

**ECONOMIC AND SOCIAL RESEARCH FOUNDATION**

**(ESRF)**

**REPORT OF A POLICY DIALOGUE WORKSHOP ON  
"THE END OF SMALL HOLDER FARMING?"  
HELD AT THE ESRF CONFERENCE HALL ON JULY 16, 1998**

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## POLICY DIALOGUE WORKSHOP ON "THE END OF THE SMALL HOLDER FARMER?"

The Economic and Social Research Foundation (ESRF) organized a policy dialogue workshop the focus of which was on a presentation by Professor Marjorie Mbilinyi of the Institute of Development Studies (IDS), University of Dar Es Salaam. Professor Mbilinyi's presentation was entitled "The End of Smallholders Farming?" Dr. Festus Limbu of the Department of Economics, University of Dar Es Salaam and Mr. J.A.B Kiriwagullu of the Ministry of Agriculture and Cooperatives were the main discussants. Professor Haideri Amani also of the Department of Economics chaired the proceedings of the workshop.

Prof. Mbilinyi noted in her presentation that the analysis of the position and conditions of the working women in the rural sector entails a study of who has access to control over what resources at household, community and workplace level, and why. In this context, power relations are determinant not only on the kind of employment women have access to, compared to men, but also differences among women in access to and control over land, labour cash income and other basic resources. It was further noted that the paper was based on a study of the impact of economic reforms on the self-employment conditions of women workers and farmers, compared to men in rural areas; the extent to which structural adjustment policies (SAP) have deepened pre-existing gender relations and inequalities or undermined and transformed them, and the viability of smallholder farming under present economic and political conditions. It was found to be relevant to examine what the death of smallholder farming means for the Tanzania people, its community, culture and as a nation.

Prof. Mbilinyi noted that as a result of structural adjustment policies aspects relating to agriculture, restrictions on the movement of grains across regional boundaries were removed, and uniform pricing abolished. Moreover, marketing of food and export crops became fully liberalized and marketing boards were streamlined, and their functions now largely consist of organizing auctions, monitoring crop quality and carrying out research. Cooperatives became membership-based organizations.

Changes in the marketing system of food crops and export crops have had a major impact on farmers. Market liberalization has increased the number of private traders who operate in the countryside, and provided additional incentives for farmers to produce more food, at least in those areas which are on or near good all-weather roads, and not far from major consumption centres. On the other hand, however, major constraints which reduce the returns available to women and men smallholder farmers have been identified. These include

absence of buying centres and few traders at village level thus reducing competition among buyers and creating a buyers market instead; traders insistence to use volume unit measures rather than their weight measures, leading to cheating on prices; absence of a grading system, thereby reducing the incentive to maintain quality output; and impossibility of collecting lawful levies and information under present market conditions. Furthermore, import-export merchants, big and small, have also become key actors in the food trade outside of the country.

Prof. Mbilinyi also observed that the rural areas have changed demographically, economically and socially, and gender relations have been a significant part of the change. Demographic changes can be evinced by the fact that Tanzania has one of the highest rates of urbanization in Sub-Sahara Africa. Thousands of young men and women (notably more women than men have done so) have moved away from the rural areas to urban centres in search of better opportunities in employment, education and access to other social services. This search for better opportunities can be seen as the other side of the deterioration in and of smallholder agriculture resulting from counter-reform policies, which have undermined the capacity of smallholder farm households in farming. This is to the advantage of large-scale growers who can now access an expanding supply of cheap, usually casual labour, as well as a monopoly over credit and other resources.

*This migration pattern is largely a function of low rural incomes, economic hardship, scarcity of arable land for- especially for women and youth- and the desire for non-farm employment. Evidently, there is strong dissatisfaction with existing employment conditions with the oppressive and exploitative relations within smallholder farming having become especially intolerable.*

The findings of the study had also revealed that there had been a rise of female-headed households and increased female economic power associated with the loss of male incomes and employment (male economic impotence), with potentially tragic outcomes for women, men and their communities. Female incomes remained exceedingly low and insufficient to sustain a family. This created the need for alternative strategy for sustainable development, which relies on local resources and local initiatives, can be managed democratically by women and men, old and young, and provides dignified livelihoods on equal and equitable basis.

