

PLANNING FOR SELF-RELIANCE  
TANZANIA'S THIRD FIVE YEAR DEVELOPMENT PLAN

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«We have been oppressed a great deal, we have been exploited a great deal and we have been disregarded a great deal. It is our weakness that has led to our being oppressed, exploited and disregarded. We now intend to bring about a revolution which will ensure that we are never again victims of these things.»

*The Arusha Declaration (1967)*

I. INTRODUCTION:

Tanzania, through the Arusha Declaration of 1967 and the Party Guidelines of 1971, has opted for development through socialism and self-reliance. That twin development objective has clearly meant three things :

- 1/ the nationalisation of all the major means of production and putting them under public control;
- 2/ the democratic, and effective participation of workers and peasants in all production decisions; and
- 3/ relying on the country's efforts and resources for her own development, and especially ensuring that those resources are used for the purpose of meeting the needs of the people.

Of the three principles of socialism and self-reliance, the first seems to cause the least difficulties. As emphasized by the Arusha Declaration, «the way to build and maintain socialism is to ensure that the major means of production are under the control and ownership of the workers and peasants themselves through the government and their cooperatives. It is also necessary to ensure that the ruling Party is a party of the workers and peasants. These major means of production are : land; forests; mineral resources; water; oil and electricity; communications; transport; banks; insurance; import and export trade; wholesale business; iron and steel, machine tools, arms, motor cars, cement and fertilizer factories; textile industry; and any other large industry upon which a large section of the population depends for their living, or which provides essential components for other industries; large plantations especially those which produce essential raw materials.» (1) Thus, at the very least, there is general consensus that there can be no genuine socialism if the major means of production are in private hands or that the Government which is supposed to implement socialist programmes is controlled

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by capitalists and their sympathisers and supporters. Hence, before the workers and peasants have wrestled the ownership and control of their resources, away from their exploiters and oppressors, in order that the workers and peasants can begin to plan the use of those resources for meeting their own basic requirements, socialism would indeed remain a rhetoric and pious hope. It was clearly in appreciation of that cardinal principle, that following the Arusha Declaration, the Party and Government of Tanzania took positive and progressive steps in nationalizing all the banks, export and import trade, plantations, large industries and all other major means of production, including land and its natural resources.

The second aspect of Tanzania's development principle, implying the democratic full and effective workers and peasants participation and control of all the important production decisions, is also a logical consequence of the first. Indeed, it is also widely recognized that it is not enough to nationalize all the major means of production and put them under public control. As it has often been pointed out, nationalization per se can very well lead to state capitalism instead of socialism. Under state capitalism, production is still undertaken mainly for profits, rather than for meeting the basic needs of the people: Consequently, state capitalism leaves the workers and peasants alienated as well as work itself degraded, widening further the gap between manual and mental labour and between the leaders and the led. In essence, therefore, under state capitalism production relations remain more or less as they were under private and monopoly capitalism. It was clearly in appreciation of this fundamental shortcoming of nationalization alone that the Party Guidelines stated unequivocally:

« For people who have been enslaved or have been oppressed, exploited and humiliated by colonialism, feudalism and capitalism, *development must mean liberation*. Thus any action which enables the people to decide for themselves all matters affecting their lives and destiny, is a progressive step, even if such an action does not immediately and visibly improve their health and material well-being. Similarly, any action which denies the people the power to decide and manage their own affairs is not a progressive but a retrograde step, even if such an action slightly improves their health and material well-being. To us development implies the eradication of oppression, exploitation, enslavement and humiliation, as well as the consolidation of our freedom and dignity. Thus, when considering the development of our country, as well as in planning our development, our emphasis must always be on the development of our people and not on prestigious projects and monuments for their own sake. In order to ensure that development benefits the people, it is absolutely essential that the people themselves participate fully in the preparation, consideration and implementation of their development plans. The role of the Party is not to urge the people to implement plans which have been decided upon by a few technicians and leaders. But the important function of our Party is to ensure that both the technicians and leaders implement development plans that have been decided upon by the people themselves.

When the people's decisions require the expertise and guidance of the technicians and leaders, the responsibility of those technicians and leaders is to ensure that such information and knowledge is made available to the people in order to facilitate their decision-making; but the technicians and leaders should not whatsoever usurp the people's right to decide and manage their own affairs on the pretext that they know what needs to be done ». (2).

This is clearly a momentous statement of great revolutionary significance which attempts to grapple with the problem of putting politics in command. To be sure, the authors of the Guidelines were acutely aware that such a profound change in human and production relations could neither be brought about overnight nor by an act of chance. In the first place, it requires a change of attitudes of all the people, the workers, peasants, managers and leaders alike, which is not easily accomplished, especially for a people who has been victims of colonialism and imperialism. It therefore, calls for a protracted struggle as well as an intense political education, which instils among an oppressed and downstrodden people the confidence, social responsibility and ability to learn and help each other. Secondly, such a revolutionary change in human relations cannot be achieved by chance or accident. Hence the Party must inevitably assume the political responsibility of deliberately creating the conditions favourable for the establishment of such egalitarian and human relationships. In a nutshell then, the realization of this principle would be anything but plain sailing or a bed of roses.

