whole world' was not for the benefit of Tanganyikans, the vast majority of whom remained poor.²⁶ This was the essence of the colonial exercise. The poverty, a result of uneven development due to the external oriented economy and political marginalisation of Africans, has left the overwhelming majority of Tanganyikans poor. This was much more pronounced in southern Tanganyika where most of the people have remained poor.

2.2 The Independence Period

The colonial legacy still haunts Tanzania. The independence government has not addressed the question of restructuring the socio-economy of the country. Most of the government's effort has been geared towards economic growth.

Southern Tanzania is still underdeveloped. There have been various arguments advanced. For example, some say southern Tanzania is a location of passivity and apathy. This is a simple externalist view of the southern regions. These

26 Loc. cit.

are some of stereotype examples of the attitudes towards southern Tanzania probably created to discourage any development programme for this region.²⁷ This could also be a simplistic justification of the underdevelopment of the region.

The economy has continued to be outward looking. Tanzania has remained agrarian producing cash crops. Because of this famines in rural areas have become common. The south is the worst affected. There is hardly any emphasis on food production. Coffee, sisal, cotton, tea, tobacco and cashewnuts have remained the major export crops. They account for more than 80% of the exports.

The tools of production have continued to be antiquated. For example, in south-eastern Tanzania the grinding stone is still widely used in production. The peasant went into colonialism with a hand hoe and a panga and emerged from it with the same tools. Southern Tanzania has continued to be relatively isolated from the rest of the country. The Lindi/Kibiti road, which is the road from Lindi via Kilwa and Kibiti to Dar es salaam, is impassable for more than six months in a year and is without tarmac.²⁸ The government of Tanzania has been dragging its feet over the construction of an all weather road. In 1970, the government approached Japan for assistance to do a feasibility study of constructing an all weather road from Dar es Salaam to Lindi. It was proposed that the building of the road should commence as

27 Seppala *et al.*, *op.cit.*, p.11.

28 S. Mesaki and J. Mwakusye, "The Saga of the Lindi-Kibiti road: Political ramifications," in *ibid.*, pp. 10-13, 46-48, 58-74.

soon as possible, but nothing was done. In 1980, the government of Tanzania received an interest free loan of Tshs. 150 million from Japan through the Overseas Economic Co-operation Fund (OECF). Other funding came from the Africa Development Bank, The Arab Bank, Saudi Arabia and the Kuwaiti government. With all these funds the road has remained impassable for most of a year. Mtwara port is the second largest natural deep harbour in Africa. But it has remained undeveloped since colonial times.

The isolation would have been brought to a halt in 1947 during the British colonisation when the Overseas Food Co-operation (OFS) in collaboration with the British Government brought forth a proposal to have mechanised groundnut cultivation. To facilitate a smooth running of the scheme, port facilities at Mtwara were slightly improved, a railway line was constructed from Mtwara to Nachingwea and roads were carved.²⁹ Unfortunately, the scheme operated for a period of four years before it was forced to close down. The scheme was faced with a number of problems that had been overlooked when the project started. Among them was the high cost of many of the new factors of production like the employment of European staff as farm managers and technicians. Output declined over the years because of pests, unreliable rainfall and poor soil fertility. Weeds and bush have reclaimed the

29 Joyce Nyoni, "Development approaches and Women Economic Empowerment: A case study of Finnish Development in Lindi and Mtwara Regions, Tanzania," (M.A. (Sociology) Dissertation, University of Dar es Salaam, 1998), p. 49.

roads that were carved. The closure of the groundnut scheme was an unfortunate experience for the people of Lindi and Mtwara regions.

The railway line from Mtwara to Nachingwea was out of use after the failure of the groundnut scheme and was dismantled after independence because the line became uneconomical. This uneven distribution of transport infrastructure has continued to reinforce poverty in southern Tanzania.

In 1967, socialism and self-reliance was introduced in Tanzania. Development was the major ideology of capitalism in this period. In Tanzania it took the form of African socialism. Part of the policy emphasized establishing rural settlement and hence the villagization programme of 1974-76.

Villagization was introduced mainly due to decline in cotton and cashewnut production (1972/3, 1975/76) that highly affected the foreign exchange earnings. The little foreign exchange earned was used to import food due to decline in food production common in an externally oriented economy.

Villagisation was vigorously implemented in Lindi and Mtwara regions. It has been explained that the region was sparsely populated and therefore a need to concentrate the population in order to improve production and allow easier provision of social services. The adverse impact of underdevelopment resulting from that measure was more pronounced in these regions than anywhere else in the country. It is indubitably clear that villagisation disrupted pre-existing agricultural systems. The resettlement forced people to abandon their farms. It was difficult for them to move to and from their new settlements. The outcome of the villagisation was a decline of

both food and cash crops. This left the southern region more disadvantaged and poorer for that matter compared to the rest of the country where this policy was less effectively implemented.

Another indication showing that Tanzania's economic structure is still responding to the external oriented peripheral capitalist economy and its accompanied social relations is urbanization of the youth. Southern Tanzania has continued to be a reserve of migrant labour that has continued to leave a severe socio-economic effect on the region.

Lately, there has been increased privatisation of the public sector and increased reliance of market forces. This has left the poorer regions like the south less able to develop their schools and hospitals. There is deterioration of maintenance of the health infrastructure and inadequate and unreliable supply of drugs in south-eastern Tanzania. This given has justified the government to call for cost sharing. Yet it is only the few rich who can share the cost while the majority in the south are left in shambles. This implies that the south is getting poorer.

This chapter has attempted to analyse the rise and development of unequal development in Tanzania in the colonial and later neo-colonial capitalist context. This unequal development continues to sustain poverty in south-eastern Tanzania.

CHAPTER THREE
HISTORY OF DEVELOPMENT AID INTERVENTIONS AND POVERTY
ALLEVIATION IN TANZANIA

Tanzania experiences intractable problems of underdevelopment. There has been emphasis to overcome economic problems. More often than not social relations were not considered at all. Developmental problems, more often than not, have been viewed in terms of scarcity of capital and technology. It is in this regard that Tanzania sought assistance from developed countries and the Bretton Woods Institutions. Definitely lack of resources does cause poor standard of living, yet the cause of this, unequal social relations is not raised. Admittedly, the unequal social relations become more consolidated.

The development approach is in line with Rostow's economic or the modernisation theory. This theory was formulated in the 1950s. Rostow drew from his experiences of post world war Europe. Rostow assumed that rapid recovery and expansion of Western European economies during the post Second World War had resulted from the rational allocation of resources through the Marshall Plan. He failed to appreciate that capitalist contradictions had inevitably led to the destruction of capital. Western Europe during the Second World War simultaneously opened up new opportunities for capitalist expansion through provision of new avenues for investments.

The theory advocates that there are five stages in development since social reality is viewed as unilinear. Therefore, according to this approach a backward society can develop to a modern one if provided with capital. Financial and technical assistance would transform the poor nations from agricultural economies to modern industrial societies. Foreign aid in this context is the capital invested to bring about development. This theory has been criticized that if its assumption in spill over effect becomes operative, it will succeed in camouflaging the exploitative relations of production that exists. It is therefore correct to say using this theory that Tanzania's underdevelopment and the southern eastern region in particular is in a historical stage of economic growth which was passed through by the now developed capitalist countries and not that it was created by capitalism.

The disappointment in using this approach is clear in Tanzania. Since 1960s, Tanzania has been receiving substantial amounts of foreign aid. It is estimated that between 1967 and 1992 the government of Tanzania received over USD 16 billion in the form of external assistance. This accounts for about 80 percent of net official external capital. However, that aid has not promoted economic growth.³⁰ The outcome is contrary to Rostow's suggestions that aid can promote development process. This development theory failed to spell out the measures of achieving development in Tanzania.

