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Livelihoods and Rural Poverty Reduction in Tanzania

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ABOUT LADDER

LADDER is a research project funded by the Policy Research Programme of the UK Department for International Development (DFID) that seeks to identify alternative routes by which the rural poor can climb out of poverty. LADDER is working with nearly 40 villages and 1,200 households in Uganda, Tanzania, Malawi and Kenya to discover the blocking and enabling agencies in the institutional environment facing rural people that hinder or help their quest for better standards of living for themselves and their families.

This working paper represents work-in-progress and the reader is advised that it has not been subjected to academic quality control, nor edited for errors of fact or interpretation. The paper forms part of a mosaic of research findings that will contribute towards an overall picture of rural livelihoods and micro-macro links to poverty policies in the case-study countries. The findings and views expressed here are solely the responsibility of the authors and are not attributable to DFID.

All available Working Papers and Village Reports can be downloaded from the project website: http://www.uea.ac.uk/dev/odg/ladder/, which also details other information about the project. For any further enquiries, please email j.mims@uea.ac.uk.

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Summary

Like other Sub-Saharan African countries, Tanzania is caught up in a process by which previous structural adjustment conditionalities are being replaced by the Poverty Reduction Strategy Paper (PRSP). The Tanzania PRSP was published in October 2000 and accepted by the donor agencies as the basis for debt relief under the Highly Indebted Poor Countries (HIPC) initiative in December 2000. This paper utilises research on rural livelihoods in ten sub-villages in the country's Morogoro region to derive policy inferences relevant to the capacity of the PRSP to deliver its promises for poverty reduction in rural areas. Research findings show that rural poverty is strongly associated with lack of land and livestock, as well as inability to secure non-farm alternatives to diminishing farm opportunities. The circumstances of poor rural women are particularly precarious with negligible rights over key assets. The rural poor, and women, encounter an institutional context that is neutral or blocking rather than enabling for them to construct their own pathways out of poverty. Serious doubts surround current and future rural tax regimes, and the motivation of district councils to deliver improved services and to create more supportive environments for diverse activities to flourish. The PRSP process needs to address these disjunctures between its macro level goals and debilitating local level institutional contexts if real gains in rural poverty reduction are to be realised.

Introduction

The purpose of this paper is to make links between micro level outcomes and macro level policy initiatives with respect to rural poverty reduction in Tanzania. Like other Sub-Saharan African countries, Tanzania is caught up in a process by which previous structural adjustment conditionalities are being replaced by the Poverty Reduction Strategy Paper (PRSP), as well as parallel initiatives promoted by the donor community including the move from project to program funding, fiscal probity pursued through a rolling Medium Term Expenditure Framework (MTEF), coordination between donors, sector wide approaches, and decentralisation of local government. Some of these components represent an evolution in donor thinking about how to make aid more effective; others are something of a leap in the dark. It is not at all clear, for example, how the bland statements of intent that characterise PRSPs can be converted into real progress in improving the capability of poor people in villages to climb out of poverty.

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The government of Tanzania began to move in the direction of a comprehensive poverty reduction strategy in the mid-1990s, and adopted a plan entitled the National Poverty Eradication Strategy (NPES) in 1997.[1] The status and role of this plan subsequently became somewhat confused, however, because not long after its publication Tanzania began to be drawn into the PRSP process, whereby preparation of a PRSP and its acceptance by the donors became a precondition for debt relief under the Highly Indebted Poor Countries (HIPC) initiative. An Interim Poverty Reduction Strategy Paper (IPRSP) was prepared in consultation with the donors in early 2000 (Tanzania, 2000a), and this made only brief reference to the NPES. It focused instead on the sequence of events by which the full PRSP was to be prepared, and provided indicative advice concerning its content. An important attribute of the PRSP preparation process set out was consultation with stakeholders, including the poor themselves, NGOs involved in poverty reduction projects, and public agencies charged with delivering improved support to the poor on the ground.

The Tanzania PRSP was published in October 2000 (Tanzania, 2000b), just seven months after the consultation and preparation process was initiated. This is a curious hybrid document that raises as many questions about the means of achieving real gains in poverty reduction as are resolved by the proposals it contains. It reports the outcome of the required "consultations with stakeholders" and comes up with a predictable list of constraints and wishlists that always arise from such exercises: poor roads, lack of credit, lack of farm inputs, poor education and health facilities, and lack of accountability at lower levels of government administration. It then sets out a three-pronged poverty reduction strategy for addressing these problems comprising (a) sector strategies and decentralisation; (b) macroeconomic stability and reforms; and (c) poverty reduction itself, broken down into the three subsidiary goals of reducing income poverty, improving human capabilities and containing vulnerability. Targets are set, budgetary compliance considered, and indicators of achievement listed. Despite the wealth of detail provided under all these categories, the document conveys an overall impression of vagueness about what is actually going to be done to overcome many of the key problems identified.

Ownership of public strategy has been a major issue in Tanzania, leading at one point in the 1990s to a breakdown of negotiating channels between government and donors, eventually resolved by an independent commission known as the Helleiner Report (Tanzania, 1995). Ownership issues have been addressed by the government in an overarching document entitled the Tanzania Assistance Strategy (TAS: Tanzania, 2000c). The production of the PRSP in Tanzania, as other fundamentally donor-led initiatives, needs to be interpreted in terms of the continuing tension between, on the one hand, the desire for ownership by the government of its own policy agendas, and, on the other, the massive resource flows that arise from achieving an accommodation with the donors. The TAS reflects this tension very well, in a sense "offering" to address donor concerns about governance, transparency, and accountability in exchange for the level of donor support expected from compliance with PRSP and HIPC criteria.

Given the fundamentally macro character of current policy thinking, it becomes even more essential than in the past, when there were plenty of field projects from which to learn lessons, to get a view from the local level as to the real progress, opportunities and constraints experienced by citizens in pursuit of viable and improving livelihoods. This needs to go beyond the wishlists generated by participatory poverty assessments and stakeholder consultations in order to capture the institutional blockages that hinder or prevent rural individuals and families from building paths out of poverty. The research underlying this paper sets out to do this for a rural area in Tanzania, utilising the sustainable livelihoods framework with its emphasis on taking an integrated view of people's livelihoods as a guide to the factors that are worth investigating (Carney, 1998; Scoones, 1998; Ellis, 2000).

The paper is structured as follows. The next section sets out to describe some critical features of past development in Tanzania that help to locate the current challenges for rapid poverty reduction. This is followed by a brief description of the research method, and a summary of village and household level livelihood characteristics that emerge from qualitative and quantitative research. The latter exercise focuses on the asset status of rural citizens, the income-generating activities in which they engage, and the institutional environment within which livelihood strategies are adopted and adapted. Finally, the micro level findings in these areas are linked back to the macro level poverty reduction strategies with a view to identifying weaknesses and gaps in these strategies that need to be addressed if real progress in rural poverty reduction in Tanzania is to be achieved.

Tanzania background

Forty years after attaining independence in 1961, Tanzania remains one of the poorest countries in the world. Estimated GNP per capita was US$240 in 1999, and its growth rate was only around 0.3 per cent per year on average over the preceding decade. Macroeconomic performance during the 1990s was uneven, with promising trends in the early 1990s giving way to serious reversals in the mid-1990s, followed by recovery occurring towards the end of the decade. The Human Development Index for Tanzania at 0.436 in 1999 ranked the country at 140 out of the 162 countries for which this index was compiled (UNDP, 2001). Life expectancy at birth in 1999 was 48 years, and the adult literacy rate was 75 per cent; however, some sources suggest that these social indicators are significantly lower than portrayed in official statistics (World Bank, 2000a)

In reality, all estimated levels of social and economic indicators in Tanzania are subject to fairly large margins of error. There has been no population census since 1988 with the effect that not just the trend but the evolving locational distribution of the population could be fairly inaccurate.[2] Trends in GDP and its sectoral components were revised several times in the 1990s due to awareness of a growing divergence of economic structure from that assumed in national income estimating procedures (Bagachwa & Naho, 1995). One effect of these revisions was to raise the estimated GDP series by 20 per cent at a stroke in 1997 (Tanzania, 1997). Another was that the share of agriculture in GDP switched from recording a rising trend from the mid-1980s to the mid-1990s to being reestimated to have declined from 52 per cent to 46 per cent in the same period. The agricultural share of GDP is currently thought to be around 44 per cent. These problems arise in part from an erratic history of data collection, and a new benchmark for many purposes will be set by a large-scale Integrated Household Budget Survey undertaken in 2000.[3]

Poverty data on Tanzania needs to bear in mind these caveats. Alternative estimates converge on the finding that roughly 50 per cent of Tanzanians live below the "basic needs" poverty line. Poverty is thought to be much worse in rural than in urban areas, with perhaps 67 per cent of rural citizens being poor compared to 39 per cent of urban citizens. The lowest incidence of poverty is in Dar es Salaam where the ratio falls to 6 per cent (Tanzania, 2000b; World Bank, 2000a).