The third aspect of Tanzania's development principle appears to have caused the most discomfort. The basic problems arise from the fact that self-reliance is often equated with self-sufficiency. On the one hand, self-sufficiency implies autarky, namely, a country's requirements are fully met by her own resources without exporting or importing anything from outside. In its purest sense, therefore, there is no country which can claim to be completely self-sufficient, even though the degree of dependence on outside sources varies from country to country. On the other hand, self-reliance, means that a country depends upon her own resources and efforts to meet her requirements. This implies that a country can still be self-reliant, if in view of her natural resource endowment, producing for instance, beef in exchange for oil and other petroleum products. Similarly, a country can equally be self-reliant if she borrows resources from outside in order to enhance her productive capacity, a course of action that eventually pay-off, with ease, such debts as she may have contracted from outside due to the resultant increase and reinforcement of her productive capacity. Thus, the problem clearly is not trade or aid per se. The real question at issue then is the terms under which a country engages in foreign trade or borrows from outside and the consequent relations it may engender.. Consequently, a system which imposes, for instance, an arbitrary international division of labour whereby some countries, usually the weak, colonized and oppressed *are assigned* the role of being granaries and suppliers of raw materials, on the one hand, while the other countries, usually the strong and industrialized, *assign themselves* the responsibility of being suppliers of manufactures and other industrialized products, cannot promote self-reliant development. What is worse, the latter have also usurped the right to set the prices of the commodities they produce as well as to determine the prices received by the countries which have been relegated to being suppliers of primary products. The results of such arrangements have been detrimental to weak and developing countries. There is nothing sinister or heinous about that arrangement. It is rather the logical consequence of a system which places emphasis on the survival of the strongest as well as buying cheap and selling dear - capitalism and imperialism.

Similarly, in the case of aid, the problem arises when it is used as an instrument of infiltration and eventually exploitation and domination. Foreign aid has often been used as a means of buying off friends, and especially stemming the tide

for revolution and liberation. Equally disturbing, foreign aid has been used as an instrument of subverting progressive policies which are aimed at consolidating the struggling country's independence. In addition to all that, foreign aid has often been given at such exhortationist terms that the borrowing countries have found themselves paying more than twice what they actually borrowed. Such a situation has actually driven a number of developing countries into unbearable debt burdens, a situation which has in turn been used by the lending countries, directly or through the international institutions which they control, to meddle with the policies of the indebted countries. It is not, therefore, uncommon to find nascent progressive countries which have fallen prey of the *debt trap*, being counselled by the pundits of so-called sound financial and economic policy, to abandon some of their progressive policies like subsidized low prices for basic goods which are used by the broad masses as well as abandoning public enterprises to make room for private undertakings in similar activities.

In the case of foreign aid, as in foreign trade, the unequal and degrading system which forces the recipient countries into submissive and humiliating position, is a consequence of a system which props up and elevates the selfish and acquisitive motive in place of egalitarianism and social responsibility.

Thus, in light of the situation imposed by capitalism and imperialism, the Arusha Declaration correctly emphasized that trade and aid under such conditions cannot promote internally generated development and self-reliance. Consequently, by self-reliance, Tanzania first, rejects the arbitrary international division of labour, whereby countries which do not produce cotton become major exporters of cotton textiles while those that produce cotton are forced to a position of being solely dependent on imported cotton textile products. Secondly, Tanzania also rejects foreign aid which weakens rather than stimulates her own efforts and self-reliance. That means, she will always carefully and thoroughly examine all the terms and conditions of foreign aid and loans. In fact, Tanzania has always *not* hesitated to reject foreign aid which would have required her to abandon her policy on socialism and self-reliance or on the liberation of the oppressed in Southern Africa and elsewhere. Hence, according to the Arusha Declaration, self-reliance means that the foundation of development in Tanzania must be the people, hard work and agriculture. In other words in order to industrialize, for instance, the requisite machinery, equipment and technology must initially be obtained from outside. However, whether such capital goods are obtained by trade or aid, there is no substitute for Tanzanians to hard work as well as making agriculture more productive so as to pay for the requisite capital goods from abroad: Thus, in evaluating whether or not a country is effectively implementing self-reliance, the question should not so much be that of how much resources the country is receiving from outside but rather on what terms and how those resources are used and for whose benefit. In other words, are the resources from outside becoming a substitute for the necessary domestic effort, mobilization and restructuring of the economy which cannot be postponed in the interest of genuine self-reliant and internally based development. As we shall see later on the evidence in the case of Tanzania points to the contrary.

## II. THE THIRD FIVE YEAR PLAN

The Third Five Year Development Plan of Tanzania (1976-1981) takes as a basis, the experience and lessons gained from the previous two five year plans, namely, the First Five Year Plan (1964-1969) and the Second Five Year Plan (1969-1974). While the past can never be a true indicator of what should happen in future, the former does condition the latter. Furthermore, the ability to move forward is dependent on the capacity to examine the past achievements and obstacles so as to draw the correct lessons for the future. In so doing we become aware of what is possible or could be done with ease and consolidate to those aspects. Similarly, the fundamental obstacles which require special attention and effort are also brought into a sharper focus by such an exercise. Nevertheless the purpose of such an attempt at drawing the correct lessons from one's past experience is not to provide an alibi for what may happen in future, but rather such an exercise should basically serve to high-light what should realistically be expected, especially in the immediate future. Thus, a plan for instance, which projects a rate of growth of 9% during the next period, when in the preceding period the growth rate of the economy was 4% per annum, could raise more questions than it answers. Of course the previous performance may have been unusually low due to natural disasters or that the country now has discovered an oil well or a mine which would begin production during the next plan. Thus, unless there are such circumstances and factors, mere improvement on one's past production performance is not sufficient to give a substantially higher and different growth rate from one period to the next.