During the 1970s poverty within and among nations increased and the gap

30 Nyoni, *op.cit.*, p. 15.

between the rich and the poor widened. S.D. Bagachwa argues that it had become clear by the beginning of 1970s that economic growth alone was not sufficient in alleviating poverty.³¹ This resulted in disenchantment with the modernisation theory as a result of the unexpected results regarding its usefulness in alleviating poverty. As a result, Africa's underdevelopment was attributed to the evolution of a highly unequal international capitalist system of which it is part and parcel. This is partly the context that led to the incorporation of issues of social justice and poverty alleviation process in the aid policies during the 1970s. This function resulted into two schools of thought: one justifying the cause on moral grounds-the modernists and the other dismissing the moral justification of the poverty alleviation and social justice strategies of aid-the dependency and the neo-liberal.

The dependency school of thought that was dominant in the 1970s opposes the poverty alleviation role of aid. Proponents of this theory like Hayter, Mende and Khadka consider aid as part of the wider and dominant relationship between the developing and developed countries.³² The theory of dependency emerged as a Latin

31 Mboya S.D. Bagachwa, "Changing Perceptions of Poverty and the Emerging Research Issues," in M.S.D. Bagachwa (ed.), Poverty Alleviation in Tanzania: Recent Research Issues, (Tanzania, Dar es Salaam University Press, 1994), p. 78.

32 T. Hayter, Aid as Imperialism, (London, Penguin, 1971).

T. Mende, From Aid to Re-colonialism, (Wiltshire, Redwood Press Limited, 1973).

N. Khadka, Aid Poverty and Stagnation in Nepal, (Nepal, Vikas Publishers House,

America critique of the modernisation theory.

Hayter asserts that aid encourages the market economy through various ways including the way the aid system perpetuates the existing capitalist relations that benefit the rich. Mende argues that resources are not the problem and therefore aid is not definitely the solution. Khadka established in his study that aid contributed to the centralisation of power, rather than promotion of popular participation in the development process. This resulted into contradictory effects from the aid relationship that has created a politically explosive environment. Aid contributed to the increasing gap between the rich and the poor.

The dependency theory advocates that aid is not capable of alleviating poverty; rather a new international economic order is required to release the third world countries from dependency.

The neo-liberal school of thought opposes the moral justification of the modernist theory that aid can play a role in building social justice and alleviating poverty. They claim that social justice cannot be achieved through distributive and restrictive policies but through promoting growth.³³ Growth can only be achieved through allowing market forces to play a central role in the management of the society. These are what some scholars have referred to as the New Right who view aid as hindering the functioning of the market and does not deserve moral justification

1991).

33 M. Krauss, *Development Without Aid*, (Newyork, Mcgraw Hill, 1983).

at all.

Structural adjustment has become a dominant precondition for growth and implicitly poverty reduction in the 1980s and 1990s. In 1980s the IMF/World Bank prescribed policies of non-intervention. This is where the role of the government in the economy is minimal. The economy is left to the market forces.

There have been various studies on development aid interventions and poverty alleviation in Tanzania. These include those of Laureen Josephat Ndumbaro (1998), Severine Rugumamu (1997) and Ruth Meena (1979). These are analytical studies and not evaluative. They are scientific studies of development aid interventions in Tanzania. They are valuable sources to understand development aid interventions in Tanzania. We shall briefly but critically review them together and have a holistic picture from various perspectives and shall finally draw a conclusion.

Laureen Josephat attempts to explain the changes in international assistance since the 1980s.³⁴ He is critical about Swedish aid programmes. Swedish aid programme shifts were significantly influenced by IMF and World Bank - hence multilateralisation. Multilateralisation is inclusion of third parties like the IMF and the World Bank in matters of policy and conditionality in provision of bilateral aid. Aid disbursed during the Cold War period was not used for development, but rather

34 Laureen Josephat Ndumbaro, "Learning and Policy Change: The Case Study of Swedish International Development Co-operation Agency (SIDA) 1980-1995," (Ph.D Political Science Thesis, University of Florida, 1998).

for ensuring the economic and political survival of governments in power. However, poverty continued during this period to be used to gain support for foreign aid. Taxpayers in the Western countries were successfully manipulated that all was a missionary's work. The strategies adapted by Swedish aid programme from IMF and World Bank have in practice proved to be sustaining poverty by sustaining social and political inequalities within and between countries.

Severine Rugumamu in his study argues that as aid dependence increased in Tanzania, so did power and influence of foreign benefactors in the development policy management.³⁵ Donors' role in Tanzania gradually changed from indirect policy advice on project selection and design, to demanding structural adjustment policies, political liberalisation and environmental conservation after the end of the Cold War. He calls for delinking planning and self-reliance development as was proposed in the Lagos Plan of Action in 1981. This is because despite substantial financial and technical assistance from the North, the economic, social and environmental conditions of Sub-Saharan Africa are worse than they were 30 years ago.

Ruth Meena in her study of the UNICEF and the Tanzanian child states that the organisation's official job is to ensure that all children are provided with the basic services including food, clothing and shelter, educational facilities, health and clean water.³⁶ However, the problems of the young in these developing nations are

35 Rugumamu, *op. cit.*,

36 Ruth Meena, "UNICEF and the Tanzanian Child." (M.A. Political Science

alarmingly shocking. The majority of the children in these nations have hardly enough food to sustain life. She concludes by stating that UNICEF services only serve the emergency services of alleviating these problems caused by underdevelopment and neo-colonialism but longer term remedy is needed and this is the transformation of production created during the colonial period.

In this chapter there has been an analysis of history of aid in alleviating poverty in Tanzania. The Modernists surmise that aid can alleviate poverty while the Dependency and Neo-liberal theorists do not. Various studies have revealed that aid is not a solution to alleviation of poverty in Tanzania. Aid is merely a temporary relief measure and more so a facilitator of further marginalisation of the poor because of the political and economic policies it supports and promotes-rather than addressing the root cause of poverty that is historical and relational.

CHAPTER FOUR
FINNISH DEVELOPMENT AID AND POVERTY ALLEVIATION
IN MNAZIMMOJA AND MPETA

4.0 Introduction

This chapter provides an analysis of the RIPS goat project in Mnazimmoja and Mpeta. There will be a review of RIPS background that include; the rise and development of RIPS programme, RIPS administrative and programme structure and RIPS perception of development. There will also be an overview of RIPS goat project origin, development and aims. A study of the RIPS goat project at Mnazimmoja and Mpeta and contradictions of the project in alleviating poverty will be done.

4.1 Background to RIPS and the Goat Project

a) Background to RIPS

RIPS success has been quantitatively spelt out. RIPS has considerable scale and scope. Since 1994 RIPS has contributed to various activities in more than 850 villages. This represents 62% of all villages in Lindi and Mtwara. The figure includes sub-villages; counting only registered villages coverage would be 70-80%. In 1997 more than 2,000 separate activities were planned and implemented.³⁷

The structure of RIPS programme is coined in three areas of focus: interactive

37 "RIPS in a Nutshell I 1994-1999," p. 2.

communication, democratic processes and human rights, and access to development of resources. The six substantive areas of operation in RIPS are: local government, natural resources use, land tenure and agriculture, health and water, education, transport and markets, rural credit and savings. These projects supported within the Districts of Mtwara and Lindi reflect the three areas of focus.

The goat project is one of the RIPS supported activities in both Lindi and Mtwara regions. The smallstock project is operating as a revolving fund, with goats representing the capital. However, it has been cautioned that RIPS as a facilitation programme is not made up of the supported projects: in the same way "Finnida" can not be defined as being the projects it supports.³⁸ Normative writings on Integrated Rural Development (IRD) generally ascribed the approach the characteristic of being poverty oriented and participatory. So much for the prescription. In reality there is nothing to prove that IRD projects more than other projects have had these characteristics.³⁹

The agreement between the governments of Finland and Tanzania on the implementation of RIPS Programme for Mtwara and Lindi regions was concluded in May 1988. The programme coordination Units (PCU) started operating in June of the same year. The RIPS phase I agreement covers the period from 1988 to 1992.

38 *ibid.*, p. 1.

39 Lars-Erick Birgegard, "A Review of the Experience with IRD in the last Ten Years," (First Draft), (February 1997), p. 32.

The total Finnish financing for the first phase was agreed to be FIM 80 million while the Tanzanian contribution to the programme is estimated to be around TAS 350 million.