Many facets of society and economy in contemporary Tanzania cannot be properly understood without reference to the country's post-independence history. For 25 years after independence the country was ruled as a single-party state by Dr Julius Nyerere (known in Tanzania as *mwalimu*, the teacher).[4] Nyerere will be remembered internationally as an African leader of moral integrity who contributed greatly to the campaign against apartheid in South Africa. In the domestic sphere, his government implemented a version of socialism that included the enforced villagisation of previously scattered farm homesteads in the rural economy, comprehensive controls on agricultural prices and markets, and nationalisation of agricultural estates, industries, and service sector enterprises.

Much has been written about the eventual failures of these strategies despite their benign intentions as originally conceived.[5] Their legacy is a society and polity that still, after 15 years of economic liberalisation, leans instinctively towards public control over private action. Tanzania has been a most reluctant liberaliser. In the rural economy, for example, remnants of previous parastatal marketing monopolies and state-sponsored cooperatives continue to exert a powerful restricting effect on the space available for private trade to flourish. The public sector is still considered the career choice for anyone with the requisite qualifications, and private sector development in Tanzania tends to occur as a by-product of public office, rather than obeying the separation of public and private roles typically considered to characterize a market economy. In the political sphere, the ruling party known as *Chama Cha Mapinduzi* (CCM) has been in power continuously since independence, its primacy scarcely challenged by the transition to multi-party politics in 1995 and two subsequent elections.[6]

Economic liberalisation was forced on Tanzania as a consequence of a severe economic crisis at the turn of the 1980s in the course of which GDP is thought to have contracted by about 10 per cent (World Bank, 1984). After several years of prevarication in which home-grown solutions to this crisis were ineffectively sought, the government eventually signed up to a full structural adjustment program in 1986. Economic events and trends since then have lent themselves to contradictory interpretations due to differences between stated and actual liberalisation actions, and the lack of reliable and consistent data against which to assess competing claims.

It is generally accepted that urban and public sector wage and salary income experienced a steep real decline from the mid-1980s to the mid-1990s. There are opposing views as to whether real rural incomes also declined (Bevan *et al.*, 1988) or rose (Sarris & Tinios, 1995). Nevertheless, it is quite probable that the urban-rural per capita income gap fell during this period (Jamal & Weeks, 1993), There is broad agreement that informal sector activity expanded rapidly post-liberalisation in both urban and rural areas (Booth *et al.*, 1993; Maliyamkono & Bagachwa, 1993; Bagachwa, 1997). Since in urban areas much of this informal private activity was conducted by or on behalf of public servants, urban-rural and public-private income comparisons and trends are blurred and inconclusive (Jamal, 1995).

On the more formal side of liberalisation, 258 parastatal organisations had been divested by the government by March 2000. While some of these were purchased by foreign investors, primarily in the tourist and service sectors, many of them involved dismantling previous crop marketing bodies or closing down industrial plants that were in such a parlous state that no private buyers could be found for them. According to official data employment in the government sector declined from 354,000 to 264,000 between 1993-99, partly as a consequence of the divestitures, and partly due to retrenchment programs. However, a recent

World Bank report notes that many public servants that were laid off under the latter schemes were subsequently reappointed either to their old jobs or in other parts of the civil service (World Bank, 2000a). The donors continue to press for further privatisations, and some high profile ones such as that of the National Bank of Commerce occurred in the period 1999-2001.

There is widespread agreement that the potential for rapid improvement in living standards in Tanzania exists, and how to realise this potential is the key issue for debate. Tanzania is a very big country, with a low population density, and abundant natural resources that are not fully utilized.[7] In these attributes it possesses some distinct advantages compared to nearby densely populated countries like Malawi where the natural resource base in many places is thought to be close to exhaustion. Deteriorating physical infrastructure and declining educational attainments have been identified as problems in Tanzania that urgently need addressing. Agricultural production seems to have more or less kept pace with population growth in the long run, although fertilizer and other technical inputs are used less now than in the days when they were supplied at subsidised prices by crop parastatals.

It is possible that the real problem for Tanzania, however, is how to achieve the separation between public service and private interest without which private sector growth is continuously hampered. All the governance issues that arise around corruption, accountability, transparency, rule of law and so on turn on this problem, and none of them are likely to be resolved while the public sector remains so large and public and private roles are so intertwined.

Research approach and methods

There is a growing recognition in the literature on field methods in development studies that a judicious combination of qualitative and quantitative methods can help solve problems that are associated with each type of method taken separately (Kanbur, 2001). In particular, qualitative methods are often more appropriate for capturing the social and institutional context of people's lives than quantitative methods (Booth *et al.*, 1998). In view of these considerations, the fieldwork research underlying this paper adopted a division of labour in which a qualitative component addressed the policy and institutional context of livelihoods and changing livelihood circumstances at community level, while a quantitative component addressed assets, activities, incomes and vulnerability factors at household level.

Field research in Tanzania did not try to replicate the national representativeness of past Household Budget Surveys. Instead, selection of field locations and villages was made on the basis of the two criteria of, first, representativeness of rural livelihood patterns in Tanzania in a broad sense, and, second, ability to capture livelihood "gradients" of varying kinds. The key livelihood gradients that determined village selection were intensive vs extensive farming, small vs large farm size, variations in rainfall and other agro-ecological conditions, variations in extent of livestock keeping, proximity to or remoteness from public infrastructure and services, and variations in access to non-farm activities.

In addition, it was decided to combine the investigation of general rural livelihood patterns and experiences with certain specific natural resource management issues that arise in various parts of rural Tanzania. The first of these is small-scale farmer managed irrigation. The second is community access to wildlife and tourist resources in villages that border major national parks or game reserves. The third are the constraints and opportunities afforded by intensive upland fruit and vegetable production.

Research was conducted in Morogoro Region in Tanzania. Despite its location astride the main roads from Dar es Salaam to the south-west and to the centre of the country, Morogoro is typically listed in the lower income set of Tanzanian regions.[8] Morogoro Region contains a wide range of differing agro-ecological conditions, many of which correspond closely to major agro-ecological zones found elsewhere in the country. The north-west of the region features semi-arid one season maize production; while the centre features the Uluguru mountains with higher rainfall and a variety of distinct farming systems found at different elevations; and the south features irrigated agriculture in the Kilombero valley and the northern and western borders of the Selous Game Reserve.