Furthermore, the Third Five Year Development Plan, like the First and Second Five Year Development Plans, is also part of a Fifteen Year Long Term Perspective Plan, covering the period between 1964 and 1980. The main objectives of the Fifteen Year Perspective Plan were:

- (1) to raise the income per capita of Tanzanians to Shs. 900/- per year;
- (2) to achieve self-sufficiency in high-level manpower by 1980; and
- (3) to raise the life expectancy of Tanzanians from an average of 35 to 50 years.

Consequently, the Three Five Year Development Plans were intended, in stages to achieve those long term objectives. The First Five Year Development Plan for example, aimed at increasing the gross domestic product of 6.7%, per an annum, during the plan period. The other target of the First Plan was to change the structure of domestic production in order to lower the share of agriculture to 50%, and to increase the share of industries to 7.5%, of the gross domestic product by 1970. The Second Five Year Development Plan was inaugurated after the Arusha Declaration. Consequently, in addition to emphasizing the objectives contained in the First Plan, the Second Plan had also the following further goals:(3)

- (1) to bring about development through self-reliance and hard work, meaning that Tanzania's development was to come primarily from her own resources, including the efforts of her people;

- (2) to strive for socialist development in order to ensure that there are no undue and excessive inequalities in income and wealth among people;
- (3) to encourage the establishment and development of socialist and cooperative economic activities;
- (4) to work for regional economic cooperation among African countries; and
- (5) to raise the gross domestic product at the rate of 6.5% per annum.

In terms of actual performance, however, some of those targets were not realized, while others are of long term nature and will therefore take a long time to be achieved. During the First Plan, the *growth rate* of the gross domestic product was about 5% per annum in contrast to the 6.7% annual growth rate which was the target of the Plan. As a result, the rate of growth of income per capita, was actually 2.3% per annum instead of the planned annual growth rate of 4.6%. Similarly, during the Second Plan, the annual growth rate of the gross domestic product was about 4.8%, which was again below the planned growth rate of 6.5% per annum. Moreover, the actual performance during the Second Plan, in terms of the growth of the gross domestic product, was slightly lower than the growth rate which was achieved during the First Plan. In the case of the structure of domestic production, the share of agriculture, forestry, fishing and mining declined from about 49% of the gross domestic product in 1964 to about 39% in 1976. While the proportion of industrial production also increased from about 7% of the gross domestic product in 1964 to about 9.7% in 1976 (4). Thus, whereas there appears notable successes in this area, in actual fact the targets for structural changes had already been attained by 1964 when the First Plan was inaugurated. The main reason might have been that the First Plan was drawn up amidst extreme paucity of essential and comprehensive information regarding the structure of domestic production, which would tend to emphasize the shortcomings of planning with the necessary facts.

In terms of changes in real income per capita, there was some modest increase from about Shs. 542/- in 1964 to about Shs. 620/- in 1976; which represents an annual growth rate of about 1.2% over the entire twelve year period.

On meeting the requirements of high level manpower, by 1969 about 82% of all the posts filled in the high and middle grades in the civil service were occupied by Tanzanians. This ratio compares very favourably with the rate of Tanzanianization of similar positions of 57% in 1964. By 1974, the number of Tanzanians occupying high and middle level position in the civil service was 94%. However, in terms of all the high and middle level posts in the Civil Service, only 46% were occupied by Tanzanians in 1964, 58% in 1969 and about 59% by 1974. Consequently vacant posts in the high and middle level of the Civil Service increased from 1,600 in 1964, to 3,300 in 1969, and 9,600 in 1974 (5). This means that while in terms of positions filled in the Civil Service over 90% are occupied by Tanzanians, in actual fact those Tanzanians are only meeting a little over 50% of our requirements of middle and high level personnel in that sector. When the needs of the parastatals which have expanded in size and increased in numbers fairly rapidly since the Arusha Declaration, are taken into account, it is quite clear that Tanzania is still far from being self-sufficient in high level manpower particularly in the technical and scientific fields.

The average life expectancy of Tanzanians has also increased from 35–40 years in 1964 to about 45 years in 1974. Similarly, the country was able to implement a fairly egalitarian income policy, by reducing excessive inequalities in income and wealth. Thus, the ratio between the top and lowest salaries in the public service was reduced from about 50.1 in 1962 to about 9.1 by 1975 (6). Such a movement toward equalization of incomes was accomplished through progressive taxation, deliberate policy of holding down incomes at the top brackets and in some case reducing them, as well as frequent upward revisions of the minimum and medium salaries.

Thus, when comparing the targets and actual performance during both the First and Second Five Year Development Plans, two important observations may be made. First, in the case of both the First and Second Five Year Development Plans, actual performance in some important targets, was below the plan. The First Five Year Development Plan, for instance, projected an increase of the gross domestic products (GDP) of 6.7% per annum, while the actual growth rate attained during the period was 5%. Similarly, the Second Five Year Development Plan had a target of GDP growth rate of 6.5% per annum, when the actual rate of increase attained was 4.5%.