In early 1991, a mid-term review of the programme was carried out by a mission appointed by FINNIDA and the Government of Tanzania (GoT).

In March 1992, FINNIDA and the GoT fielded a joint planning mission to assist in the preparation of a draft programme document to guide the planning and implementation of the RIPS programme covering the period between January 1993 and December 1996. The mission submitted the planning document for RIPS Phase II in April and the final revised draft in June 1992. However, it was noted that the overall budgetary allocations made available for the Finnish official development assistance in the next few years did not allow to pursue all the recommendations of the planning mission.⁴⁰

In the light of the above, it was decided that there was a clear necessity to regulate the launching of the next phase of the integrated programme. At the same time, there was an obvious need to initiate preparatory operations for the next phase

40 Ministry for Foreign Affairs Finnish International Development Agency (FINNIDA), "Terms of Reference for the Preparatory Assistance Team for Rural Integrated Project Support (RIPS) Programme in Mtwara and Lindi Regions, Tanzania-Phase II," (15.1.1995), p. 3.

as soon as possible in order to avoid delays or unnecessary interruptions or losses.⁴¹

Consequently, FINNIDA decided to create a Preparatory Assistance Team (PAT) that was responsible for managing the affairs of RIPS up to September 30, 1994. All the PAT posts were to be recruited and filled by the Finnish implementing agency.⁴² The aim of this 18 months planning was to improve the effectiveness of the programme by providing rural people with opportunities to participate more directly in the planning and implementation of the programme.⁴³

Phase II started in October 1994. The programme strategy was based on a continuous participatory planning process, a bottom up approach.⁴⁴ In addition, it is pointed out that the programme document differs from the traditional blueprint documents by outlining working principles and strategies instead of defining activities and outputs in detail. Since the strategy of the second phase of the programme was unconventional it was decided that the mid-term review should be carried out early in

41 Ibid.

42 Ibid., p. 5.

43 Government of Finland and GoT, " Terms of Reference for the Revision of the Project Document - Rural Integrated Project Support (RIPS) Programme, Integrated Project Support (RIPS) Programme, Lindi and Mtwara Regions, Tanzania, Phase II, 1994-1998," Fax no. 358013418293, UN-KYO FINNIDA, 24-4-1996, p. 1.

44 Ibid.

order to assess the logic, effectiveness and sustainability of the strategy.⁴⁵

A mid-term review of the programme was conducted in October 1995. There were several recommendations suggested among them was revision of parts of the programme document. In February 1996 a proposal for the new organisation presented at the supervisory board was approved and was to be used as a basis for the revised programme document.

Revision of the document was to be carried out by competent people with previous intimate knowledge of the programme. These are; an international facilitator, two to three Tanzanian experts who will help the GoT officials, programme staff and the client groups in revision of the document. Representatives of the client group were to be involved in two seminars to discuss the report, one after an initial round of discussions and one when the first draft has been completed.⁴⁶

RIPS has three administrative components: the supervisory board, programme administration and programme support services. The three components work together to ensure the objectives of RIPS are met.

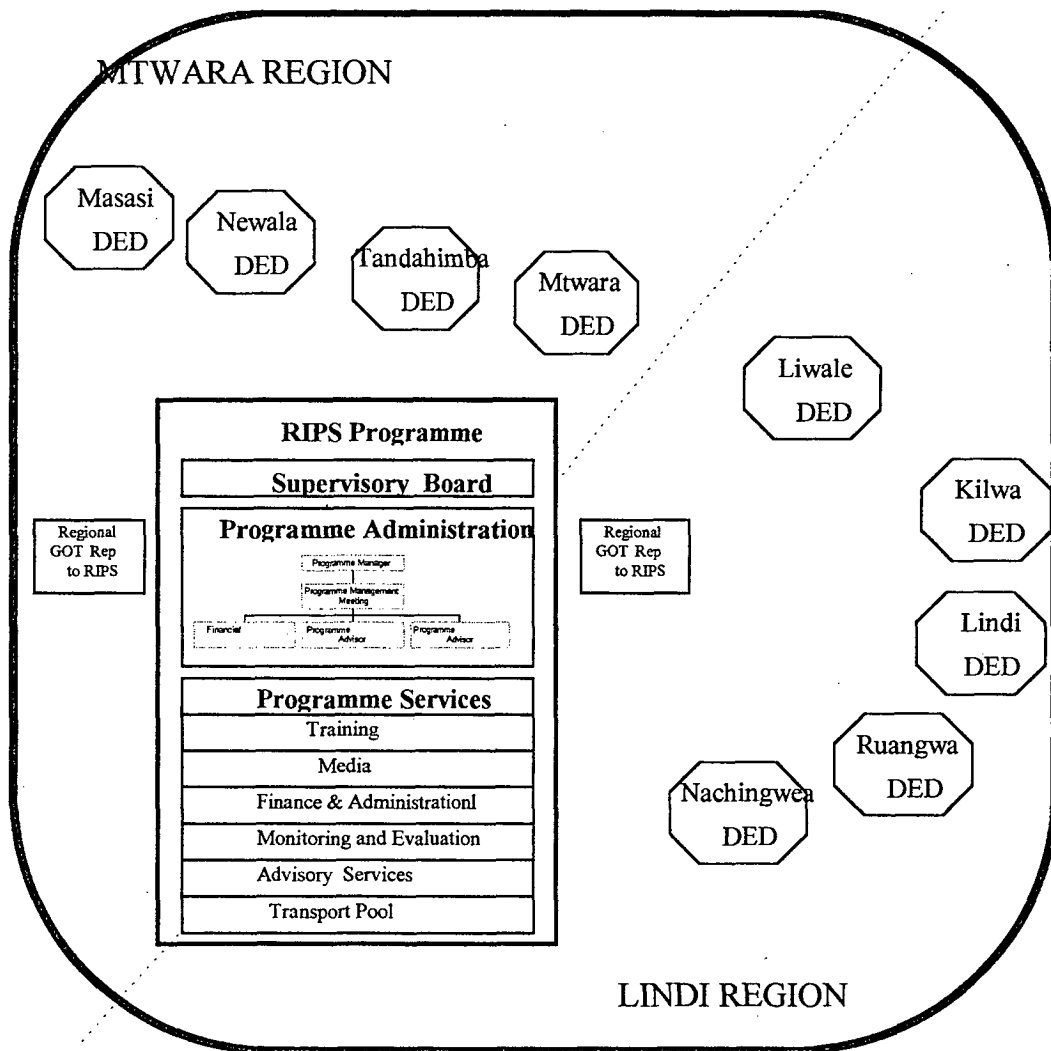
Organisationally RIPS is external to the government structure. A supervisory board with members from both the Finnish and the Tanzanian government approves annual plans and budgets and addresses policy issues. A support office headed by a programme manager implements the RIPS activities. Meanwhile there is a link to the

45 Ibid.

46 Ibid.

government structure through the two regional programme co-ordinators appointed by the regional development directors. The support office is not integrated into the government structure. For a clearer understanding see the Figure 1 below.

Figure 1: Organization Chart



The first component of RIPS organisation is the supervisory board. The Government of Tanzania and the Government of Finland fund RIPS. Their representatives serve on the supervisory board, which is the policy-making body of the RIPS programme. The members include the GoF and GoT competent authorities, the regional development directors of the two regions, the RIPS project manager and the RIPS financial controller. The chair for the board meeting is rotated between competent authorities of Finland and Tanzania. The board is to approve the annual plan and budget, review the programmes and activities of RIPS, address policy issues and approve projects.

Secondly, there is the programme administration in the RIPS organisation. The programme is directed by the programme manager who is ultimately responsible for the smooth-running of the programme, the coordination of RIPS with the regional and district GoT administrators, and the well-being of the RIPS staff. All RIPS staff members report directly to him. The acting programme manager is the financial controller when the programme manager is unavailable.

Two programme development advisors whose responsibilities include administrative duties at a programme level support the programme manager. They also help with the coordination of the programme and the RIPS-supported projects. The programme manager and the two programme development advisors meet as a team to screen and forward projects for approval in the RIPS management meeting and also to recommend the expansion, terminations, and modifications of projects, based on the advice of the RDFs and others.