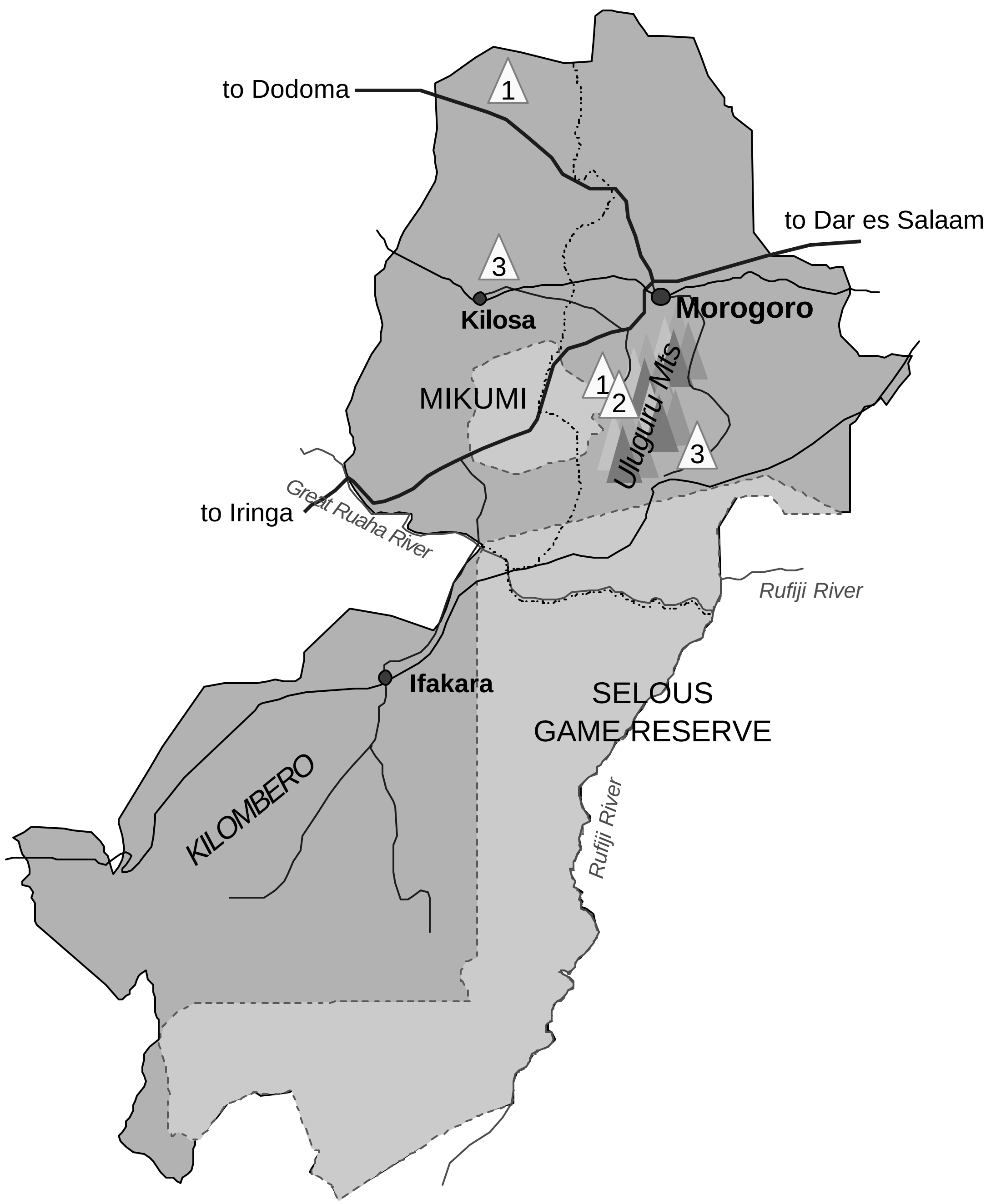
A list of sample villages and their main attributes in provided in Table 1, and their geography can be ascertained from the map of Morogoro Region given in Figure 1. A total of eight villages were selected in four distinct locations, and ten sub-villages were chosen in order to provide a logistically feasible sampling frame.[9] Within each sub-village a PRA wealth-ranking exercise was conducted resulting eventually in the identification of three wealth groups that acted as the sampling frame for a stratified random sample. With a list of households in each wealth group, 10 households were randomly chosen from each of the well-off and middle categories, and 15 households from the poor category, resulting in a sample size of 35 households for each sub-village, and 350 households for the study as a whole.

Table 1: Study Locations in Morogoro Region, Tanzania

Study Place (Short Name)	**Division**	**Village**	**Sub-Village Sampled**	**NR Features**
Kilosa	Kimamba	Chanzuru	Kati	irrigated rice, rainfed maize
			Darajani	
			Chekereni	
“Maize”	Gairo	Chakwale	Kilimani	rainfed maize
	Mlali	Mlali	Gudugudu	
Mgeta	Mgeta	Pinde	Pinde	upland vegetables maize
		Nyandira	Lundi	
Selous	Mvuha	Kongwa	Kisanga	rice, maize, cattle (wildlife issues)
	Bwakira	Duthumi Bonye	Sogea Mbele	
		Sesenga	Kibungo	

Note: Chanzuru and Chakwale villages are in Kilosa District; all other villages are in Morogoro Rural District

Figure 1: Map of Morogoro Region
(showing location of study villages)



1 = location of study villages (triangle shows number of villages)

The purpose of the wealth ranking, aside from the perceptions about poverty and wealth gained from the exercise itself, was to ensure that the sample of 35 households drawn per village represented the full range of livelihood circumstances to be found in villages, rather than being accidentally clustered around the mode of the range. The decision to sample more households from the poor wealth category had the effect of slightly biasing the overall village sample towards the lower end of the wealth range. This was consistent with the aim of finding out especially about the livelihood circumstances of the poorer members of village society in Tanzania.

The procedure described was not designed to make inferences about the larger populations from which the samples were drawn, whether at district, region or country levels. The purposive fieldwork selection procedure from region to districts, villages and households set out to identify and describe a range of livelihood patterns that were likely to contain within them the experiences of a substantial proportion of rural individuals and households in Tanzania. However, no claims are made about the statistical representativeness of sample findings with respect to populations in the region that was studied nor for Tanzania as a whole.

Returning to Table 1 and Figure 1, some brief observations about the locations and villages selected for research are pertinent for interpreting later findings. The sample villages are mainly clustered at three locations, with two outliers comprising a fourth grouping for the purposes of data analysis. The study area designated as Kilosa comprises three adjacent sub-villages located along the Ilonga river in the Kimamba division of Kilosa District. The area is fairly close to the district capital of Kilosa town, itself being roughly two hours from Morogoro town on a variable quality earth road. These sub-villages were selected in order to explore variations in the impact of farmer-managed irrigation on rural livelihoods between upstream and downstream water users.

A second grouping comprises two villages that were selected in order to examine livelihoods primarily dependent on rainfed maize production. Since these villages are quite far apart from each other, one being at the northern end of Kilosa District, and the other at the bottom of the escarpment leading to Mgeta division of Morogoro Rural District, they are referred to in this paper as the “Maize” study area.

The Mgeta area of Morogoro Rural District lies at the south-western end of the Uluguru mountains and describes the uplands around the headwaters of the Mgeta river at between 1,000 and 1,500m elevation. Two villages were selected for study here in order to capture differing livelihood systems associated with this elevation, and especially the production of fresh fruit and vegetables for the domestic market. The Mgeta river valley is about an hour and a half from Morogoro town on a road that routinely becomes more or less impassable after heavy rains.

The study area designated as Selous lies on the south-eastern side of the Uluguru mountains and is not connected by road to Mgeta. It is in fact a fairly remote area accessed by a variable quality earth road that runs 140 km from Morogoro town down the eastern side of the Ulugurus. Villages here grow rice and maize as food crops and sesame as a cash crop. The area also borders the northern boundary of the vast Selous Game Reserve, and a special theme of the research in these villages was the gains to livelihoods that had accrued from a community wildlife project instigated by a donor agency in the mid-1990s.