Secondly, when comparing the First and Second Five Year Development Plans, the performance in GDP growth rates during the Second Plan was below that which was attained during the First Five Year Development Plan. In the case of GDP growth rate targets not being attained in accordance with the plans, the decline in agricultural production which has been attributed to unfavourable weather conditions has been found to be the most dominant factor. Indeed, considering the significance of agriculture in the structure of Tanzania's economy, it is quite clear that disturbances in agricultural production should have great adverse effects for the economy as a whole. While the weather has not been particularly favourable to agricultural production, during both the First and Second Five Year Plans, there were other factors especially during the Second Five Year Plan which also contributed to the decline in agricultural production. In particular, not only was agriculture generally starved of adequate investments during this period, but agricultural production was also greatly affected by the enormous villagization programme which was inaugurated by the Party's policy on socialism and rural development. It is indeed unrealistic to expect such a massive resettlement of millions of previously widely scattered villagers to have no effect on production especially in the rural areas. There is no need to be shy or apologetic about this since no major changes can be accomplished without some cost. Furthermore, within the agricultural sector itself, greater emphasis in terms of financial resources, manpower and organization, were disproportionately put into the production of export crops than in food production. Thus, while each of the major export crops has for instance, its own authority, there is no specific crop authorities charged with the development and marketing of the major food crops, like maize, rice and wheat.

In addition to the stagnation or little development in agricultural production, the growth in other sectors was also below the targets. The only sector which has shown relatively phenomenal increase is public administration, which was due to the massive decentralization programme introduced in 1972. The relatively inadequate performance in the other productive sectors like industry may also be explained by the extremely far-reaching changes in production relations involving

workers/management relations, which were introduced by the Party Guidelines and continue to be implemented, albeit gradually. All this means that consolidation of the various structural changes can only begin to show tangible results during the Third and Fourth Five Year Development Plans and possibly even after that period.

Thus, in the light of the objectives and actual performance during the First and Second Five Year Plans, the Third Five Year Development Plan emphasizes the following objectives:

1. Self-sufficiency in food requirements by 1981,
2. Full and efficient utilization of natural resources by putting emphasis on the following important activities:—
  - a) domestic processing of raw materials into manufactured and semi-manufactured products for the local and export markets;
  - b) developing and restructuring the industrial production, in order to give greater emphasis to basic and producers goods industries for meeting domestic requirements. In line with the requirements for basic industries, the development of iron and steel industry as well as the exploitation of other natural resources to meet national requirements, would be greatly accelerated;
  - c) implementation of projects which will lead to the quick production of physical commodities;
3. promotion of scientific and technical education, provision of water and power for industrial requirements, developing and improving the transport and communication sector, and ensuring that there will be adequate storage capacity;
4. completing and consolidating universal primary education in 1977, improving water and health services for the urban and rural population, completing the villagisation programme and raising the standards of rural housing;
5. improvement of work relation and discipline, while at the same time involving the people fully in the implementation of various development programmes and encouraging the application of technical and modern techniques of production;
6. the growth of gross domestic product at 6.0% per annum, which is lower than the target of 6.5% per annum of the Second Five Year Development Plan. However the target growth rate of 6.0% of the Third Five Year Plan compares favourable with actual performance of 4.8% per annum during the Second Five Year Development Plan. The target growth rates for agriculture, mining, water and energy are: 5.1%; 9.3%, 9.3% and 10.3% (7) respectively.



In order to attain those objectives, the Third Five Year Development Plan will require Shs. 26,978 million over the five year period, which compares with the First and Second Five Year Plans as follows:

<i>TABLE I</i>	<i>PUBLIC</i>	<i>PRIVATE</i>	<i>TOTAL</i>
	(In million shillings)		
<i>FIRST FIVE YEAR PLAN</i> .....	2,600	2,320	4,920
– Directly Productive.....	860	1,000	1,860
– Economic Infrastructure.....	880	660	1,540
Social Infrastructure.....	860	660	1,520
– Financing: domestic.....	840	1,520	2,340
external.....	2,160	400	2,560
<i>SECOND FIVE YEAR PLAN</i> .....	5,935	2,150	8,085
– Directly Productive.....	1,634	1,275	2,909
– Economic Infrastructure.....	3,465	275	3,740
– Social Infrastructure.....	836	600	1,436
– Financing: domestic.....	3,561	982	4,543
external.....	2,374	1,168	3,542
<i>THIRD FIVE YEAR PLAN</i> .....	26,974	–	26,978
– Directly Productive.....	12,421	–	12,498
– Economic Infrastructure.....	8,287	–	8,288
– Social Infrastructure.....	6,268	–	6,192
– Financing: domestic (including: parastatal surpluses)	13,729	–	13,725
external.....	13,245	–	13,249

- Sources:*
- (1) *Tanganyika Five Year Plan for Economic and Social Development 1st July 1964–30th June 1969, Vol. I: General Analysis, Government Printer, Dar es Salaam, 1964, pp. 87–101.*
  - (2) *Tanzania Second Five Year Plan for Economic and Social Development 1st July 1969–30th June 1974, Vol. I: General Analysis, Government Printer, Dar es Salaam, 1969, pp. 208–217.*
  - (3) *Tanzania Third Five Year Plan for Economic and Social Development 1st July 1976–30th June 1981, Vol. I: Government Printer, Dar es Salaam, 1978, pp.7–10.*