The financial controller oversees all of the RIPS financial concerns and supervises the administrative officer and other financial and administrative staff. The administrative officer is responsible for local staff like secretaries, drivers and housing staff.

Regional GoT representatives to RIPS are appointed directly by the GoT regional development directors to serve as a liaison between RIPS and the two regional administrators in Lindi and Mtwara. They previously were known as regional programme coordinators. The regional GoT representatives to RIPS are a major channel for communication between the regional governments and RIPS. They may if required represent RIPS at government meetings, such as the regional development committee meetings, affect policy decisions as a resource person in the RIPS supervisory board and communicate regularly with the district executive directors on RIPS matters.

The RIPS management meeting is a decision-making body for management issues and the allocation of funds and resources involving: the approval of projects and activities, investments, staff recruitment and other issues deemed appropriate by the programme manager. Project proposals and activities are either approved directly in the meeting or are approved and sent forward for further approval by the programme manager and has as its members the two regional GoT representatives to RIPS, the two programme development advisors and the financial controller. All decisions taken in the meeting require the approval of both the programme manager and the regional GoT representatives to RIPS liaison officer.

Staff meetings of all RIPS staff excluding supporting staff are held regularly for purposes of information, coordination and decision issues. They also address problems and concerns. The programme manager chairs these meetings.

The GoT-RIPS coordination team, chaired by the regional development director, meets regularly with RIPS staff, district executive and regional department heads to discuss RIPS policy and activities.

Thirdly, a support service is also part of the RIPS organisation component. The RIPS programme does not implement projects, but rather works with local government to provide services in support of local programme and project activities in six areas to mention a few; training, media and technical assistance. RIPS also provide funds and resources to projects in response to locally initiated proposals.

RIPS staff is assigned to one of the services. For example, the rural development facilitators are assigned to the technical assistance service. RIPS staff work at both the programme level and with government officers at the project level.

One of the support services is the technical assistance. This is composed of rural development facilitators (RDFs), sectoral advisors (SAs) and sectoral facilitators (SFs). The RDFs focus on community mobilisation and facilitation. They work with, but not within, local governments. Communication, transparency and contact with the local government and the village people are an important part of their job description. The RDFs, therefore, provide the primary interface between the RIPS programme and the projects it supports at local level.

The sectoral advisors have a sectoral focus and also are concerned with the

development of technology and methodology and linkages with other agencies and institutions like the World Bank and NGOs. There are various sectoral advisors responsible for different sectors of focus within RIPS like sectoral advisors for agriculture and education. The sectoral facilitators assist the sectoral advisors in a given sector. They are supervised by the SAs.

The RDFs, the SAs and SFs meet regularly in the technical assistant coordination meeting, chaired by a proposed technical assistance team leader. This meeting is to discuss problems and concerns, coordinate work, and make decisions on project and programme activities. The programme manager attends this meeting.

Serving in support of the RDFs and the SAs are the RIPS programme development advisors. They provide among other things administrative, financial, media and training support to the RDFs when needed.

Another support service is the financial and administrative services. A primary function of the RIPS programme is to provide funds for projects and activities. Financial and administrative services support this function. The RIPS financial controller and his staff help the managers of supported projects and other organisations to meet the RIPS requirements for financial transparency and control, and to administer the disbursement of funds to supported activities. RIPS funds are channelled directly to projects, as approved by both the GoT and GoF. The "RIPS Programme Handbook" provides for standardised financial reporting procedures for projects.

There is also a monitoring and evaluation support service. In May 1996, a

Monitoring and Evaluation Service was created. M&E is done both at project and programme level.

(b) RIPS Perception of Development.

RIPS perceive development as a process of change within the whole society. RIPS facilitation often plays an important role in the processes of change in the local society and government. During the years 1994-1997 the processes of change that have been the main themes guiding the programme evolution have mainly been political including good governance, democratisation, social accountability and transparency.⁴⁷ It is emphasized that RIPS has moved towards creating an enabling environment to ensure and enhance space for local development processes.⁴⁸ This interpretation fails to see the historical and relational part of how this region has remained in this state of poverty. Consequently, RIPS defines rural development as being a local, complex, ... and unpredictable process. Isolating rural development to be local denies rural-urban and southern-northern regions relations as a whole. The attraction towards localising development is for reasons of achieving tangible results though it is argued that RIPS is providing the software for people's development, while people, especially bureaucrats, are used to seeing development as hardware.⁴⁹

47 "RIPS in a Nutshell..." *op.cit.*, p.1.

48 *Ibid.*, p. 2.

49 *Ibid.*

RIPS is no exceptional in achieving hardware development as stated by themselves," ... providing services to local organisations to implement their development activities... has proven to be a very efficient ... way of achieving tangible results."⁵⁰

In addition, RIPS conception of development is that it can only be achieved by the people themselves and hence the focus on promotion of popularly based initiatives and organisations which are to be facilitated and supported.⁵¹ The focus is the community and civic society mobilisation complemented with efforts to promote local government. The administrative structure is said to be somewhat secondary and is approached with the view to reorient its attitudes and modes of operation to become demand driven service providers. The assumption is that people have been passive, by-passed and hence underdeveloped. This type of process justified increased responsibility for the rural dwellers rather than empowerment and less for the government hence supporting the SAP efforts of less-state intervention and more role of market forces control from the grassroot level.

The real essence of promoting participatory approach is clearly explained by Lars-Erick Birgegard:

... if the promotion of civic society and the promotion of a process of change at community level is seen as the key element of a RD strategy, then the project concept may matter. With this strategic orientation

50 Ibid.

51 Birgegard, *op.cit.*, pp. iv and 29.

attempts would then be made to reach a large number of diverse civic society institutions and promote and support a large number of independent and interlinked processes. This seems to call for a project concept which puts prime emphasis on ... processes and secondary on material substance ... (like) wells ...⁵²

Therefore, the projects are just an instrument to enhance the process of less state intervention and hence increased responsibility to the poor particularly of the south eastern. This is the appropriate definition of a project in this study. RIPS has been in support of SAP as stated:

... macro level conditions had to be addressed to pave the way for more successful efforts at programme and project levels, and also that the SAPs with their shortcomings (e.g. social implications) were generally seen as adequate in creating more favourable preconditions for development including rural development.⁵³

This reveals how RIPS is not class-neutral. It is a tool of the neo-liberals. SAPs are supported though they have been acknowledged to be deteriorating social conditions of the poor. Hence continued poverty for southern region is certainly assured.

RIPS as already shown is not politically neutral. Implicitly the RIPS programme is capitalist as revealed in their support of SAP. Furthermore, their land

52 Ibid., p. 33.

53 Ibid., pp. 22, 36-7.

rights stand is a testimony to their political inclination. They argue that predictable and secure land rights are a prerequisite for smallholder investment in agricultural production. Environmental sustainability is argued, also requires that local stakeholder looks after natural resources, and not left to exploitation under open-access regimes. They further complain that the young often fail to inherit land, and are expected to either help their parents or move from the village as they mature. However, this problem of the youth moving from the south has been historically a problem because of the capitalist induced unequal development.

RIPS is based on the belief that the programme grows and changes in an evolutionary process. It becomes an internal part of the change process in the society where it operates, in the way it opens up a "window" into change processes through which development cooperation can be seen in a new light. Consequently, these are seeds grown to influence the process of change towards further neo-liberal capitalism as indicated by the type of macro-economic and land-tenure policies supported by RIPS.

(c) Rise and Development of RIPS Goat Project

A goat extension project was initiated in Newala District by the British funded O.D.A. (Overseas Development Agency) in 1985. The project worked with the overall aim of improving goat husbandry. The project was taken over by RIPS in 1992 and the approach changed so that the project would focus on spreading goat ownership. The development of village goat loan schemes started initially in four pilot

villages in two districts (Masasi and Lindi). A participatory appraisal of this pilot goat loan project carried out in January 1994 led to the preparation of a project document covering the period 1994 and 1996 for all districts in Lindi and Mtwara.

