TANZANIA
TOWARD 20 YEARS OF UNITY

SPECIAL REPORT
TANZANIA:
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by

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FOREWORD

This special report was prepared by Ihor W. Nowozeniuk, SSG, Senior Intelligence Analyst, of the 432d Military Intelligence Detachment (Strategic), which is assigned the mission of supporting the US Army War College by the preparation of studies and analyses of strategic military significance. Operational training guidance is provided by the Strategic Studies Institute. Colonel Patrick F. Passarella was the study coordinator.

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INTRODUCTION

This report is an assessment of the current and near-term sociopolitical and economic problems confronting Tanzania and their potential for internal political instability. The findings suggest that Tanzania's stability will affect its capability to participate actively in the regional economic development of the Southern Africa Development Coordination Conference.

The report begins with a review of the colonial periods of Tanganyika and Zanzibar, their independence, and subsequent unification as the United Republic of Tanzania. The study's findings reflect the acute shortfalls of the Tanzanian socialist economy and its critical dependence on foreign aid, as well as Tanzania's role in East Africa and its contributions to Sub-Saharan stability. (Figure 1 presents a map of the area.)

COLONIAL PERIOD

Three colonial powers influenced the East African area comprising Tanganyika and Zanzibar. Between the 15th and 17th centuries, the Portuguese were the dominant force on the East African coast and the Indian Ocean trade routes. During this period of time, they extracted the region's resources, levied tributes, and manipulated tribal rivalries to their advantage.

By 1698, the Omani Arabs, with support from coastal African chiefdoms, drove the Portuguese from the region. Although the Omani Arabs were unable to solidify political control over the coastal mainland Arab and Swahili traders dominated trade in various parts of the interior and marginally participated in local politics.
Figure 1
In 1840, the Omani capital was shifted by Sayyid Said bin Sultan from Muscat to Zanzibar. Thereafter, local Africans were evicted from productive agricultural areas and Arab-owned plantations were established. By the mid-1850's, forced local labor and imported slaves from the mainland enabled Zanzibar to become the world's center of clove production. Economic prosperity brought a large influx of other Arabs (from the Persian Gulf area) and Indians, who participated in various commercial enterprises. Consequently, the growth of the Arab elite in key urban and rural areas enabled them, as a minority, to wield extensive political and economic power.

Commerce took on significant dimensions as European trading companies and missionaries covered more of the East African interior. European influence and rivalries increased. In 1885, the Germans established a protectorate over the coastal mainland and then control of the interior as a result of the Anglo-German Agreement of 1886. The German East Africa Company administration of the mainland was highlighted by exploitation, violence, and taxation of coastal traders.

British and German trade company rivalries in present day Uganda were settled in an Anglo-German Agreement on East Africa during 1890. This agreement established British influence in Uganda and a protectorate over Zanzibar and Pemba. In exchange, the Germans received control of the mainland coastal strip and the island of Mafia for an indemnity to Zanzibari Sultans.

German administration over the mainland resulted in a dramatic increase of plantations and the construction of railroads,
bridges, roads, and telegraph lines. In Zanzibar, the British gradually increased their control over the political organization of the island. The authority of the Sultan was reduced to that of a figurehead.

After World War I, the Council of the League of Nations mandated the territory of Tanganyika to Britain. Subsequently, all Germans were expelled. British administration over the mainland experienced immediate difficulty as the decaying plantation system during the war years resulted in famine. Attempts to institutionalize political and economic changes through local chiefs acting as colonial agents proved unsuccessful, with a few regional exceptions.

The post-World War II period witnessed a gradual integration of mainland and Zanzibar social and welfare organizations, such as the African Association and Shiraz Association (Afro-Arab descendants). These became the forerunners of the future political parties.

Between 1948 and the mid-1950's, numerous political factions emerged as sociopolitical and economic questions relating to group identities and ideological movements evolved. In 1954, the Tanganyika African Association under the leadership of Julius K. Nyerere, became the Tanganyika African National Union (TANU), whose platform called for eventual self-government and nationalism. Support for TANU was initially sought with the educated segment followed by the peasant majority. "The lack of ethnocentric hostility, in addition to the predominance of Swahili, undoubtedly
contributed to Nyerere's ability to develop national unity and political consciousness prior to independence.¹ TANU opposition to the British proposal of multiracialism was a main factor which ultimately shaped its mass popular support. British attempts to politically sabotage TANU popularity by financing a newly-formed United Tanganyika Party (UTP) failed in the 1958 and 1959 elections. By December 1961, Tanganyika obtained independence under the leadership of Nyerere.