On his part, Dr. Limbu observed that it is important to make a deeper analysis of the causes of the increase in female-headed households. It would be inappropriate to hold the decline of male employment and incomes (an economic factor) as a necessary and sufficient factor. Decline in male employment and

incomes is not necessarily a result of reforms only as it had occurred even before reforms. Other factors such as natural phenomenon e.g. drought and floods had also resulted in price rises to the extent of being exorbitant. This notwithstanding, households did not breakdown, the community did not perish and the smallholder farm flourished. It is within this context that it should be acknowledged that the forces which kill the household and the community are not necessarily the same as those that kill smallholder farming. Moreover, the proportion of female-headed households, which is only about 30%, may not be sufficiently high to suffocate smallholder farming.

The participants observed that the issue of disguised employment in the agricultural sector calls for designing strategies for a healthy transformation. It is also relevant to look at the reasons behind the current inimical attitude of the youth toward agriculture and rural life in general. This has engendered the tendency to move towards less-involving activities in urban centres, prompted by need and anticipation of immediate returns. There is also the question of lack of willingness on the part of the government and the private sector to invest in the agricultural sector.

Large-scale farmers were not investing in agriculture and as such, marginalization of the smallholder could not be attributed to the success of the "others". This underscores the importance of understanding who are the gainers and who are the losers. The nature and pattern of appropriation and the process of accumulation and progress must be understood. A comparative study between Tanzania and other countries in this regard would also be useful.

The participants also stressed the need to have a political will for the development of the agricultural sector. It was observed that the government had left agricultural training and other support institutions to go to waste. Government subsidies targeted only about 20% of the farming population. In actual fact, however, the 80% who were left out did as a matter of fact subsidize the same 80%. It would, therefore, serve a useful purpose to look into whether the removal of subsidies has been beneficial to Tanzania's agriculture or not.

Culturally defined roles can also have a bearing on the smallholder farming, and where there is a cultural conflict, a household problem may become community problem and affect productivity. The roles should, therefore, be given an analytical treatment they deserve.

Dr. Limbu also observed that it would have been expected that the same process responsible for the demise of smallholder farming would at the same time be responsible for the creation of commercial smallholders. Thus, where this does not happen it is safe to assume that it is possible to rectify the factors responsible

for the demise.

The participants also noted that it is relevant to examine whether the decline of smallholder farming is also a function of worsening trade relations among nations.

The second discussant, Mr. Kiriwagullu, underscored the essence of positing the question smallholders farming within the context of the *raison d'être* of its existence. It is important to take into consideration such factors as the level of mechanical technology involved, the location of the market for surplus volumes, the purchasing power of the market segment that consumes the surplus volumes produced, and the specialization of the different strata in the society.

On the question of land, Professor Mbilinyi observed that landlessness has become a real issue in Tanzania, defined both as absolute landlessness, and inadequate land so as to provide for basic needs in cash and kind. Most vulnerable to landlessness have been the youth, divorced women, widows and poor households. Moreover, the opening up of land to market forces has been found to be occurring side by side with growing expansion of a labour market. In certain instances smallholder farmers have found themselves being forced to cultivate on rented land. Land pressures have pushed up the rent levels, beyond the reach of the local women who have depended on land rentals or 'loans' in the past, because they lacked 'normal' inheritance rights. Inroads were being made into village land as well.

Mr. Kiriwagullu observed that although it is commonly held that land is a limiting factor, the problem in Tanzania should be seen within the context of lack of appropriate technology for opening up more land for agriculture. Certainly, not having suitable land for agriculture is one thing and lack of appropriate technology is another.

Prof. Mbilinyi, observing the essence of seeking alternatives, noted that more work needs to be done to analyze the impact of SAP and to create viable development alternatives with the local communities, targeting specific interest groups, such as women, youth, pastoralists, landless groups, and casual farm workers. There is need for action-oriented participatory research to be part of a programme to build organizational capacity at the local level, thereby equipping communities and groups to face the challenge ahead in a more proactive manner.

Reproduction in terms of the capacity of the household and the community to reproduce themselves has been seriously undermined and need to be taken seriously. Access to quality health, education and water services should be taken for what they are: basic human rights without need for justification.

Dr. Limbu was of the opinion that free basic services will not reduce rural urban migration. Experience has shown that “free” services and “public” infrastructure tend to be left to rot for want of maintenance and proper care. Reasonable user fees should thus be encouraged.