The official aim of this project is part of the RIPS overall objective that is the achievement of sustainable livelihood as a result of developing institutions that help the people to learn, organise themselves, as part of a democratic process.⁵⁴

Overall objectives of the project are to increase household socio-economic strength and security through sustainable improved productivity and income security. The project also aims at improving household nutritional status and food security. It aims to heighten awareness of farmers driven sustainable development alternatives for goat production and their potential.⁵⁵

There are several immediate objectives according to the goat project document. One of these is referred to as improvement of wealth status of beneficiaries. This is whereby the project intends to facilitate smallstock ownership by poorer farmers, especially female-headed households.

The project aims at improving nutritional status by increasing milk and meat consumption and commercialisation of stockowner objectives. Commercialisation is

54 "RIPS semi-annual Progress Report (January-June 1995)," p. 1.

55 United Republic of Tanzania and Republic of Finland, "Goat Project - Lindi and Mtwara Regions Phase 2 May 1997 - June 1999," (Framework Project Document), (May 1997), p. 11.

whereby the project is aimed to be beyond a livestock project and becoming a credit and savings scheme whereby goats are kept as insurance. They are to be sold in times of urgent need, such as sickness, death, or the payment of school fees. Goats are also to become capital to be passed on as an inheritance to the children. The project also aims to facilitate wider ownership of goats by villagers by improving management of stock and input assistance such as drugs.

In addition to wider distribution, there is concern to fair distribution between men and women. It is the objective of this project to ensure that the distribution of goat loans to individual farmers would be offered 50% to women farmers and 50% to men.

The total number of goats distributed by RIPS between 1992 and 1996 was 9,084. The loanees included individual loanees, women group, schools and field staff. The majority of the goats during the first phase has been allocated to individual loanees (80%); followed by women groups (14%), schools (4%) and finally the field staff who received 2% of the goats distributed by RIPS between 1992 and 1996.

Generally, loans to individual farmers are slightly more distributed to men compared to women. A total number of 40,856 booklets and pamphlets have been distributed to loanees, non-loanees and women groups. The booklets (two volumes) explain different aspects of improved goat husbandry management. They have been mainly distributed during the smallstock seminars. Farmers who are selected to be loaned goats together with some non-loanees who already keep goats and representatives of women groups that were granted goats, were invited to a seminar

on improved method of goat keeping. Nails were also distributed to assist the loanees and non-loanees traditional goat keepers to assist them in the construction of an improved goat house.

There has been an evaluation survey carried out in November-December 1996 on this project. The observation has been that generally, women have less access to credit systems including in this project. Possible consequence of increasing livestock numbers is environmental degradation due to overgrazing or damage to farmer crops. In view of flock projections it is estimated there will be almost 50,000 goats by December 1998 from the original input of 7,300 goats to the first phase loanees. Localised over-grazing and crop damage might become issues of concern in the more densely populated areas.

The project is said to be generally sustainable at village level since the repayment is 100%. It has been observed that although there are no defaults in repayment, it can take a long time before the repayment is actually made. Remedy to this has been closer supervision so as to reduce the payback periods in favour of the next phase loanees and the overall continuity of the project.⁵⁶

The project is also faced with the problem of veterinary drugs. Availability of drugs and veterinary advice is a problem for many farmers. This is particularly the case in remote places where it is reflected in a relatively high goat mortality rate, especially among the young kinds". Common causes of death are said to be diarrhoea

56 Ibid., p.7.

and worms that could easily be cured if treatment is given in time. Although the project provided a component focusing on veterinary inputs, little has been achieved. The veterinary input component focused on the provision of a basic first aid supply of drugs. Particularly in view of the projections of the flock size, the problem of veterinary drugs supply should be (re) addressed by the next project phase.⁵⁷

4.2 The RIPS Goat Project at Mnazimmoja

The origin of the goat project in Mnazimmoja is not very clear. Some villagers are aware of the origin of the goat project while others are not. One villager said he just heard about it but does not understand what it is all about.

By 1996 according to Fakihi Muishagani there were no livestock keepers at Mnazimmoja because of economic and cultural constraints.⁵⁸ He explained that there were sayings like if you keep livestock people will bewitch you. This could have been because of absence of gross differentiation. It was feared that livestock keeping would imply wealth and status. He was the first person at Mnazimmoja to keep livestock when in 1980 he started by buying four goats. By 1994 there were only four livestock keepers at Mnazimmoja. In the same year RIPS introduced the goat project at Mnazimmoja. Currently, there is a larger herd of livestock in the village but in the

57 Ibid.

58 Interview with Fakihi M. Shangani, 1-10-1998, at his residence, Mnazimmoja village.

hands of few people.⁵⁹ By 1987 there was only one cattle keeper. There were not more than ten goat keepers before 1994.⁶⁰ This is mainly because livestock were very expensive and therefore people could not afford to buy. RIPS loan livestock are available at low cost hence more people can own goats.⁶¹ This shows that the people, who could own livestock, were relatively better off while the majority, could not afford. It is not entirely because of ignorance that only a few people can afford livestock keeping. However, there are still those who cannot manage these cheaper goats even though they would wish to because they cannot afford. One villager lamented: "Kufuga mbuzi ni gharama."⁶² Goat keeping is a costly venture.

The RIPS officials introduced the project to the village government and later the villagers were called and informed. Voting was conducted among those who attended to vote for the people who deserve to be given goats during the first phase. Suitable loanees included those who could build a house to keep the goats. In addition, a husband and a wife from the same household could not be loaned. Those selected were sent letters by the government officials showing whether they have been approved or not to receive the loan. The approved loanees and some traditional goat

59 Ibid.

60 Interview with Shazir Abdalla (Afisa mifugo), 22-2-1998, Mnazimmoja Village.

61 Ibid.

62 This position was explained by, Said Hassan, interviewed at his house, Mnazimmoja.

keepers were invited for a three days seminar to be taught about construction of a goat house, goat delivery process, goat care and feeding.

The goat revolving fund is now in phase III. During the first phase sixteen people got goats and these reduced to nine in phase two because other owners lost their goats. In phase III nine people have been loaned. The phase-to-phase interval is two years that means the period the loanees are supposed to pay the loan is within two years after receiving the goats. One is supposed to pay the loan even if their goats died under conditions of negligence, for example, failure to take the goats to feed, goats knocked by a car, or died because of failure to treat a sick goat. However, taking goats to feed requires a herder who is paid about Tshs. 1,000/= per month.⁶³ Goat treatment is not affordable to many peasants too because it sometimes costs up to Tshs. 18,000/=.⁶⁴ Accidental causes, like a goat feeding on poisonous grass can be used to exempt paying the loan.⁶⁵ This loanee can be compensated.

The loanees were required to form a goat committee to follow up and ensure the loanees care for the goats and also make contributions that could be used to buy medicine for their livestock since medicine is too expensive for individuals to afford. However, the contribution has not been successful and the committee are by all means to ensure the loanees pay their loans though the problems they face as poor farmers

63 Attawa Kassim, interviewed on 30-9-1998 at her residence, Mnazimmoja village.

64 *Ibid.*,

65 Interview with Abdalla, *op.cit.*,

trying to improve their lives through livestock keeping are not addressed. The loanees are expected to pay the loans no matter what hardship they go through under SAP where the state non-intervention policy does not subsidise inputs of production for the poor peasants.

4.3 The RIPS Goat Project at Mpeta

Livestock keeping has not been very common in this village. Mostly people have been hunting wild pigs and rats.⁶⁶ Over the years a few people began to keep chicken and later began to keep goats and even cows.⁶⁷ Livestock keepers have recently increased because of the RIPS project.

The RIPS goat project was introduced in the village in 1993.⁶⁸ Asked why the goat project was introduced in the village, a villager answered that RIPS decided it and they accepted.⁶⁹ The loan is now in its third phase. During the first, second and third phase, 10, 9 and 8 people got the loan respectively. The village project already has a goat committee started in 1995 by the RIPS goat loanees as instructed by

66 Interview with Kassim Mageuza, Mpeta village, 12-10-1998, at village government office.

67 Interview with Abdu Mageuza, Mpeta, 10-10-1998, at his residence.

68 Interview with Andrea James, referring to the village goat project records, 12-10-1998, at his residence, Mpeta Village.