Table 2: Characteristics of Wealth Groups in Tanzania Sample Villages

Assets	**Group 1**	**Group 2**	**Group 3**	**Group 4**
House	brick walls, cement floor, iron roof	brick walls, iron roof	mud walls, thatch or iron roof	mud walls, thatch roof, (some rent)
Land Owned	up to 10-15 acres or more	2-10 acres	1-2 acres	less than 1 acre or do not own land
Land Rent	rent out land	may rent out land	may rent in land	many rent in land
Livestock	5 or more cattle 5-10 goats 3-4 pigs ducks, chickens	up to 5 cattle 3-5 goats 2-3 pigs ducks, chickens	no cattle 1-2 goats 1-2 pigs chickens	a few chickens only
Food Security	food secure all year	most are food secure all year	seasonally food insecure	food insecure most of the year
Labour Market	hire labour seasonally	may hire labour seasonally	may sell labour	depend on selling labour (age & illness problems)
Education	most have primary Std 7 or more	most have primary Std 7	have some primary education	many have not been to school
Other Assets	sewing machine refrigerator bicycles TV, radio implements	bicycle(s) radio implements	bicycle(s) radio	no bicycle few radios
Other Activities	may own shops, lodgings, bars, trading, milling	may own business, do trading, beer brewing	petty trading	(drink, age, laziness often mentioned)

Source: wealth ranking conducted in 10 sub-villages in May-August 2001

The asset status of rural livelihoods in Tanzania

Current understandings of poverty place considerable emphasis on the ownership or access to assets that can be put to productive use as the building blocks by which the poor can construct their own routes out of poverty (Moser, 1998; World Bank, 2000b). In this respect, successful asset accumulation is often observed to involve trading-up assets in sequence, for example, chickens to goats to cattle to land; or, cash from non-farm income to farm inputs to higher farm income to land or to livestock.[10] While complementarity between assets can facilitate this process (IFAD, 2001), it is the breadth of opportunity to construct such asset accumulation pathways that is critical for the achievement of rising prosperity over time. When this scope is cramped by poorly functioning markets, a disabling public sector institutional environment or deteriorating civil security, then climbing out of poverty can be a seriously uphill struggle. The findings presented here explore these features in the Tanzania case.

Table 2 summarises the main findings of the wealth ranking exercises conducted in the nine case-study villages. A substantial amount of overlap in the definition of wealth categories across villages allow criteria to be combined in this way, and ranges attached to the level of some assets indicate variations encountered between villages.[11] In general, the well-off in Tanzanian village society (Group 1) are distinguished by having land holding of 10 acres or above, 5 or more cattle, 5-10 or more goats, being educated to primary Standard VII or higher, employing non-family labour seasonally, owning bicycles, often owning non-farm service sector businesses, and enjoying year-round food security. The middle wealth categories (Categories 2 and 3) have correspondingly less of all these assets, and can be found to shade into selling rather than buying labour due to seasonal food insecurity. The poor (Group 4) possess little or no land, no cattle or goats, sell labour to others, have little or no formal education, do not possess bicycles, and have few non-farm self employment options.[12]

Naturally individual study areas or villages had particular asset characteristics that are not captured in such a condensed summary. For example, farm sizes for most people at Kilosa were small; one village at Selous had six households (all Maasai) with over 50 head of cattle each; villages characterised by densely settled crop agriculture had no cattle irrespective of relative wealth; ownership of pigs featured as a wealth indicator in Mgeta upland villages, but are not found in villages with Muslim populations; Kilosa was the only study location where some houses were connected to an electricity supply and could therefore run a refrigerator or TV.

These aspects of asset status between different groups of rural Tanzanians are explored further utilising results from the sample survey undertaken in ten sub-villages in May-August 2001. The asset distribution across rural households is described in two main ways: first by reference to interval or count distributions of assets, and second by reference to asset holding across income terciles or quartiles.

For the sample as a whole (350 households), 22 per cent of households owned no land at all and a further 19 per cent owned holdings of under 1 ha in size (Table 3). The pattern for land farmed as distinct from land owned differs due to the presence of an active rental market for land in rural Tanzania. Here the proportion of households with no access to land for farming falls to 5 per cent, and the proportion farming less than 1 ha rises to 41 per cent. Variations in

Table 3: Household Distribution by Land Area Owned and Farmed

Area Owned or Farmed	Area Owned by Study Location Kilosa *n=105* %	"Maize" *n=70* %	Mgeta *n=70* %	Selous *n=105* %	Total *n=350* %	Total Farmed *n=350* %
None	42.9	14.3	1.4	21.0	22.3	4.6
Less than 0.5 ha.	20.0	7.1	8.6	6.7	11.1	11.7
0.5-1 ha.	11.4	14.3	40.0	11.4	17.7	29.7
1-2 ha.	17.1	21.4	35.7	21.0	22.9	29.4
2-3 ha.	4.8	18.6	10.0	16.2	12.0	13.7
3-5 ha.	2.9	11.4	2.9	12.4	7.4	7.1
More than 5 ha.	1.0	12.9	1.4	11.4	6.6	3.7
Total	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*

Source: Sample survey conducted in 10 sub-villages May-August 2001

these proportions across study areas reflect the relative severity of land scarcity in different places. At Kilosa, a striking 43 per cent of households owned no land, but most of these were able to rent land for farming. In this study area, the average area farmed for the whole sample at 1.20 ha was nearly twice the average area owned at 0.67 ha (Table 4). By contrast, in the relatively land abundant study area of Selous this pattern is reversed with a mean ownership size of 2.14 ha and a mean area farmed of 1.46 ha.[13]

Table 4: Mean Land Owned and Farmed, by Study Area

Study Area	Average Land Owned ha	s.d.	Average Land Farmed ha	s.d.
Kilosa	0.67	1.12	1.20	1.18
"Maize"	2.23	2.40	2.35	2.35
Mgeta	1.25	0.96	1.27	1.00
Selous	2.14	2.49	1.46	1.30
Total	*1.54*	*2.00*	*1.52*	*1.55*

Source: Sample survey conducted in 10 sub-villages May-August 2001

The patterns of livestock holding found in these ten sub-villages are unusual and may be atypical for Tanzania more generally (Table 5). In all study areas, relatively few households owned cattle or goats, although as might be expected chicken ownership was more widespread. In general, there are sharp distinctions of stock ownership between resident crop producers and pastoralists that have migrated from other parts of Tanzania into Morogoro region over the past two decades. For example, in one of the Selous study villages, 27 respondents had no cattle, while the remaining 8 respondents (all Maasai) not only owned cattle and goats, but did so in large numbers.[14]

Table 5: Ownership Distribution by Households of Selected Livestock, by Study Location

- % of households owning specified livestock -

Ownership Range	Kilosa *n=105*	"Maize" *n=70*	Mgeta *n=70*	Selous *n=105*	Total *n=350*
Cattle					
0	99.0	80.0	100.0	91.4	93.1
1-5	0.0	7.1	0.0	1.0	11.8
6-10	1.0	4.3	0.0	1.0	1.4
More than 10	0.0	8.6	0.0	6.7	3.7
Total	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*
Goats					
0	99.0	65.7	71.4	86.7	83.1
1-5	1.0	20.0	22.9	5.8	10.5
6-10	0.0	7.1	4.3	1.0	2.6
More than 10	0.0	7.1	1.4	6.7	3.7
Total	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*
Chickens					
0	68.6	38.6	50.0	29.5	47.1
1-5	14.4	28.6	32.9	32.3	26.3
6-10	10.5	22.9	12.9	17.1	15.4
More than 10	6.7	10.0	4.3	21.0	11.1
Total	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*

Source: Sample survey conducted in 10 sub-villages May-August 2001

The relationship of asset holding to relative failure or success in generating a viable living was examined by comparing assets across per capita income terciles and quartiles. For land holding compared across quartiles (Table 6), the highest income quartile owned, across all villages, just over twice the amount of land of the lowest income quartile. This is not an especially large differential between the better-off and the poor for African village society. Note, however, that these are average figures associated with wide variations around the mean, and many households owned no land. Note also that in the land scarce Kilosa study area this multiple rises to four times. Combining quantitative with qualitative evidence, it is possible to detect an emerging picture in which a relatively equal past farm size structure is being modified by the acquisition of extensive amounts of land by a relatively small number of individuals at the top of the wealth distribution. This is often ex-government or parastatal land (for example, previous sisal estates at Kilosa) that is released for re-allocation and in the process ends up in the hands of just a few beneficiaries.