Thus, as we can see from the above figures the size of the development plan has increased over five times from the First to the Third Five Year Development Plans. In terms of allocation of resources to directly productive activities, economic infrastructure and social infrastructure, the comparative picture for the three plans which emerges from the data in table I above is as follows:

<i>TABLE II</i>	<i>FIRST PLAN</i>	<i>SECOND PLAN</i>	<i>THIRD PLAN</i>
Directly Productive	38%	36%	46%
Economic Infrastructure	31%	46%	31%
Social Infrastructure	31%	18%	23%

Thus, except for the Second Five Year Plan, both the First and Third Five Year Development Plans have consistently put greater emphasis on directly productive activities. As for the Second Five Year Development Plan, a greater proportion of the development resources was devoted to economic infrastructure. This period coincided with the construction of the giant Tanzania-Zambia Railway, the Tanzania-Zambia highway, as well as the building of the Kilimanjaro International Airport, among others, all of which undoubtedly claimed a major portion of the development resources. There is, therefore, clearly very little evidence to indicate that planners in Tanzania have consistently allocated a greater proportion of domestic resources into economic and social infrastructure at the expense of directly productive activities. In any event what kind of directly productive activities can meaningfully take place when most of the people have to spend hours walking long distances to fetch drinking water, when most of the country is inaccessible because of inadequate transport and communications system when the majority of the people are illiterate or semi-illiterate with poor health facilities. In such a situation the question is not directly productive activities or infrastructure. Since they are mutually interdependent one needs, as MAO said, to « walk on two legs ».

In terms of financing the plans, the comparative position, derived from table I above, is again as follows:

<i>TABLE III</i>	<i>FIRST PLAN</i>	<i>SECOND PLAN</i>	<i>THIRD PLAN</i>
Domestic Finance	shs. 2,340 million (48%)	shs. 4,543 million (56%)	shs. 13,725 million (51%)
External Finance	shs. 2,560 million (52%)	shs. 3,542 million (44%)	shs. 13,249 million (49%)

In the case of government development finances namely, excluding resources originating directly from the parastatals, the picture is slightly different for the Third Five Year Development Plan. Out of the total resources for the Plan to be contributed by the Government, Shs.21,267 million, only Shs.8,018 million or about 38% would represent domestic mobilization. The rest of Government resources, about 62%, or Shs.13,249 million, represents external loans and grants. Thus, looked at in terms of government financing of the Plan, greater reliance is placed upon external resources than was the case in previous plans. However, this is only true relatively and not in absolute terms. In fact, in absolute terms we find that the level of domestic resources mobilization by the Government has gone up quite considerably from Shs.2,340 million in the First to Shs.13,725 million in the Third Plan, representing an increase over five times. Thus, while admittedly the level of external financing of the Plans has increased considerably from the First to the Third, we find no evidence to suggest that this has actually taken place at the expense of domestic resource mobilization efforts. Indeed, the higher level of external financing is much more a reflection of expanding development requirements, necessitating investments in large-scale projects like iron and steel, hydro-electric, textile, cement and pulp-paper factories which require large amounts of domestic as well as foreign exchange resources. Ironically, it is those type of projects, incorporated into the Third Five Year Plan, that may be expected to lay a firm foundation for locally based and self-reliant development. That means that for a country like Tanzania, there is a stage in the initial and genuine development process, at which there is greater reliance on external financing in order to become less dependent on such resources in future. Machinery, technology and other resources are required in order to exploit iron ore deposits and other natural resources to harness development. No one is suggesting that a country like Tanzania should wait until it is able to provide such requirements of machinery and technology domestically when they are easily available elsewhere. That would obviously be unnecessary and in fact undesirable. Thus, since such requirements can be obtained relatively quickly and easily from abroad, the real question then is how should such machinery, equipment and technology be obtained or rather paid for. One way is to pay for them when taking delivery wholly from our own resources. This can admittedly go a long way in meeting some requirements, but for some countries at a certain stage of their development the scope may very well be rather limited. Hence the other option is to get those development requirements gratis or on deferred payments (loans) in the genuine and reasonable expectation that when the time for making payments comes the borrowing country's productive capacity would have increased to such an extent to reduce the debt burden. This clearly underscores, once again the importance of utilizing external finance wisely and judiciously, rather than of rejecting it completely. Thus when examined in that perspective, the problem reduces itself to that of prudent and sound financial management which many countries today both socialist and capitalist, developed and underdeveloped, have found it difficult, if not impossible, to resist. This is not the same as saying that foreign aid has not been used by some of its especially powerful «donors», as an instrument of infiltration and distortion of domestic priorities and policy. That would be more than political naivety. The real issue is that a country which cherishes its freedom of action and independence should at the same time be in a position to judge what type of foreign assistance and on what terms helps her to become more self-reliant and independent, and what type of foreign aid makes her more and more dependent. In the same way that every revolutionary party

must on its own decide for itself who are its allies and enemies, each country must decide for itself what foreign assistance it will seek and accept and what type it would reject, after carefully scrutinizing the terms and conditions for each offer. Again just as a revolutionary party must avoid being put into a position where it regards its enemies as friends and friends as enemies, a country too must resist being put into a situation where it considers all kinds of foreign assistance from whatever source, as evil or even all kinds of external aid as a good thing. There is no short-cut to the painful process of examining each case being on its own merit and in light of the constantly changing world reality.