69 Interview with Mageuza, *op. cit.*

officials from RIPS.⁷⁰

The aim of the project is to enable the poorer segment of the villagers to improve their socio-economic well being as explained by a villager.⁷¹ The most disadvantaged villagers automatically qualified to receive loan goats. However, there were other criteria used. The loan goat scheme was also a political reward to the well-behaving members of the society.⁷² A loanee classified herself as deserving because of being a peaceful citizen.⁷³ Some other villages mentioned this. Some villagers misconceive the loan for a reward. The government village leaders are largely responsible for this distortion in their search for legitimacy. The result is that poorer segments are not the major concern. In addition, the loanees have to build a goat house that they say costs about Tshs. 10,000/=.⁷⁴

The major problem these loanees face is lack of veterinary care because of their inability to pay for the drugs. In addition, veterinary doctors are so distant and for the past two years they have had none except an agricultural officer available in a

70 Interview with James, *op. cit.*

71 *Loc. Cit.*

72 *Ibid.* and *loc. cit.*

73 Elizabeth Lombola, 15-10-1998, interviewed at her residence, Mpeta village.

74 *Ibid.*

village located about six kilometres away.⁷⁵ Consequently, some people lost their goats for inability to get treatment.⁷⁶

The loanees are expected to pay the loan or else face legal charges against them by the village government.⁷⁷ Selling or slaughtering the loan goat is forbidden before one has paid his/her loan.

4.4 Conclusion

This chapter has clearly explained RIPS background. RIPS perception of development has been revealed to be part of the neo-liberal strategy to enhance increased responsibility for the southern poor complimenting SAPs imposed on the Tanzanian state by the Bretton Woods institutions from above. In this context therefore, the projects of RIPS are just a means to reach the grassroot and implement this non-intervention policy and not primarily to alleviate poverty. The goat project official aims though humanitarian is in contradiction with the RIPS supported macro-policy that is not supportive to the stated project goal. Therefore, while the project claims to be fighting poverty, the macro-policy consolidates poverty in south-eastern Tanzania. The project therefore cannot manage to facilitate poverty alleviation.

75 Interview with Mageuza, *op.cit.*

76 Interview with Lombola *op.cit.*, She lost twins because she could not afford to treat them.

77 *loc.cit.*

Furthermore, it has been clearly established that the goat project is an initiation of RIPS and not the villagers. This shows that the villagers are not the decision makers at all levels in deciding their destiny. This implies undermining them and hence reveals unequal power relations that hinder successful effort in alleviating poverty. Moreover, conditionalities like building a goat house; veterinary care and feeding are too expensive to be afforded by the poorer segments of the peasants. The selection methods of suitable loanees discriminate against the poorer peasants. Harsh treatment for those who might fail to pay the loan instils fear into the poorer peasants who are uncertain of even their own lives. The project in these villages sustains rather than eradicates poverty in south-eastern Tanzania.

CHAPTER FIVE
AN OVERALL ANALYSIS OF FINNISH AID AND POVERTY
ALLEVIATION IN LINDI AND MtwARA REGIONS

5.0 Introduction

This chapter examines whether or not Finnish aid has contributed in poverty alleviation in Lindi and Mtwara. This shall be done from relational perspective and the impact of such relations in poverty alleviation.

5.1 Distribution of Resources

The distribution of resources affects the impact on attempts to alleviate poverty. If fewer resources reach the target population that is the poor, then they shall continue to remain poor. Provision of resources is not the cause of unequal relations. However, if resources are provided they improve the living conditions of the target group. Distributions of resources less reach the target group. Most of the resources go to salaries of technical experts, imports and allowance.

Procurement of inputs for the programme entails provision of fewer resources to the target group. Only a few of the inputs for the programme are procured in Tanzania while most are from Finland. This affects the ratio of resources available to the target population. Only 16 and 10 loanees at Mnazimmoja and Mpetta villages respectively benefited from the goats provided by RIPS. There is a relationship in the distribution of resources. Most of the resources are used to import goods from

developed countries. Very little is used for alleviating poverty.

To cover up for the excessive and unnecessary importation RIPS procured a bicycle locally.⁷⁸ More expensive and unnecessary goods for the programme are imported from Finland. This has proved to be negative to aid. These goods include freezers, ovens, refrigerators and television sets. Other goods include tents, pillows, dart and tennis equipments all claimed to be for RIPS projects.⁷⁹ Tennis shoes, towels and exercise suits are also imported.⁸⁰ A Finnish company Toimittaja supplied to RIPS project glue stick pritt, note books, pencil, cleaning liquid, cashbooks and account books. Importation of these goods is justified on the grounds that they are necessary for the execution of RIPS activities.⁸¹ They are also claimed to be in accordance with the agreement between the GoT and the Finnish foreign ministry. This does not stimulate the local economy. However, it stimulates Finland's

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- 78 RIPS letter from Financial Controller (FC) Heikki Honkanen to Regional Revenue Office, H.Z. Tungasha, Mtwara, Ref. No. ID. 711/151, 27th May 1998, p. 1.
- 79 Letter from FC to Regional Manager, Tanzania Revenue Authority, Ref. No. ID. 711/114, Mtwara, 17th September 1997.
- 80 Proforma invoice from Oy Finnagro Ab (Finland) to RIPS Project Manager, Tor Lundstrom (Mtwara), 11-1-1998 and Audit Query No. LRG 43 of 1992/93, p. 2.
- 81 Letter from RIPS to Regional Revenue Officer, G.W. Shemdolwa, Mtwara, Ref. No. ID. 711/134, 27th February 1998, p. 1.

industries and companies.

These goods are locally available yet they are imported from Finland. The producers of these goods are in Finland; they were packed, insured and supplied by Finnish Company (ies). This is a good way of simulating the Finnish economy. These goods were not only ordered in Finland but also most likely paid in Finland too and therefore lack of transparency. This is revealed in Financial Report presented by the FC for the second half of 1995 where costs in Finland were the second highest after technical assistance for purchase of programme utilities like vehicles and motorcycles ordered and paid for in Finland.⁸²

The target group of the aid do not benefit from these imports. In addition, since they are exempted from import tax local production is endangered. This hinders the growth of Tanzania's economy. Such a process encourages aid dependency. Meanwhile, Tanzania government does not get alarmed at importation of such goods irrelevant to poverty alleviation.

Delivery of such luxurious and unnecessary items would not have happened if the state negotiations could unbundle craftily packaged aid deals. The development contract contained commercial lock-in clauses that restricted sources and destinations, magnitudes and prices of exports, and imports. The cooperation agreement reflects ambiguity. The co-operation may be undertaken through various ways including...;

the provision of commodities... as well as any other form of

82 Supervisory Board Meeting Minutes, Mtwara, 1st - 2nd February, 1996, p. 2.

cooperation that may be agreed upon by the competent authorities.

According to this agreement the term commodities:

shall mean goods, materials ... and any other commodities made available by the Government of Finland or an implementing Agency for projects...

The agreement states that the Government of Finland shall be responsible to:

deliver the commodities to Tanzania and pay the costs of the purchase, transportation and as appropriate insurance connected with each consignment.

Whereas the role of the Government of Tanzania is to ensure entry of the commodities into the country:

with a swift and safe reception, exempt the commodities from or bear the costs of all customs duties, ... The commodities shall become and remain the property of Tanzania at the time to be specified in each specific Agreement or be subsequently re-exported.⁸³

This clause reveals the commercial lock in where Finland would be the supplier and Tanzania the facilitator of free import of commodities. The clause is so general to allow even a pen to be imported. There is no limitation as to what can or

83 "Agreement on Terms and Procedures of Development Co-operation between the Government of the Republic of Finland and the Government of the United Republic of Tanzania," (signed on 30th July 1987).

cannot be imported. No method of bidding is mentioned. Finland is the supplier and insurer of these commodities. She would definitely spend most of the aid in importing from her home industries irrespective of whether the goods are socially relevant, economically and or cost effective. To unbundle such tricky clauses requires careful study of the agreement in order to avoid traps hidden in the attractive and grand promises of the aid package. Furthermore, this shows failure of Tanzanian authority to be assertive in the aid process because such clauses should not have been approved as they are. In the long run high return flow to the donor country does not remedy poverty but consolidates the disparity between the donor country and the recipient and the social relations that sustain poverty in the course are nurtured.