Prof. Mbilinyi observed that it should also be recognized that a strong democratic activist state and a multi-layered civil society consisting of many different kinds of organizations are vital building blocks of a democratic society. All citizens should have a voice in deciding about macro-level policies such as SAP, as directly as possible. Moves should also be made to promote economic literacy programmes as they can be useful in building analytical capacity for efficacious participation in decision-making. There is also need for a healthy dialogue between all the stakeholders to ensure that rural communities thrive and transform themselves into the 21<sup>st</sup> Century, with justice, equity and peace.

Participants recommended that capacity building should be pursued at the community level, through the establishment and identification of appropriate community organizations, which will promote community investment. The putting in place of appropriate institutional arrangements should be given paramount importance.

The study recommended that women and men, through their civil organizations, to lobby for increased voice in the decision-making concerning macro level policies, particularly on economic and financial policies to ensure that they are in their own best interests. Moreover, more attention should be given , by the government and the donors, to the concerns of the working people. The government on its part should enact and implement a full (self) employment strategy, with special focus on women and youth in the rural areas. Such strategy should be supported by donors and the private sector.

Other steps recommended to be taken include support to specific women’s employment and training programmes in the rural areas, support to institution-building and capacity building of local organizations in the rural areas, strengthening labour union organizing in the agricultural sector, and to improve working conditions. The government should also protect the rights of farm and other workers to organize themselves.

Mr. Kiriwagullu opined that on training, smallholder farmers should be allowed to join Agricultural Vocational and Education Centres, which should be established by the government in different if not all parts of the country. The youth should join Vocational Training Centres run by the Vocational Education Training Authority (VETA) for learning different skills. As a measure toward

employment creation, the government should give mining concessions to indigenous Tanzanians instead of giving away “the family silverware” to foreigners, and the youth should be encouraged to go into mining.

The study further recommended that all forms of gender discrimination be illegalized, domestic industry/business be protected in all sectors, and immediate steps be taken to develop indicators of gender equity/equality as well as the development of a gender review strategy by all the stakeholders.

On this score, Dr. Limbu observed that the report of the study was unjustifiably gender-biased by implying that the male were responsible for the breakdowns. It is a fact that in Tanzania, poverty is a rural phenomenon. Thus instead of favouring the female gender, more justice would be done to rural poverty by consistently focusing on the youth, landless, the poor and the disempowered groups irrespective of their gender. Tanzania being a predominantly an agricultural country, her economic crisis is basically an agrarian crisis. This therefore begs for strategic solutions to an agrarian crisis. While gender imbalances is just a small fraction of the factors contributing to rural poverty, the major challenges to agricultural development in the country include designing strategies on raising rural productivity, lowering astronomical transport costs, promoting increased rural employment, reintegrating remote and difficult areas into the national growth strategies, and ensuring that future strategies and actions are designed and implemented by Tanzanians for the benefit of Tanzanians.

It was also recommended by the study that steps should be taken to increase real producer prices, reduce real costs of the farm inputs/equipment, if necessary by means of subsidies, and provide necessary support systems to ensure the viability of efficient smallholder farming systems organized in a non-oppressive way.

Other recommendations made include coalition between workers and farmers to lobby with a gender perspective. Also NGOs and community organizations should strengthen their coalition work to lobby for a more democratic process of land reform.

Minimum and other wages should be raised and adjusted in line with inflation, physical infrastructure should be improved, and “free” and basic education, health and water services, especially in the rural areas should be provided. In addition to the above measures, steps should be taken to support grassroots initiatives to develop people-centered sustainable development strategies, with NGOs and CBOs facilitating community-based action-oriented participatory research and education programmes.

The government should take a more proactive role in bilateral and multilateral negotiations, keeping the interests and rights of its citizens in mind. It should also take steps to monitor and regulate market conditions and private sector activities, balancing the needs and rights of consumers, workers and farmers with those of private business and traders.

It was further recommended by the study that agriculturists should develop small-scale labour intensive which are, among other things, ecologically sound, environmentally friendly and job creating. Immediate steps should also be taken to provide micro to rural farmers, artisans, traders, transporters and others, with a special focus on rural women and youth, in the entire country.

Generally, the participants observed that the major challenge is how to take up the agreeable recommendations for policy formulation. The essence of going out to agriculture to understand things set out in the report was paramount. It is also imperative to examine what is being done on policies, for the policies, as they seem at present seem to be based on tackling the externalities e.g. inputs. The issue of who decides on the policy and the social exclusion of the smallholder farmers seem would appear to be neglected.