The peculiarities of livestock distribution in these study areas has already been noted. In general, livestock ownership is concentrated in the top quartile of the income distribution, and ownership is low or non-existent across the other three quartiles. As already observed, the data for Selous reflects the influence of six large cattle herders on the distribution, and

Table 6: Land and Livestock Assets by Income Quartile

Sample	Income Quartiles				Total
	I	II	III	IV	*n=350*
Land Owned					
Kilosa	0.28	0.65	0.56	1.21	0.67
"Maize"	1.94	2.10	2.77	2.08	2.23
Mgeta	0.77	1.27	1.58	1.35	1.25
Selous	1.28	1.55	2.02	3.73	2.14
All Study Areas	*0.94*	*1.39*	*1.70*	*2.13*	*1.54*
Livestock CEUs					
Kilosa	0.02	0.07	0.05	0.37	0.13
"Maize"	0.45	1.56	3.43	6.60	3.00
Mgeta	0.36	0.48	0.33	0.64	0.45
Selous	0.65	0.12	0.22	1.26	0.52
All Study Areas	*0.28*	*0.94*	*0.48*	*1.92*	*0.89*

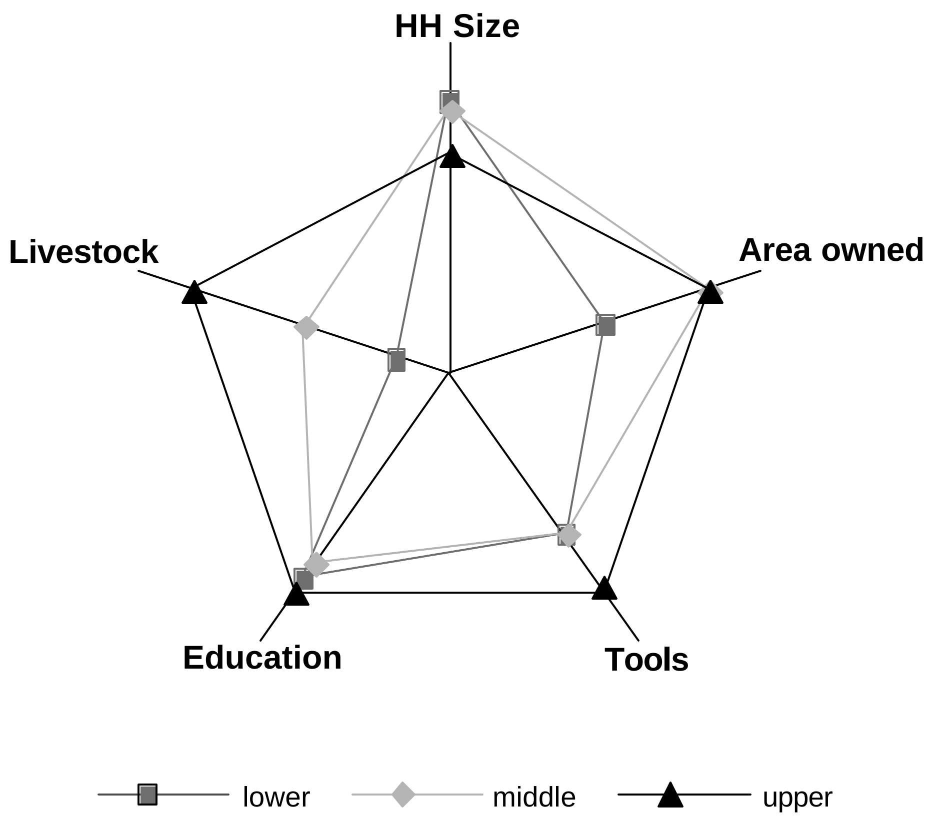
Source: Sample survey conducted in 10 sub-villages May-August 2001

this affect is big enough to alter significantly the pattern portrayed for the ten-village sample as a whole. In Table 6, the six pastoralists with over 50 head of cattle each are excluded from the mean data for livestock holdings in Cattle Equivalent Units (CEUs).[15] This exclusion makes no difference to the finding that goat and cattle ownership tends to be concentrated towards the upper end of the income distribution, but it does reduce the otherwise exaggerated multiple to which this occurs.

In addition to land and livestock, the key assets of rural families in Tanzania are their own labour (active adults in the household), their education attainment (measured here by years of education summed across active adults), and ownership of productive implements and tools (measured as the aggregate value owned). Figure 2 represents the comparative level of five assets, or asset categories, for per capita income terciles across the whole sample, in the form of a radial graph. For this purpose, the six large cattle herders of the Selous study area are again excluded because their presence simply overwhelms the relative values on display for the livestock axis. Even with their exclusion it is notable that the upper income tercile is characterised by mean livestock holdings that are some 70 per cent higher than the middle tercile, and nearly 5 times the level of the lowest income tercile. In general the poorest third of the sample are distinguished by lack of livestock and land compared to the other terciles, while exhibiting similar mean levels of education, tools and household labour as the middle income tercile.

This basic pattern is repeated across sample districts and villages; in general, high livestock ownership in rural Tanzania not only denotes high wealth associated with livestock as a store of value, but also implies high income, placing livestock owners in the upper per capita income ranges in the sample. Interestingly, however, it is not livestock itself that is the major contributor to these higher incomes. As emerges later in this analysis, the income composition of the top income quartile is dominated by non-farm self employment income. This illustrates the interlocking nature of relative livelihood success in rural Tanzania. Livestock can be sold in order to invest in land or small businesses, and *vice versa*, non-farm income can be used to build up herds; the ordering of these sequences depends on personal and market opportunities that prevail over a given period of time.

Figure 2: Selected Asset Levels by Income Tercile, Whole Sample



Source: sample survey conducted in 10 sub-villages May-August 2001

Activities and incomes in rural Tanzania

This section summarises findings concerning livelihood activity patterns and income levels as discovered in the case-study villages. Again this is done drawing on qualitative, village level, data as well as quantitative household level data. Some qualitative features are already synthesised in Table 2 above which provides initial insights into how access to activities varies across different wealth groups. The picture is refined by reference to sample survey data.

Starting with farming and livestock activities, Table 7 shows agricultural land use by sample households across the four study areas, and for the sample as a whole. Maize dominates crop agriculture across all villages, and has the dual function of being both food and cash crop. In total 43 per cent of the farm area of the ten sub-villages was sown to maize in either pure or mixed stands. Rice is also a popular crop in those places with sufficient water for its cultivation, comprising 30 per cent of sample household land use at Kilosa and 20 per cent at

Selous. The Mgeta villages specialise in fruit and vegetable production, and have large areas under green peas, beans, green vegetables and tomatoes.

Table 7: Land Use by Sample Households, by Study Location

Land Use	Kilosa *n=105*		"Maize" *n=70*		Mgeta *n=70*		Selous *n=105*		Total *n=350*	
	ha	%	ha	%	ha	%	ha	%	ha	%
Maize	67.1	*49.3*	88.5	*48.2*	6.3	*6.4*	38.5	*14.4*	200.8	*29.2*
Maize mixtures	10.1	*7.4*	22.0	*12.0*	43.5	*44.3*	17.1	*6.4*	92.8	*13.5*
Rice	40.9	*30.1*	6.1	*3.3*	0.2	*0.2*	53.4	*19.7*	100.7	*14.6*
Sesame	0.0	*0.0*	0.4	*0.2*	0.0	*0.0*	41.2	*15.2*	41.6	*6.0*
Pulses	3.7	*2.7*	9.6	*5.2*	13.5	*13.7*	6.3	*2.3*	33.1	*4.8*
Vegetables	2.2	*1.6*	9.3	*5.1*	16.6	*16.9*	0.6	*0.2*	28.7	*4.2*
Root Crops	1.0	*0.7*	11.2	*6.1*	9.9	*9.9*	2.3	*0.9*	24.3	*3.5*
Sorghum	0.0	*0.0*	15.1	*8.3*	0.0	*0.0*	4.8	*1.8*	20.0	*2.9*
Bananas	0.4	*0.3*	0.1	*0.1*	2.9	*2.9*	11.0	*4.1*	14.3	*2.1*
Other	5.2	*3.8*	6.0	*3.3*	4.2	*4.2*	0.7	*0.3*	16.2	*2.4*
Unspecified	5.2	*3.9*	15.1	*8.2*	1.4	*1.4*	94.1	*34.8*	115.8	*16.8*
Totals	136.1	*100.0*	183.6	*100.0*	98.2	*100.0*	270.6	*100.0*	688.6	*100.0*

Source: Sample survey conducted in 10 sub-villages May-August 2001

Qualitative research revealed significant changes in patterns of crop production during the ten years preceding the study. A repeated finding was the decline of traditional cash crops and the rise of new ones. Due to the disintegration or dissolution of cooperatives and crop parastatals, cotton, coffee, sunflower, and castor disappeared during the 1990s from villages that formerly grew them as significant cash crops. As sources of cash income they have been replaced by the two main food crops, maize and rice, but also in some areas by sesame seeds, tomatoes, and vegetables.