In Zanzibar, the British were committed to establish an independent Arabic state. Their support of the Zanzibar National Party (ZNP) as a means to promote Arabic political dominance after independence was a key issue which solidified numerous factions of the African Shirazi Party (ASP). Ultimately, the coalition of the ASP and the radical UMMA Party (formerly part of the ZNP), with support of the trade unions, staged a successful coup to oust the ZNP government one month after Zanzibar achieved independence in December 1963. Subsequently, violence directed at the Arab-Indian mercantile establishment resulted in the exodus of thousands and adversely affected the economic base of the island.

In a period of a few months, Abeid Karume, president of the ASP, and Julius Nyerere were able to agree on a similar ideological course. On April 26, 1964, Tanganyika and Zanzibar merged, forming United Republic of Tanzania. This rapid unification can be attributed to Zanzibar's then uncertain stability and Karume's acceptance of Nyerere's policy of Africanization. In addition, Nyerere's posture to permit the ASP to function autonomously within the union was an endorsement of Karume's authority.
To date, Zanzibar continues to administer its own domestic policies under Aboud Jumbe, who succeeded Karume after the latter's assassination in 1972. It was Jumbe who openly supported Nyerere's Arusha Declaration and socialist movement. In January 1977, a joint ASP-TANU conference ratified a new constitution and formally unified the mainland and offshore parties into the Chama Cha Mapinduzi Revolutionary Party (CCM).

ECONOMY

Agriculture is the dominant economic activity on the mainland and Zanzibar. The principal cash crops are cashew nuts, coffee, sisal, sugar, tea, tobacco, and various spices. These agricultural products account for 70-80 percent of Tanzanian exports which bring in the bulk of foreign exchange.

Prior to independence, the agricultural sector encompassed plantations, privately-owned estates, and smaller cash crop cultivators. Except for a few periods of economic decline caused by the world wars and other adverse market conditions, productivity for export remained high and the agricultural sector was successful.

After independence, the entrepreneurial agricultural system was not compatible with the socialist goals of Nyerere's government. The agricultural sector was centralized under a national development policy. At the Arusha Declaration of 1967, Nyerere launched agrarian reforms which called for a collective productivity effort. Wholesale and sometimes forced relocation of the rural masses to designated Ujamma villages (collectives) was
initiated to increase agricultural production of cash crops and rural development. By 1977, these collectives numbered about 7,700 villages with a total of over 13 million people or 80 percent of the Tanzanian population.\(^2\)

In 1979, an independent study conducted by the French Agronomist, Rene Dumont and his Cuban associate Marie France Mottin, found the Ujamma villages to be overcrowded, lacking in social services, overly bureaucratic, and not responsive to the needs of the peasant, who prefers to till his own plot. The study further revealed that private plots were in better shape than the collectives.\(^3\) The abolishment of farmer cooperatives in favor of parastatal organizations to market agricultural products reduced real production because of poor management, lack of fuel and spare machine parts, and corruption.\(^4\)

The Jobs and Skill Program for Africa (JASPA) conducted a survey in Tanzania and found that "... the lack of foreign exchange and the accompanying shortages of consumer goods have reduced the farmers' incentive for producing for the cash crop market." The JASPA report emphasized significant declines in cash crop exports between 1977 and 1980, namely, coffee (33.8 percent), cotton (26.3 percent), and cashew nuts (22 percent). It recommended that the Tanzanian Government limit expenditures on less essential projects and attempt to increase agricultural production for export.\(^5\)

The agricultural sector has also failed to produce sufficient crops for domestic consumption. By early 1982, Tanzania faced
critical food shortages and was on the verge of famine. Food production shortfalls for 1982 were estimated at 325,000 metric tons.\(^6\)

In Zanzibar, cloves account for about 80 percent of export revenues. In 1979, about 12,000 metric tons were produced, while in 1980 productivity was estimated at 6,000 tons. Between 1964 and 1979, sisal production dropped threefold. Over half of the nationalized estates in 1976 showed severe declines in productivity. Privately-owned estates maintained fairly steady production.\(^7\) Consequently, stagnation in agricultural productivity and high-priced imports have seriously depleted Zanzibar's foreign exchange reserves. Worse, the trade imbalance with the mainland in 1981 reached a 4 to 1 ratio.\(^8\)