Salaries for expatriate staff are another source that drains a lot of resources. They reduce the utilization of these resources to poverty alleviation. Expatriates could have their advantages when hired. For example, they are less susceptible to the local political interference. But their disadvantages can be more damaging to alleviation of poverty. These are not neutral figures and need high payment. Even if they fail to fulfil their commitments nowhere in the agreement has it been mentioned that they will be penalised. Therefore, they are not necessarily easily accountable.

Poor budget distribution is a common phenomenon in the programme in that less resources benefit the poor. Only approximately 10% of the total RIPS expenditure by the end of 1990 has been spent for activities, which directly benefit the target group. Most of the expenditure until then had been spent for overhead organisations both in Tanzania and in Finland, for office block and expatriate houses,

salaries for experts and import of vehicle. Hence it was recommended that during the second phase of RIPS, 1992-1996, more than half of all RIPS expenditure should be directed to activities that directly benefit the target group.⁸⁴ However, this never happened. According to the Mid-Term Review carried out in 1995 the expenditure on human resources, namely technical assistance, was 37% of the total expenditure during the first half of 1995. Only a little over a quarter of the funds went directly to the projects. On the other hand, not all that is spent in projects has directly benefited the villagers. Much has gone to transportation and allowances.⁸⁵ However, this was not regarded as an indicator of ineffective aid use. It is argued that from the financial point of view, human resources are crucial.⁸⁶ This is not from relational perspective because less financial input to villagers means less benefits to them. It is not entirely through the human resources that client groups benefit because the problem is not just technical but also relational.

Furthermore, much of the aid has been used in Finland hence high return flow

84 " Rural Integrated Support Programme RIPS 1988-1992 Lindi and Mtwara Regions, Tanzania, Mid-term Review Mission Report," (Finnish Cooperative Centre, March 1991), pp.43-4.

85 Government of Finland and Government of Tanzania, "The Rural Integrated Project Support Programme Mtwara and Lindi Regions Tanzania Mid-term Review," pp.32- 33.

86 *Ibid.*, p.33.

with little benefit to the target group justified that the aid is not providing hardware-input, but software-capacity, to development. However, high return flow has a relation in cementing unequal relations between the donor and the recipient and especially the target group, the poorest. This is because unequal distribution of resources consolidates unequal relations with the poor getting poorer and the rich getting richer. For example, RIPS project final accounts programme for the second half of 1995 shows that out of a budget of TAS 772,704,415 expenditure in Finland was second highest after technical assistance. The expenditure turned to be 15.2% of the total expenditure. The costs were classified as purchase of programme utilities like vehicle and motorcycles that were ordered and paid for in Finland.⁸⁷

Budgets are scrutinised separately by the financial office headed by a Finnish financial officer before releasing funds.⁸⁸ Therefore, the Finnish donor directly controls these financial reports. Therefore, allocation of resources is not politically neutral and not necessarily destined to poverty alleviation.

Appointment of Finnish firms is another source of drain of resources from the poor. The loophole begins right from the development agreement whereby the implementing agency clause is very general. It does not specify issues like origin of the implementing Agency.⁸⁹ The implementing agency would be contracted after

87 Supervisory Board ... Minutes, (1st - 2nd February 1996), *op.cit.*, p. 2.

88 ----- in Lindi, (20th March 1997).

89 "Agreement on Terms...", *op.cit.*, p. 5.

mutual understanding between GoF and GoT. However, the cost of paying this agency is the Finnish. Consequently, such an agency would most likely be from and be loyal to the Finnish Government the payers of such an agency. However, the Government of Tanzania could be assertive enough in practice because their consent matters even though they are not paying the agency. These two reasons contributed to the unilateral appointment of implementing agencies by the donor. As a bilateral agreement, one would have expected that a natural step would have been to jointly identify, assess and finally choose the best from the universe of applicants through international bidding system. However, the donor sidestepped this decisive capacity-building procedure.

Finnida's choice of Oy Finnagro and previous Finnish implementing agencies cannot convince us that it had to do with either price competitiveness or track record in dealing with developing countries in the area of poverty alleviation. It simply happened to be a Finnish Company. The credentials of these companies are not transparent. For example, competency of such agencies is questionable. Instances of repeated excessive delays, cost overruns, purchase of inappropriate machineries and equipment abound.⁹⁰ Were it not for weaknesses in the agreement and lack of

90 Examples in variations in actual and planned budget; " Minutes of the Supervisory Board Meeting," held in Lindi Conference Hall on the 20/3/1997, p.4.

For delayed procurement of spare parts for rehabilitation of machinery; "RIPS semi-annual Report for the period of January to June 1992," (Draft 17/07/1992), p.50.

assertiveness on the part of Government of Tanzania, probably these Finnish companies would not have succeeded in securing the job under international bidding arrangement. The recipient state found itself virtually on the receiving end. The recipient state embraced such a compliant position not because of the Finnish companies inherent superior functional utility but because it was the only way they would be assured of continued aid. The political fortunes of Tanzania were directly tied to promises of more foreign aid regardless of the nature in which they were delivered.⁹¹ This reveals lack of a clear strategic vision of how exactly the projects were to be implemented. The appointments of such agencies simply delineate the argument that Finnish aid was interested in building capacity rather than providing inputs.

These Finnish companies naturally hire Finnish consultants. This results in lucrative payment to these companies and their consultants. As a result, a high return flow contributes to less benefit to the poor and high to the Finnish company and its employees. As a result, a continued social inequality is reinforced and poverty persists due to the derogatory references strategically associated with local consulting firms that could have resulted to cheaper and locally environment familiar

For inappropriate machinery; "List of order (office equipment), 15/6/1994.

For delays; Julie Adkins, "Annual Report Summary-RIPS," (1994).

91 Promises of foreign aid see, "Finland Kusaidia Tanzania Bilioni 17.01," Mtanzania, (16th march, 1998).

implementers and therefore less prone to mistakes such as buying goods that are not climatically appropriate, capacity building and more benefits to the poor from the spared resources.⁹²

5.2 Distribution of Power or power relations

Foreign aid should be understood as a complex process involving complex relationships of power and interests. Donors have their own priorities and interests... (which) can distort the development process of recipient countries.⁹³

The donor in aid implementation and decision-making dominates RIPS. Financial control is highly donor dominated. The financial controller is a Finnish expatriate. This prevents transparency to the recipient country. So while Tanzania is clearly known that it has failed to contribute to the budget, Finnish contribution is not clearly known how it is spent because a Finnish is strategically placed to safeguard the donor interests. Therefore, it is not enough to boast that the donor is the sole contributor while a lot of secrecy on the use of the money prevails. That is why the Mid-term Review recommended communication and transparency by sharing all financial information.⁹⁴

Making workplans that do not make it possible to foresee which activities will

92 Justifying by-pass; Birgegard, *op.cit.*, p.34.

93 Nyoni, *op.cit.*, p. 17.

94 "Supervisory Board...", (1st - 2nd February, 1996), *op.cit.*

be carried out enhances lack of transparency. For example, only a few of the planned activities for the period January - August 1996 were carried out. Some activities for the first half of this year were still in process in the second half and reports were yet to come.⁹⁵ The programme manager clearly admits; "...Generally we seem to have a lot of freedom to decide here what we are doing."⁹⁶ This proves control by the donor. It is a result of the recipients excessive dependence on aid that makes them believe that it is natural for donors to fashion the execution of the project as they like and at their own pace without raising a finger when delays and deviations take place.