The overall monetisation of the agrarian economy is a feature pertinent to poverty reduction efforts. If markets are working well, and trade and exchange are flourishing, then this increases the cash in circulation in rural areas and gives individuals broader opportunities to construct pathways out of poverty. Table 8 provides sample data by study area on the output share of principal crops consumed by the household rather than sold in the market. The continued reliance within livelihood strategies on subsistence consumption for household food security is revealed. On average 78 per cent of maize, 63 per cent of rice, and 60 per cent of beans are retained for home consumption. As is discussed in due course, one reason for this is a trading environment that is hampered by multiple taxation and rent-seeking by public agencies and officials.

The role of subsistence in rural livelihoods in Tanzania can be further refined by looking at the overall share of own consumption by value in household income across different income levels. The relevant data is shown in Table 9. In general, reliance on subsistence falls steadily across the income quartiles from around 40 per cent for the bottom quartile to 15 per cent for

Table 8: Output Share Selected Crops and Livestock Products Consumed by Households, by Study Area (%)

Agricultural Activities	Kilosa *n=105*	"Maize" *n=70*	Mgeta *n=70*	Selous *n=105*	Total *n=350*
Crops					
Maize	63.9	73.7	94.0	84.8	78.3
Rice	50.8	65.3	.	72.6	63.3
Vegetables	53.0	17.1	9.2	- -	12.4
Beans	56.5	57.7	60.5	- -	59.5
Tomatoes	16.4	5.2	6.9	- -	7.3
Sesame	- -	50.0	- -	6.9	7.6
Coconuts	38.4	.	- -	37.3	38.1
Sorghum	- -	61.4	- -	56.8	60.1
Livestock					
Chickens	62.1	42.0	55.6	52.0	52.8
Goats	17.0	12.0	2.5	24.6	11.9
Pigs	- -	- -	3.3	- -	3.3

Source: Sample survey conducted in 10 sub-villages May-August 2001

the top quartile. This decline occurs most steeply for Kilosa, which is the study area with nearest access to non-farm options in Kilosa or Morogoro towns. In general relative remoteness from markets and services tends to be associated with continued high reliance on self-provisioning, even at higher income levels overall.

Table 9: Share of Subsistence Consumption in Total Income by Income Quartiles, by Study Area (%)

Study Areas	Income Quartiles				Total
	I	II	III	IV	*n=350*
Kilosa	32.9	22.9	15.3	6.0	10.6
"Maize"	40.5	30.1	27.0	7.8	16.2
Mgeta	47.9	34.6	25.0	12.4	20.8
Selous	38.6	29.7	21.1	25.7	26.1
All Locations	39.1	28.7	22.1	14.1	18.6

Source: Sample survey conducted in 10 sub-villages May-August 2001

It is important for poverty policies to have a fairly robust understanding of the role that non-farm activities and income sources can play in rising incomes in rural areas. This could help to determine, for example, the balance of public resource utilisation between promoting increases in agricultural productivity on the one hand, and providing support and services to non-farm rural activities on the other. Overall, across the sample villages, 50 per cent of household incomes are derived from crop and livestock sources, and 50 per cent from non-farm sources comprising wage labour, non-farm self-employment and remittances. Amongst these, non-farm self-employment i.e. business income predominates, although to varying degrees across the study areas. Financial transfers mainly comprising remittances from family members living elsewhere featured very little in the income portfolios of households in these ten sub-villages.

Consideration of how these patterns vary across different income ranges is quite revealing, and this is set out in Table 10, with the comparison between the lowest and highest income quartile also being demonstrated visually in Figure 3. The relative contribution of crops to total income declines across the income ranges, while that of livestock and business income rises, and that of wage income changes little. Wage income for the poor derives from seasonal and intermittent work on the farms of others, while for the better off it is likely to be more continuous wage work in non-farm enterprises, or salaried work for local government or public services. The most striking progression shown in this data is the steep rise in the significance of non-farm self-employment income across the income ranges, from 11 per cent in the bottom quartile to 44 per cent in the top quartile (Figure 3). Becoming less reliant on agriculture is part of the process of climbing out of poverty in rural Tanzania.

Table 10: Income Portfolios by Income Quartile, Whole Sample

- composition of household incomes % -

Income Sources	Income Quartile				
	I	II	III	IV	Total
	n=87	*n=88*	*n=88*	*n=81*	*n=344*
Maize	27.1	21.5	15.1	7.9	12.4
Rice	12.3	14.2	10.3	8.8	10.0
Other Crops	23.3	19.9	23.8	11.8	16.3
Livestock	5.0	7.7	6.5	14.1	11.0
Sub-Total Agric	*67.7*	*63.3*	*55.7*	*42.6*	*49.7*
Wages	14.6	8.9	9.3	11.0	10.5
Non-Farm	11.5	23.7	29.3	44.0	36.1
Transfers	6.3	4.2	5.7	2.5	3.7
Total	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*

Source: Sample survey conducted in 10 sub-villages May-August 2001

Institutions and rural poverty reduction

Notwithstanding the participation and empowerment rhetoric of the past fifteen years the lives of ordinary people in villages are affected more by deeply established institutions and the way they function than by superficial events imported from outside. The term institutions is used here to describe customs, rules, regulations, laws, public agencies, and the way these habitually, and from precedence, go about doing what they do. It is well known that institutions change much more slowly than the structures in which they are contained (North, 1990). A crop parastatal can be privatised at the stroke of a pen, but it will take a lot longer than this to establish an energetic, competitive, efficient and responsive private marketing system. So doubly true the switch from regional to district government in Tanzania, and the