The Tanzanian industrial sector manufactures local commodities and import substitutes. Textiles, clothing, footwear, batteries, and bottles are marketed regionally to neighboring countries. However, the industrial sector accounts for only about 10 percent of the GDP.\(^9\)

Currently, industrial output is operating at extremely low capacities because of the high cost of fuel and lack of foreign exchange to obtain equipment, spare parts, and lubricants. The majority of factories, which together rely upon more than one-half billion dollars in foreign aid, are either shut down or are operating at huge losses.\(^10\)

The Tanzanian Italian Petroleum Refinery (TIPER) plant at Dar es Salaam was estimated to refine petroleum requirements in
1982 totalling about 559,000 tons, while national needs were near 808,000 tons. The 31 percent shortfall cost the Tanzanian economy about $100 million. The TIPER refinery's fixed cost rose about 14 percent and variable costs almost doubled since 1980. The Tanzania Petroleum Development Corporation's (TPDC) annual report stated that crude oil imports for 1981 fell from 650,000 to 467,392 tons.

The Tanzanian economy is dependent upon 500 state-owned parastatals which manage the national economy. These bureaucratic companies, which have replaced the free enterprise system since 1967, have increased in size and mismanagement, and continue to impede productivity. Ten parastatals which control production, distribution and imports were described as corrupt and inefficient. While Nyerere has admitted the shortcomings of Tanzania's planned economy, he has not permitted even limited private enterprise as proposed by a top party official in 1981. By mid-1982, Tanzania's external debt was over $1.6 billion. Its repayment on loans is almost three years in arrears and foreign exchange reserves are virtually exhausted.

AFRICAN STATE RELATIONS

Pan-Africanism and moral issues characterize Tanzanian continental relations. Together with Angola, Mozambique, Zambia, and Botswana, Tanzania comprises the Front-Line States, which support the Southwest Africa Peoples Organization (SWAPO) in the Namibian conflict with South Africa and the African National Congress' (ANC) struggle against apartheid. The role of the
Front-Line in supporting the Lancaster House Peace Talks was a remarkable success in settling the Rhodesian crisis and fostering the eventual independence of Zimbabwe. With the addition of mineral-rich Zimbabwe, the Front-Line States have the potential for developing a regional black African power base to influence the resolution of the Namibia question. However, individual and interstate economic weaknesses and political differences among the Front-Line States have prevented them from acting as a truly unified regional power in times of crises. This was evident when Tanzania unilaterally invaded Uganda in January 1979, recaptured the Kagera salient and overthrew the Amin regime. This costly action on the part of Tanzania was indicative of the Front-Line States' weakness to share the burdens in times of crisis.

Historically, East African relations regarding border disputes have been tranquil in comparison to other continental regions. Petty disputes have periodically arisen between Tanzania and Malawi over the demarcation at Lake Nyasa. However, more evident are the ideological disparities and political polarizations which have retarded regional economic development in East Africa.

In 1967, Tanzania, Kenya, and Uganda formed the East Africa Community (EAC) in an attempt to broaden economic development. However, discord over trade practices and political incompatibilities resulted in its failure and breakup in 1977. Since then, the Tanzanian-Kenyan border has been closed and efforts
have failed to mediate the distribution of EAC assets valued at about $1.2 billion.\textsuperscript{18}

In July 1979, the Front-Line States met at Arusha and established the Southern African Development Coordination Conference (SADCC). Objectives of the SADCC include unifying the economies of the black majority-ruled states in the area and reducing the regional economic dependence on South Africa. As a sign of solidarity, the SADCC Front-Line States extended membership to other majority-ruled states—Lesotho, Malawi, and Swaziland.\textsuperscript{19} SADCC goals adopted at the April 1980 summit meeting in Lusaka, Zambia, entitled "Southern Africa - Toward Economic Liberation," pertain to: (1) reduction of external dependence, primarily on the Republic of South Africa; (2) creation of operational and equitable regional integration; (3) mobilization of domestic and regional resources to promote national, interstate, and regional policies to reduce dependence and develop real regional coordination; (4) promote international understanding and practical support for the SADCC strategy.\textsuperscript{20} The secretariat function of the SADCC, which is primarily an informational responsibility, was delegated to the Executive Secretary Arthur Blumeris of Botswana. Sectoral responsibilities were designated to individual state members as follows:

- **Angola:** Energy Coordination and Security
- **Botswana:** Crop Research and Animal Disease Control
- **Lesotho:** Soil Conservation and Land Utilization
- **Malawi:** Fisheries, Wildlife, and Forestry
- **Mozambique:** Transport and Communications
Swaziland: Manpower Development
Tanzania: Industrial Development
Zambia: Mining and Southern Africa Development Fund
Zimbabwe: Food Security and Security Printing (bank notes, etc.)