### III. CONCLUDING REMARKS

In conclusion, we should examine a number of important characteristics which distinguish the Third Five Year Plan from its predecessors. In the first place, it was the first plan to be prepared by Tanzanians. The first and second plans were largely the work of foreign experts with very little political input either from the people or its leaders. Nor were Tanzanian technocrats actively involved in its preparation. The reasons for this were both political and technical. There were political reasons in the sense that at the relevant times of plan formulation and preparation, the political leadership considered planning as a purely technical exercise to be left to a few experts instead of looking at planning as a political process. There were also, however, technical reasons implying that there were at that time few Tanzanians who could have actively contributed to the drawing up of the first two plans. But this is somewhat a reflection of the first factor which considered planning merely as a technical exercise, rather than being a strong argument on its own for the lack of technical inputs from Tanzanians into the First and Second Five Year Plans. Thus, the Third Five Year Plan was actually the first of its kind to be drawn up almost completely by Tanzanians and be subjected to thorough and arduous scrutiny by both the Tanzania Planning Commission as well as the Central Committee and the National Executive Committee of the Party (8). Furthermore, the regional programmes were actually drawn up at the village, district and regional levels, before being submitted to the Centre for inclusion into the Plan. Thus, not only have various party organs, at the national level and below, been involved in considering the Third Five Year Plan but the people's representatives, through the Planning Commission, village, district and regional committees, have also had the opportunity to take part in the plan formulation and preparation. This is clearly in line with the Party Guidelines of 1971.

The second distinguishing characteristic of the Third Five Year Development Plan is that it explicitly recognizes the fact that to be self-reliant agricultural production must be systematic, efficient and reliable. During both the First and Second Plans, actual performance fell short of plan targets and the short-falls in agricultural production were by far the major contributing factor. Not only are the crop husbandry techniques and the system of cultivation archaic and inefficient, but Tanzania's agriculture is too excessively dependent on the annual rainfall, which more often than not in a savanna climate tends to be erratic and inadequate. Thus, the Third Five Year Development Plan calls for two things to be done in order to enable agriculture to provide adequate food for a growing population, raw materials for the expanding industrial sector and foreign exchange for importing the requisite

capital and intermediate goods. First, the cultivation as well as the crop husbandry techniques should be improved in order to conserve labour and render agriculture more productive. In that context the farmers should be encouraged to use animal-driven ploughs instead of the hand-hoe, and fertilizers and manures should be applied in order to conserve soil fertility. Second, and this is the most important, Tanzania must systematically plan to reduce the excessive dependence of her agriculture on rainfall. That means that Tanzania's water resources should be harnessed for purposes of irrigation so that in fifteen to twenty years' time a large proportion of her agricultural production should be under irrigation. Indeed, Tanzania is surrounded by Africa's great lakes; Victoria, Tanganyika and Nyasa, and possesses a number of suitable river basins like Rufiji, Ruvu, Wami, Pangani, Ruvuma and Kagera, which if properly harnessed could more than meet all the agricultural requirements for food and commercial crops. Quite clearly, the plan recognizes that without adequate and dependable water supply, modern cultivation and crop husbandry techniques in tropical savanna climate could be an exercise in futility and render serious agricultural planning difficult, if not impossible. Thus, the Third Five Year Development Plan recognizes that shortcoming in agricultural production and lays a firm and realistic foundation for tackling the problem, with specific targets of acreage under irrigation to be achieved in each plan period in future.

The Third characteristic of the Third Five Year Plan is that it unambiguously recognizes the need for industrial development in order to harness self-reliance. The Plan realizes that manufacturing the domestic requirements, as well as processing Tanzania's raw materials into finished and semi-finished products, locally, are essential steps in creating an industrial structure which is geared to using internal resources for meeting domestic needs of the broad masses. However, though necessary, such a step is not sufficient to ensure that the industrial development enhances the country's capacity for self-reliance. Consequently, as a logical and next step, the Plan recognizes the cardinal importance of moving into producer goods industries, especially engineering and machine tool industries. It is explicitly recognized by the Third Plan that quite often factories have to lie idle for lack of spares and equipment which take a long time to arrive from foreign suppliers, causing inordinate production losses. That in fact is a position of a dependent economy, not a self-reliant economy. Not only have all the spares and necessary equipment, required to keep the few factories that there are running, to be brought in from outside but such a situation is also associated with undue dependence on foreign personnel to run those factories. Thus, in order to break such a vicious circle of dependence, the Third Plan provides for the development of iron and steel industry in Tanzania as well as for machine tool and other producer goods industries. In fact, the Plan specifically emphasizes that the development of a machine tool and other producer goods industries should begin immediately and not wait for a domestic iron and steel industry.