Figure 3A: Income Porfolio of the Bottom Income Quartile, Whole Sample

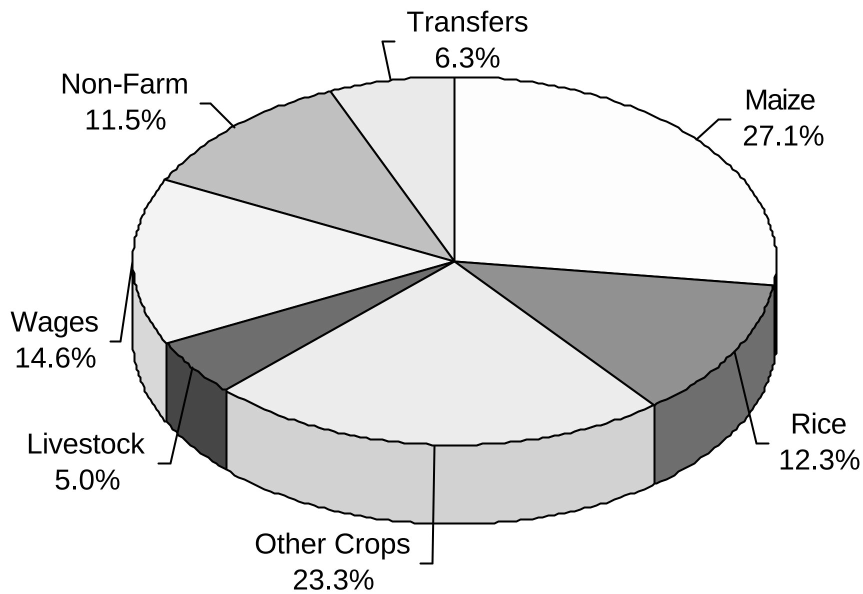
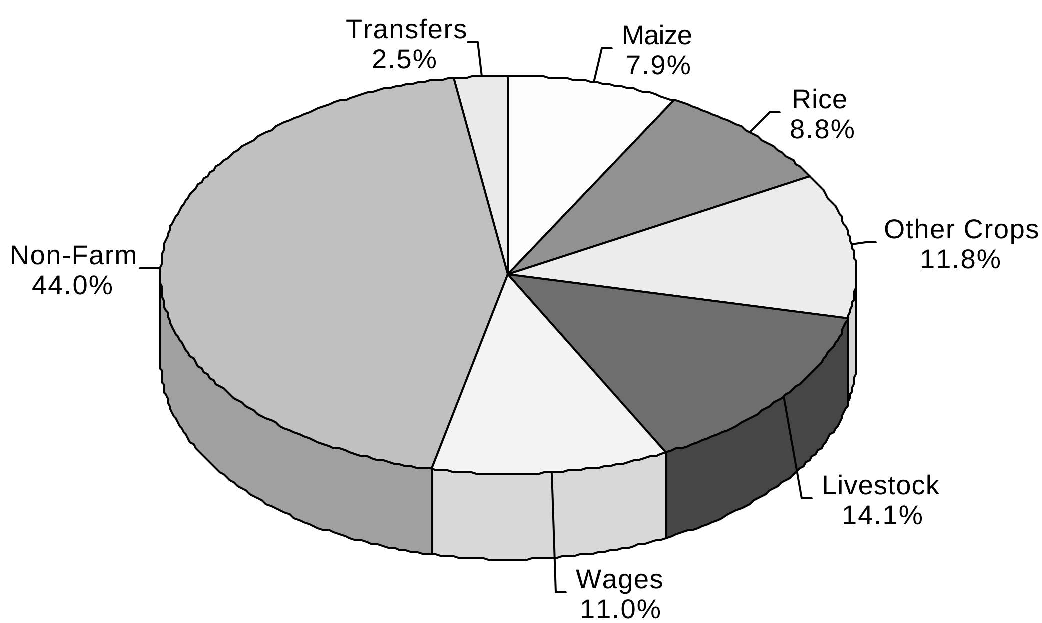


Figure 3B: Income Porfolio of the Top Income Quartile, Whole Sample



change this is intended to bring about in the responsiveness of local government to the needs and aspirations of its citizens.

Qualitative research in ten sub-villages revealed a number of useful insights about the institutional context within which individuals and households attempt to construct viable livelihood strategies. Some key points that emerged are as follows:

(a) Land rights and ownership are clearly an issue, especially for women. While the system whereby the village land committee is custodian of land allocation and families establish customary rights by use may have worked well in the past, this approach becomes stretched when available land to allocate runs out and an emerging category of commercial landowners arrives on the scene, leading to pressures to abrogate customary rights in favour of cash sales. The exclusion of women from ownership or inheritance rights over land in most rural areas is a particular facet of the customary approach that does not serve poverty reduction goals at all well.[16]

(b) In general, respondents in group discussions expressed satisfaction with their own sub-village and village committees and leaders, to whom they attribute the ability to sort out problems of a civil nature, and to resolve conflicts; these same institutions were seldom, however, mentioned in a developmental capacity i.e. as instigators of processes or events that would materially improve the lives of their citizens.

(c) Experiences and views of public services were mixed or negative. Schooling is highly regarded, but the quality of the facilities typically considered lacking. Health clinics that charge an annual fee of TShs 5,000 but frequently do not have medicines in stock evoke similar mixed responses. Agricultural extension officers are uniformly regarded negatively, since not a single one of these ten sub-villages had been visited by an extension officer in the recent memory of their inhabitants.

(d) Markets work unevenly, and liberalisation has had variable effects. Farm sales prices are now unstable, whereas under the cooperatives and parastatals they were set and predictable; on the other hand farmers often failed to get paid under the former arrangements. Input prices have risen in real terms resulting in less use of purchased farm inputs. One village gave evidence of sales of fake fertiliser by a private trader that had discouraged farmers from purchasing fertiliser at all.

(e) Taxation is a critical issue, and one that is likely to become more so as district councils become established and start seriously pursuing local revenue generation. Rural Tanzanians pay an array of taxes and levies, both legal ones, and those that are levied *ad hoc* at road blocks, or by the police as an income supplementation exercise. A preliminary sense of the formal fiscal regime villagers confront is provided in Table 11, which lists taxes cited in group discussions or by key informants during fieldwork conducted in the ten sub-villages in May-August 2001.

(f) Tax revenues collected by village executive officers is forwarded to district revenue departments, and the village is later supposed to receive a share of this revenue back for the village development fund. This share was stated as 10 per cent for villages in Morogoro Rural District, and 3 per cent for villages in Kilosa District. However, not a single one of the ten study villages had ever received back a proportion of revenue

Table 11: Selected Taxes Levied by District Councils in Villages

Category of Tax	**Amount to Pay**	**Comment or Description**
General Taxes		
• development levy	3,000/-	- annual poll tax levied on economically active adults; supposed to reflect ability to pay
• bicycle tax	1,000/-	- annual bicycle license fees.
• fishing license	3,000/-	- annual fee for permit to fish
Trading and Business Taxes		
• petty crop trading	200/-	- daily tax on petty crop trading
• general petty trading	200-400/-	- daily taxes applied to small-scale trading activities
• crop produce tax	600/-	- per bag carried out of the village
• crop cess	1,000/-	- levy per ton on crops carried out of village
• local brew club	60,000/- 5,000/-	- annual brewing licence fee - monthly tax on brew clubs
Livestock Taxes		
• ownership tax per head of cattle	500/-	- annual tax levied on all cattle
• ownership tax per goat	200-500/-	- annual tax levied per goat
• ownership tax per pig	300-500/-	- annual tax levied per pig
Health Fees		
• health fee	5,000/-	- annual fee permitting access to dispensary or clinic
• health visit charge	1,000/-	- single visit payment required if annual fee not paid

Source: Focus groups and key informants in 10 Tanzania villages, May-August 2001 delivered according to these shares, and this was a source of grievance about local government articulated in all villages.

(g) Villages generally seem to have beneficial experiences with direct assistance that they receive haphazardly from donors and NGOs; indeed often a major difference has been made to people's lives by provision of piped water, or wells, or water pumps, or assistance in the formation of village groups with developmental purposes. An exception was the Jukumu society created by GTZ in the Selous study area in the 1990s which seems to have been compromised by promising more than it was able to deliver in terms of protection of individuals and property from wildlife, and share-outs of an annual cull of grazing animals.[17]

Qualitative research suggests that the institutional environment facing rural citizens in Tanzania does not actively foster the flourishing of diverse activities that is required for rapid poverty reduction. The legacy of the past in the form of generally obstructive public agency responses to business, trade and exchange lingers on into the present for most rural citizens. A small minority of individuals with the requisite personal networks and contacts in the local or national public sector are able to avoid or rise above the legal or informal restrictions with which most rural citizens must comply. The creation of district councils represents both an opportunity and a threat. The opportunity is that local level constraints are identified and acted upon quickly by local governments that are responsive to the needs articulated by their constituents. The threat is that cash-hungry local councils will be motivated to devise ever more complex and onerous means of raising rural tax revenues in order to create budgets over which they have their own control. It is the balance between these opposing motives that will decide the success or failure of poverty reduction in rural Tanzania in the future.

Synthesis and policy inferences

This paper set out to make the links between macro level endeavours to develop a comprehensive approach to poverty reduction in Tanzania and a micro level understanding of the circumstances and prospects of the rural poor. At the macro level the approach to poverty reduction is laid out in some detail in the Poverty Reduction Strategy Paper (PRSP) published in 2000, and the question that needs to be posed is whether this document formulates the poverty reduction problem in a way that addresses the real barriers that rural citizens confront in their efforts to construct pathways out of poverty. At the micro level, the sustainable livelihoods framework is utilised to gain a more accurate picture of the asset and activity patterns that characterise the poor in particular, and the institutional context that either blocks or enables rural citizens in their pursuit of more secure livelihoods over time.