Although the SADCC lacks centralization because of the numerous shortcomings of each member's economic infrastructure, it recognized the need to develop a long-term collective development strategy; the primary goal being to rehabilitate the intra-regional transport and communications systems and improve the efficiency of moving export commodities to East African port facilities.21

Except for Tanzania, Zambia, and Uganda, the remaining SADCC states are heavily dependent on South Africa as an employer. A June 1979 statistical report reflected the following migrant force in South Africa: Swaziland (13,006); Zimbabwe (21,547); Botswana (32,463); Malawi (35,803); Mozambique (61,550); Lesotho (152,032).22 This migrant dependence on South Africa is expected to continue in the foreseeable future.

Economic assistance to the SADCC from the EEC ($170 million per year), the United States ($180 million since 1980) and the World Bank ($700 million since 1980) reflect a wide range of Western support of the SADCC. East Bloc support of the SADCC is unknown, however, during the SADCC third annual donor's conference held at Maseru, Lesotho in January 1983, the East German ambassador to Mozambique was the lone East European representative.23
Currently, most of the development resources is being directed to railway projects in order to connect Mozambique-Zimbabwe; Milawi-Mozambique; Tanzania-Zambia; and Swaziland-Mozambique. However, costly and time-consuming problems persist, such as sporadic sabotage by the Movimento Nacional Da Resistance de Mocambique (MNR) (antigovernment rebels supported by the Republic of South Africa against Mozambique) aimed at railway links from the ports of Maputo and Beira.24

The success of SADCC long-term objectives depends on the coordination of the numerous economic complexities of individual member-states with the operational plans for achieving SADCC goals. "Tanzania will express her support of the SADCC largely to demonstrate her political solidarity with its objectives, but she will remain primarily concerned with internal economic problems and with East African regional economic affairs..."25

FOREIGN RELATIONS

At the nonaligned summit in Havana, Cuba in August 1979, Nyerere stated "our movement is a progressive movement. But it is not a movement of progressive states . . . . Our movement is not hostile to one bloc rather than another."26 Of current economic necessity, Tanzania is virtually dependent on loans and grants from the Western industrial and from Communist countries. Consequently, its nonaligned posture has perpetuated a broad base of economic support. Between 1976-79, the International Monetary Fund provided Tanzania with annual loans of about $143 million. In 1979, the EEC provided $325 million. Meanwhile, the People's
Republic of China and the Soviet bloc provided military assistance, building materials and equipment, and scientific and technological assistance.\textsuperscript{27} As of October 1982, the IMF virtually suspended its support of current projects in Tanzania totalling about $70 million per year, pending repayment of outstanding interest charges totalling over $14 million.\textsuperscript{28} Also, there is a serious question whether foreign donors such as the Scandinavian countries, Canada, and the World Bank will continue to provide monetary assistance.\textsuperscript{29}

**TANZANIA AND THE ORGANIZATION OF AFRICAN UNITY**

The Organization of African Unity (OAU) is the symbol of African unity, setting standards of pan-African relations where majority positions of member-states dominate, such as denouncing the Somali invasion of the Ogaden and the Biafran secession. However, its failure to decisively manage crises in Chad and West Sahara have paralyzed the OAU. Furthermore, it was criticized for not taking a strong stand against Tanzania's aggression against Uganda in January 1979, despite the salutary result of ousting the despot Idi Amin. The OAU was unable to settle the Rhodesian conflict, which in the end was accomplished through British and Front-Line States effort. Similarly, the OAU failed to make progress with the Namibian question, which now rests with the United Nations and particularly with the "Contact Group States" of the five Western powers (United States, Britain, France, West Germany, and Canada).\textsuperscript{30}

During the 1978-79 war between Tanzania and Uganda, the OAU refused to condemn Amin as the aggressor. In addition, the OAU
failed to take affirmative action when Libyan and PLO troops were sent to assist Amin's forces.