Bypassing of the Tanzanian authority is clearly reported whereby employment of commercial service advisors and housing officer was done without involving the Tanzanian authority at all.⁹⁷ The recipient desperate need for foreign assistance has surely translated itself into surrender of control. This loss of control goes back to the development cooperation agreement whereby it is stated that the Ministry for Foreign Affairs of Finland shall recruit experts and without undue delay GoT shall inform the GoF of the approval or disapproval of the proposed candidate(s). The failure of GoT to be involved in deciding whom to employ as revealed shows either failure to assert themselves or because of the need for assistance they think questioning the donors

95 "RIPS Phase II in Mtwara and Lindi Regions. Report January - August 1996."

96 Fax from Tor Lundstrom (RIPS) to Leena (Finnagro), June 12, 1994. Comments on the steering Committee meeting 2/6/1994.

97 "Semi annual Report ...," (Draft, 17-07-1992), *op.cit.*

would result to the withdrawal of aid and therefore avoid being assertive or even complaining when by-passed. This is insulting to our national-esteem, national sovereignty and autonomy. These are non-economic conditions that are important in successful poverty alleviation.

Bureaucracy is another indicator of unequal power relations. RIPS programme employs 150 Tanzanians permanently. The staff directly employed by the programme work in secretarial and clerical positions in processing central unit (PCU) and in the livestock extension project, as trainers in the village Artisans project, as foremen, "fundis" and "askaris" in housing project and as mechanics in the light vehicle workshop.⁹⁸ This reflects failure of Tanzanians to adequately assert themselves. Jobs assigned to Tanzanians are mostly menial. Very few Tanzanians are employed in skilled jobs. This does not lead to human development but rather it contributes to dependency. Almost all critical positions in the management from the programme manager, financial controller and material procurers and execution levels of the project are monopolised by the Finnish. This monopoly coincides with the Finnish distrust of the recipients' management capacity that was pushed to absurd limits and its anxiety to show immediate favourable results at home. This contradicts the claim that their development approach is not hardware one but software because in such a case one would expect capacities would be created and developed rather than provided. This situation reflects unequal power relations that are not conducive

98 *ibid.*

to poverty alleviation.

Unequal power relations between the donors and target group are clear. The loanees interviewed mostly responded to the initiators of the goat project as RIPS. They therefore do not identify themselves as the initiators. Their bypassing is probably based on modernist arguments that the peasants are stupid. In addition, the urge to get the projects successful and get the basis for further aid might have lured the government and RIPS officials to by-pass the civil society in decision-making. Consequently, some villagers found the conditions attached to the revolving fund as ridiculous and hence restrained themselves from the project.⁹⁹ A strong target population involved in decision-making at all levels is necessary in ensuring aid is more effective in alleviating poverty.

Unequal power relations results to diversion of the aid to donors interest and less to poverty alleviation.¹⁰⁰ Without a more assertive state and civil society that does not believe that they are beggars and that silence is always golden in order to let aid continue, then the chances of aid to alleviate poverty remain minimal.

99 Example; Mageuza, interviewed *op.cit.*

100 Projects out of tune with the needs, priority and wishes of the people, example;, expatriate houses; "Semi-annual Report..." (Draft 17-07-1992), *op.cit.*, p.50, and Institutional cooking; " Supervisory Board Meeting..., Mtwara, 1st.-2nd. February 1996," *op.cit.*, p.3.

5.3 Conclusion

Unequal distribution of resources and power affect attempts to alleviate poverty. Very little resources reaching the target group and much going to donor country consolidate poverty among the south eastern poor. Likewise, unequal power relations erode self-esteem and results to less benefits of the aid to the poor and more to the donor-hence sustained poverty of the south-eastern Tanzanians. Finnish aid has revealed to posses both qualities of unequal distribution of resources and power between the donor, the recipient and the south-eastern poor. Therefore, Finnish aid has been unsuccessful in its attempt to alleviate poverty in south-eastern Tanzania.

GENERAL CONCLUSION

Historical and relational aspects of poverty are central. Ignoring these implies succumbing to further oppression of the oppressed. Projects and processes supported by development aid that are silent on historical and relational aspects of poverty are oppressive and have no genuine intentions to liberate the poor.

Finnish aid uses the projects to bribe the peasants of the south-eastern part of Tanzania to manipulate them to accept more responsibility of production and their reproduction. They are made to bear costs of social services, production materials like fertilizers on their shoulders.

Meanwhile, Finnish aid is used to dictate similar policies introduced to the grassroots on the state. The people are left to the dictates of market forces. This is illusioning because the countries of these proponents of neo-liberalism do have state support of their farmers and industrialists including subsidies for their produce. Yet their poorer counterparts in Tanzania are denied this right. Thus the acceptance from below of more burden on their shoulder and command of the state to adopt neo-liberal macro level conditions generate favourable environment for further cheap exploitation of labour and exposure of our country as markets for the subsidized and hence cheaper industrial products of the developed countries. This deteriorates our economy and further impoverishes the people especially those of the southern region.

Unless the state stops being easily manipulated against the interest of her people and especially the poorer segments, political pressure shall not cease. Therefore, the state needs to overcome being easily bribed or easily bought which

deprives us our autonomy and encourages interests that largely do not alleviate poverty especially that is ransom among the southern people.

This study therefore makes some recommendations. There should be a critical study of what the donors want and what they are doing and not be carried away by disguised ambitious and grand plans, budgets and promises. Development has to be well conceived, designed and executed with more relevance to the poor people especially of the south. The government officials and the poor need to be highly involved and informed to avoid falling victims of ignorance and marginalisation and therefore go with whatever donors present.

The civil society of south-eastern Tanzania need to be more aggressive in selecting and holding their leaders accountable so that they eradicate corruption that leaves them in destitution while most of the surplus of their produce is not re-invested in their areas but in towns where the Tanzanian elites live and hence perpetuate unequal development and poverty of the southerners.

We should do away with attitudes imposed on us to make us accept our condition and avoid the struggle against oppressive relations that argue that the southerners are poor because they are poor. A change in attitude is also in the way the southerners are outrightly qualified as lazy and therefore deserve to be poor. This mentality contributes to the further justification of enhancing unequal development.

We need to be more historical and relational rather than just accept the stereotypes of imputed deficiencies, lack of data and natural causes in understanding the causes of poverty and hence adapt the appropriate remedies in the light of that

background.

There is a need to adjust inherited colonial political and economic structures so that they end perpetuating underdevelopment and unequal development of Tanzania dependent on cash crop export to the North based on peasant production.

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INTERVIEWEES

Interviewee	Place\date of Interview	Description
1. Aron Chawe	Mtwara\14-9-1998	Technician Grade 1.
2. Shaibu Hassan	Mtwara\15-9-1998	Regional water engineer.
3. Asha Chingolele	Mnazimmoja\22-9-1998	Mtendaji wa Kijiji.
4. Said Hassan	M\mmoja\22-9-1998	Non-loanee.
5. Shazir Abdalla	M\mmoja\22-9-1998	Agricultural Officer.
6. Rashid Kumnamba	M\mmoja\24-9-1998	Non-loanee.
7. Brigita Masanje	M\mmoja\29-9-1998	Health officer.
8. Hamisi Saidi Ally	M\mmoja\29-9-1998	Non-loanee.
9. Attawa Kassim	M\mmoja\30-9-1998	Katibu kamati ya mbuzi.
10. Fakihi Muishangani	M\mmoja\1-10-1998	Traditional goat keeper.
11. Hassan Dienga	M\mmoja\2-10-1998	Village government clerk
12. Abdu Mageuza	Mpeta\10-10-1998	Traditional goat keeper.
13. Andrea James	Mpeta\12-10-1998	Loanee.
14. Kassim Mageuza	Mpeta\12-10-1998	Non-loanee.
15. Mwinyi Mpupua	Mpeta\13-10-1998	Non-loanee.
16. Dr. Carlos Ungele	Chiungutwa\14-10-1998	Medical assistant.
17. Elizabeth Lombola	Mpeta\15-10-1998	Loanee.
18. Othman Ally	M\mmoja\18-10-1998	District water employee.
19. Mr. T. I. Mpanda	Lindi town\5-11-1998	Goat project manager.

20. Kristine Smets	Mtwara\17-11-1998	RIPS employee.
21. Julie Adkins	Mtwara\20-11-1998	RIPS employee.