The PRSP in Tanzania, as in other countries, is competent at identifying large scale factors that are viewed by rural citizens everywhere as constraints on their ability to improve their circumstances. These factors include poor schools, health services and rural roads, as well as unevenly working markets, lack of credit, and high costs of farm inputs. Some of these factors, principally schools, clinics and roads are amenable to improvement through programme funding by donors and conditional grants to local authorities allocated under strict accounting and governance procedures. Others are less susceptible or cannot be addressed at all by such an approach, and the PRSP is able to make little more than pious statements of intent with respect to them.

There is an entire area of the micro level process of climbing out of poverty that is addressed little or not at all by the PRSP, and that is the institutional context for poverty reduction that is likely to emerge from local government decentralisation. The PRSP recognises that the array and complexity of rural taxation in Tanzania is a problem that needs tackling, but it fails to make specific proposals about how this fiscal burden can be reduced or simplified, and it makes no strategic connections between rural taxation and the demands for increased rural revenue generation that is bound to result from new district councils seeking to create budgets over which they can exercise their own control. A cautionary example is provided by Uganda which is several years ahead of Tanzania in the decentralisation process, and where almost all the tax revenue that is locally generated is spent on sitting allowances rather than on providing locally specific services to rural citizens.[18]

Disabling institutional contexts are not just, of course, about taxation, although this is where they tend to come together as a focal point. They encompass the entire array of interactions through which local level public service interprets its role, and whether this is problem-solving and facilitating in character or not. The past two decades has seen a move away from top-down prescriptive support to sectors or sub-sectors (e.g. “we ought to support micro-credit for brick making”), but this has been replaced in donors’ minds by reliance on an idealised concept of participatory processes in communities to enforce good governance on the part of local councils, and effective service delivery by public agents at local levels. It is possible that this faith in local democratic processes is misplaced, and that instead of bringing the “voices of the poor” to decision-making at local levels decentralised government will merely recreate at district and lower levels the rent-seeking environment that understandably characterises inadequately remunerated and under-funded public service jobs wherever they are located. In these circumstances decentralised authority becomes part of the problem of rural poverty, not part of the solution.

The picture that emerges from the micro level research is that poorer groups in rural Tanzania depend principally on food crop agriculture and seasonal wage income for their livelihoods; while the better off combine food crop agriculture with rising livestock holdings and widespread engagement in non-farm self-employment activities. The PRSP and other recent strategic documents in Tanzania place emphasis on raising productivity in agriculture as a primary rural development goal. The evidence summarised in this paper suggests that rural poverty reduction required a broader starting point than this, and is more to do with facilitating diversity than promoting one sector in particular. Since the poor have least access to land, efforts directed mainly at improving crop yields will benefit the already better-off more than they do the poor, and might even have perverse results, for example by reducing the rental market for land on which many of the poor seem to depend for growing their subsistence food requirements. Moreover, there is no doubt from the evidence that becoming better off in rural Tanzania involves becoming less reliant on agriculture within a diverse livelihood strategy.[19]

In the light of the micro evidence, therefore, the creation of a facilitating environment that encourages the flourishing of diverse non-farm rural activities in Tanzania should be the centrepiece of rural poverty reduction thinking. For this to happen, the PRSP process cannot continue to distance itself from the implications for rural governance of decentralisation, and especially fiscal decentralisation. The PRSP needs to identify, evaluate, and seek to diminish those factors in the institutional and fiscal environment at local levels that are discouraging and inimical to trade, investment, risk-taking and enterprise in rural areas. And this means giving the PRSP some sort of coordinating or integrating influence over processes put in motion by quite different branches of government. If this does not occur then no amount of school or road building in rural areas will result in the results for poverty reduction that the PRSP process seeks to achieve.

NOTES

[1] Details of successive events in the preparation of the Tanzania PRSP are contained in Evans and Ngalwea (2001). The NPES was published in 1998 (Tanzania, 1998)

[2] The estimated population of mainland Tanzania in the year 2000 is variously put at between 30.5 and 31.5 million in different documents.

[3] The previous properly organised and representative household income and expenditure survey in Tanzania was the 1976 Household Budget Survey (Tanzania, 1977; Sarris & van den Brink, 1993). Partial or poorly organised and inadeqately funded surveys were undertaken in 1983, 1991 and 1993, the 1991 HBS being utilised to derive poverty estimates that remained the best available through to 2001 (World Bank, 1996; Ellis, 2000: pp.191-92; Tanzania, 2000b)

[4] Nyerere was president of Tanzania from independence in 1961 until taking retirement in 1985. He was succeeded by Ali Hassan Mwinyi who held the presidency for two successive terms under the continuing one-party system, and by the current president, Benjamin Mkapa, who has been elected twice since multi-party politics was introduced in 1995. Nyerere remained a major force behind the scenes, typically receiving considerably more media coverage than either of his successors, up to his death in 1999.

[5] For the failures of villagisation see von Freyhold (1979), McHenry (1979) or Boesen *et al.* (1986); for agricultural policy and output failures see Coulson (1982) and Loftchie (1989); for agricultural price and marketing problems see Ellis (1982; 1983); for state-peasant relations and theories see Shivji (1976) and Hyden (1980); for the crisis of the cash economy and retreat into subsistence see Bevan *et al.* (1987)

[6] At the time of independence and for 25 years afterwards this party was called the Tanganyika African National Union (TANU); its conversion into *Chama Cha Mapinduzi* (lit. “Party of the Revolution”) occurred in 1977, when it combined with the Afro-Shirazi party of Zanzibar. This occurred just before the economic crisis that enveloped Tanzania from 1977 to 1983.

[7] Tanzania has a surface area of 945 thousand km^2 and a population density of 37 persons per km^2. This compares for example with Kenya at 52, Uganda at 108 and Malawi at 115 persons per km^2. While important explanations for these differences lie in agro-climatic factors that make large parts of Tanzania inhospitable to permanent cultivation, it is also true that Tanzania has not arrived as close to the limits for new cultivation as other countries in the region. In addition, Tanzania has known but unexploited mineral resources including coal and gold deposits (World Bank, 2000)

[8] Morogoro is also the fourth largest out of Tanzania’s 20 mainland regions.

[9] Three decades on from villagisation, Tanzanian villages are often more like small towns than true villages, with household numbers rising to 2,000 or more families. It is for this reason that wealth ranking and other qualitative work, as well as sample selection was based on designated sub-villages rather than whole villages.

[10] This sequencing of asset accumulation mirrors the sequencing of asset disposal that occurs in crises such as famines, and can result in the deterioration of the asset position of families to the point that they are no longer able to construct a viable livelihood (Corbett, 1989; Devereux, 1993).

[11] Wealth ranking tended to identify between 3 and 6 groups in different villages, however the most prevalent was 4 groups

[12] Old age and illness were factors frequently mentioned in relation to the poorest wealth ranking group in all locations; also drink problems and laziness were attributes assigned to the this group. In some locations, households in the poorest wealth group owned no land and relied on land rental to cultivate small plots.

[13] As shown by the standard deviations, there is wide variation around these means.

[14] Herd sizes for this group varied from 25 to 250 head of cattle, with 6 respondents owning over 50 head of cattle.

[15] The CEUs are based on mean price ratios between different livestock types, and are cattle=1, goats=0.14, sheep=0.10, pigs=0.28, chickens=0.02, turkeys=0.04, others=actual price/mean cattle price

[16] In one of the study areas, Mgeta, the tradition amongst the Luguru people is for matrilineal land inheritance and this is still adhered to there. It is worth noting, however, that in other villages with a significant number of Luguru residents e.g. in the Selous study area villages, this tradition was quickly eroded and replaced by male only ownership and inheritance.

[17] An examination of the wildlife and tourism issues at the Selous research villages is undertaken in a separate paper.

[18] Parallel research in Uganda found that of the 10-15 per cent of local government budgets that were raised through local taxes, about 90 per cent were spent on sitting allowances for council meetings or other official gatherings.

[19] The same pattern has been observed in many other rural contexts (Reardon *et al*., 2001; Barrett *et al*., 2001).

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