The Fourth distinguishing characteristic of the Third Five Year Plan is that it specifically directs all the regions in Tanzania to draw up their own integrated and comprehensive regional development programmes, in order to provide for some of their respective requirements within their own regions. Such programmes and projects could include things like sugar, wire and nails, garments, etc., which could be produced by small-scale industries at the regional, district and village levels. The plan states that in addition to national industries, there should be regional district

and village industries which are designed to cater for the needs of the people in the respective regions, districts and villages. Thus, a region with for instance, annual sugar requirements of about 10,000 tons, and has suitable land for cane cultivation, could consider establishing a sugar factory of the relevant capacity to meet those requirements. Similar projects could also be initiated for other products. Not only would such programmes help to alleviate the pressure on an already stretched transport system, but should also serve as a useful catalyst in spreading industrial activities around the country as well as in reducing the town and country differences. However, such a programme of balanced regional development programmes, would simultaneously require two things. First, the regions themselves must take the initiative to exploit their capacity for self-reliance to the maximum, in terms of not only what they could do but the resources required to finance such programmes. Thus, the regions should, for example, be able to mobilize both the requisite human and material resources within their respective areas and plan their rational and effective utilization to meet the needs of their people. Secondly, in order to ensure that a region does not plan to produce a product which is already adequately catered for by national programmes or for which other regions are already producing a surplus, before the regions concerned implement their development programmes such programmes should be approved by some national body. This is necessary even if the resources are contributed by the regions themselves. The Planning Commission with its various working parties, particularly the one responsible for regional and rural development, would be best suited to ensure such coordination and synchronization of the integrated regional development programme.

Finally, it is important, however, to point out that the Third Five Year Development Plan, like or even more so than its predecessors, faces two basic problems. First planning is basically a means of imposing discipline on resource allocation and utilization. Hence in order for planning to be effective, it is necessary to have some central organ which can effectively impose such discipline, especially when it comes to plan implementation. Indeed, someone must ensure that resources are used solely for the purpose for which they were requested and allocated, and that implementation of programmes is in accordance with schedules which were prepared at the time when the plan was drawn up. Such a disciplinary authority would not be feasible when the planning function is entrusted to a ministry that is at par with other ministries or organs of government. To be sure, the Planning Commission with extra-ministerial responsibility and its own full time secretariat and staff could have performed such an important function. However, the Planning Commission, as presently constituted in Tanzania, with neither its own secretariat nor a full time staff, could not possibly discharge such a difficult but important responsibility (9). Considering the fact that plan implementation and follow-up are the biggest problems of effective development planning in Tanzania, the importance of reconstituting the Commission in order to make it an important and effective instrument of plan implementation cannot be overemphasized (10). In view of the required system of coordinated decentralization, the problem of devising suitable planning mechanism in Tanzania that would strengthen rather than weaken such a system is anything but a simple exercise.

The Second problem faced by planning in Tanzania is what can be called socialist macro-economic management. The first aspect of this issue concerns the establishment of an effective system of financial control which would ensure that badly needed surpluses are not dissipated in activities which do not contribute to the

development of the forces of production. The growth and bifusciation of administrative structures both in government and public corporations, without clearly defined tasks to be performed by such structures, is an important drainer of productive resources (11). Thus, between 1970 and 1976, for instance, public administration was the most rapidly growing sector.

	1970-1976
Public Administration	+92.2%
Agriculture	+17.2%
Industry	+33.9%
Total GDP	+29.2%

Source : The United Republic of Tanzania, *Economic Survey: 1976-1977*, Government Printer, Dar-es-Salaam, 1977 p.8

Such a trend cannot continue indefinitely without undesirable consequences for the economy as a whole. A situation whereby a non-productive sector like public administration is growing at about 15% per annum, while the two productive sectors, agriculture and industry, have together increased at an average of about 3.4% per annum between 1970 and 1976 is neither indefinitely suitable nor desirable. Indeed, it is quite clear that less reliance could have been placed on external finance in the development programme if greater and effective control were exercised on the growth of public recurrent expenditure which tend to erode the capacity to generate surplus for financing development.

The second aspect of the problem of socialist macro-economic management is that of getting the production and distribution system to provide goods and services at the least cost to the people. An important aspect of socialist development is to ensure that the greatest allies of such a transformation, namely the workers and peasants, are also its greatest beneficiaries. This is extremely important if the workers and peasants are to be expected to be the most militant defenders of the revolution. Consequently, how to ensure that public enterprises, in both production and distribution, provide adequate and cheap goods and services to the broad masses remains a major problem to be tackled by planning in Tanzania. This calls for a well-defined and effective system of incentives, which would ensure that the goods and services needed are produced as economically and cheaply as possible. Such incentives could be both material and non-material, as well as collective and individual. Moreover, an effective system of rewards and sanctions also requires that enterprises, as well as individuals working in those enterprises, are assigned clearly defined tasks and targets, at each period. At the end of the period in question, performance is carefully reviewed in relation to targets so as to cause for identify successes and shortcomings for the purpose of drawing the correct lessons for the next period. In making this point, it is also essential to emphasize two important issues. First, to say that socialist production should endeavour to provide goods and services to the broad masses as cheaply as possible is not the same as saying that socialist transformation would be costless, involving no material sacrifices to the broad masses. Nevertheless, one of the fundamental features of socialism is that production is not organized for profits but for meeting the needs of the people. This requires that basic necessities be provided at a price, if at all which the ordinary people can easily afford.

This is an important way of consolidating the socialist transformation among the workers and peasants. Thus, in that light of the need to ensure that public enterprises operate economically can hardly be underestimated.

Secondly, an effective system of rewards and sanctions must, on the one hand, not lead to undue inequalities of incomes and wealth among the people, and on the other hand, not frighten people at various levels from taking initiatives and decisions. Not to take swift and appropriate steps against those who commit blatant and unnecessary mistakes, is certainly a grave error. However, not to give appropriate recognition and encouragement to those who are making tireless efforts to overcome major obstacles and succeed, is equally a serious shortcoming. Nevertheless, in avoiding both of those errors, one must also guard against creating an environment whereby people are unwilling to take initiative and important decisions for fear of making mistakes. Thus, a clear distinction should always be made between mistakes caused by ineptness and negligence and those which arise out of actions taken in good faith but resulted in failures for reasons beyond anyone's control. Such a demarcation would always have to be made in the true spirit of both the Arusha Declaration and the Party Guidelines. Thus, if the Third Five Year Plan can, *inter alia*, begin to lay the foundation for the people themselves to become even more creative and willing to take initiatives in solving their own as well as national problems, that by itself would not be a mean achievement in implementing planning for self-reliance.

#### FOOTNOTES

- (1) *The Arusha Declaration and TANU's Policy on Socialism and Self-Reliance*, The Publicity Section of TANU, Dar-es-Salaam, 1967.
- (2) *TANU Guidelines*, Printed by the Government Printer, Dar-es-Salaam, 1971
- (3) The United Republic of Tanzania, *The Third Five Year Plan for Economic and Social Development 1976/77*, Vol. I, Government Printer, Dar-es-Salaam, 1978, pp. 1-4.
- (4) The United Republic of Tanzania, *The Economic Survey: 1976-77*, Government Printer, Dar-es-Salaam, (1977), pp. 8-9.
- (5) The United Republic of Tanzania, *The Third Five Year Plan for Economic and Social Development: 1976/77-1980/81*, Vol. III, Government Printer, Dar-es-Salaam, 1978, p. 2.
- (6) The United Republic of Tanzania, *Op. Cit.*, Vol. I, p. 2



- (7) United Republic of Tanzania, *Op. Cit.*, Vol. I, pp. 4–5.
- (8) The Planning Commission in Tanzania was established in 1972 by a law which was enacted by Parliament. Its membership consists of all the Members of Parliament, which including at least ministers, regional party secretaries (regional commissioners), one member of parliament from each region as well as each district of Tanzania. This means actually that every region and district of Tanzania is represented in the Planning Commission. Furthermore, the Planning Commission has divided itself into seventeen working parties, in accordance with issues and sectors: (1) development objectives and strategy; (2) financial resources; (3) regional and rural development; (4) agricultural price policy and marketing; (5) commercial crop development; (6) livestock development; (7) forests, fishing and wildlife; (8) food crops; (9) industry and mining; (10) internal and external trade; (11) transport and communications; (12) water and power development; (13) construction, housing and urban development; (14) tourism and national parks; (15) health; (16) manpower, education and culture; and (17) labour and social welfare. These working parties can and in fact do coopt people who are not members of parliament, who in the opinion of the planning commission, « possess the necessary skill and knowledge to enable them to make useful contribution to the deliberations of the working party » concerned. (An Act to Establish a Planning Commission, United Republic of Tanzania No. 28 of 1972, section 6 (3b). Moreover, the Chairman of the Planning Commission is the Prime Minister and the Secretary of the Ministry responsible for planning. Thus, the various aspects and sections of the Third Five Year Plan were discussed thoroughly by the respective working parties before being submitted to the whole Planning Commission, later to the Economic Committee of the Cabinet and eventually to Party organs.
- (9) The Planning Commission in Tanzania is housed in the Ministry of Finance and Planning which is supposed also to act as its secretariat. The Ministry is also expected to assign some of its staff to assist in the work of the Commission.
- (10) The Peoples Republic of Mozambique, for instance, recently created a National Planning Commission as an economic wing of the Cabinet Council of Ministers and is under the chairmanship of a member of the Permanent Political Committee of FRELIMO. Its membership consists of the Chairman and two other full-time members and it has its own permanent secretariat and staff. It has also wide ranging powers on all matters concerned with planning economic and financial policies.
- (11) Mwalimu J.K. Nyerere, *The Arusha Declaration Ten Years After*, Government Printer, Dar es Salaam, 1977, pp.37–39.

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## RÉSUMÉ

Dans la Déclaration d'Arusha de 1967 et dans le « Programme du Parti » de 1971 la Tanzanie a opté pour un développement socialiste et auto-centré.

Partant du plan de perspective à long terme (1965–1981) l'auteur nous donne une analyse des 3 plans quinquennaux de (1964–69, 1969–74, 1976–81), et il fait une comparaison des objectifs de planification et des résultats effectifs. Le premier et le deuxième plan quinquennal était surtout élaboré par des experts européens, par contre le 3ème plan actuellement en cours était dressé par des planificateurs tanzaniens. Les autres marques distinctives du 3ème Plan sont les suivantes :

- (I) Plus que les deux plans précédents le 3ème plan fait ressortir le fait, que la production agricole doit être plus efficace, plus systématique et solide pour atteindre un développement auto-centré. On n'a pas pu atteindre les objectifs des deux plans précédents à la suite des faibles rendements de l'agriculture.
- (II) De même l'industrialisation a comme objectif principal de satisfaire les besoins domestiques de la masse. Une telle manufacture peut donc être à l'intérieur du pays, évitant ainsi une forte concentration dans la capitale.

Par ailleurs, l'auteur ne cache pas un problème de la Tanzanie bien connu des autres pays africains : la croissance du secteur non-productif (l'administration) en disproportion avec le taux de croissance de l'agriculture et de l'industrie (15 % versus 3,4 %).