GOVERNMENT OPPOSITION

Criticism of the internal economic crisis has been gaining momentum within the CCM party. In addition, overt opposition was demonstrated by the Tanzanian Youth Democracy. During February 1982, five members of this group hijacked a Boeing 737 National Airline and demanded the resignation of Nyerere. According to the group's alleged founder, Moussa Membar (one of the hijackers), an anticipated "democratic uprising" in conjunction with the hijacking failed. Membar further indicated that the group had three thousand members and sympathizers in the police, army, and government.31

An abortive attempt to overthrow the government in January 1983 has placed Nyerere's future in doubt. Reportedly, 600 soldiers and 1,000 civilians were arrested, including five members of the CCM party who were accused of not reporting the plot after they had knowledge of it.

CONCLUSION

The Tanzanian socialist economy is close to collapse. The collective agrarian system has failed to positively influence the rural majority to increase production of cash crops which is the primary source of foreign exchange. The scarcity of foreign exchange has negatively affected production in the agricultural and industrial sectors because of shortages of lubricants and spare machine parts. As a result, basic consumer goods are either rationed or unavailable.
The inefficient and occasionally corrupt parastatal bureaucracies that administer the nationalized economy have grown beyond manageable controls and budget appropriations. Various development projects, many of which are politically-motivated and lack economic priority, continue to strain the stability of rural and urban areas.

In the past 15 years, Tanzania has moved from self-sufficiency as an agricultural producer to a net importer of food staples to combat famine and starvation. Tanzania is heavily dependent on international aid, but persists in continuing its regressive socialist course. Currently, the World Bank and various donor nations (the majority of total aid coming from the West) have indicated reservations about continuing large-scale subsidies for nonessential projects unless Tanzania demonstrates its willingness to implement practical economic reconstruction policies. To date, Nyerere's government has refused to accept the recommendations for economic reconstruction offered by its foreign lenders. Accordingly, the threat of substantial foreign aid reductions is real. In the short term, Nyerere may use such aid reductions as a political tactic to blame external interference as the cause of deteriorating economic conditions. However, Nyerere's options are limited. Internal political pressure within the CCM party probably will increase and cause some modification of the socialist economic system in order to eliminate the most obvious deficiencies. The recent coup attempt should alert CCM leaders to consider appropriate policy changes.
As the chief architect of Tanzania's failing socialism, President Nyerere might be expected to resign prior to the expiration of his term in 1985. It will be difficult for him to deny failure of his system and then continue in office after his credibility is damaged. On the other hand, Nyerere probably will reject foreign pronouncements of doom in an attempt to preserve his stature and challenge the Western benefactors to negotiate more liberal terms. If foreign aid is significantly reduced, socioeconomic pressures will severely test the political strength of the CCM party and possibly threaten the union with Zanzibar. Tanzania is expected to initially experience political change either through democratic process or internal conflict. This will depend on the rapidity in which it can achieve agrarian self-sufficiency, increase cash crop exports, and provide adequate consumer goods and services.

Tanzania has perpetuated a nonaligned policy in foreign affairs. Since independence, it engaged in one border conflict with Amin's Uganda. Other border disputes concern petty issues of boundary demarcation that occasionally surface and are settled by diplomacy or rhetorical intimidation.

Tanzania's African policy and its leadership within the Front-Line States were factors in settling the Rhodesian crisis. Its moderate and moralistic posture has been a positive influence within the OAU. Its influence among black majority states may facilitate a peaceful settlement for Namibia.

In the short term, Tanzania will be preoccupied with its domestic economic crisis. Its active participation in the SADCC
regional economic development will be limited to moral support until it is able to manage its current economic and domestic problems. Since the SADCC goals of coordinating regional economic development to decrease dependence on the Republic of South Africa is a long-term effort, individual member-states such as Tanzania need to establish sound domestic economic policies and prioritize development projects if they are to contribute to SADCC development. Tanzania's main contribution will be to rehabilitate the efficiency of the TAZAM Railway from Zambia to the port of Dar es Salaam. However, Tanzania is not critical to SADCC goals as are the mineral resources of Zimbabwe and the rails and ports of Mozambique. Ironically, Tanzanian economic failures may be a lesson to other developing African states having minimal natural resources to avoid the pitfalls of economic socialism and elimination of free enterprise.


8. JPRS, June 10, 1982, p. 46.


15. JPRS, November 2, 1982, p. 103.


18. JPRS, October 6, 1982, pp. 51-52.

19. Jaster, p. 27.


22. Jaster, p. 29.


24. Ibid., p. 5.


27. Ibid., pp. B337-B338.

28. JPRS, November 2, 1982, p. 103.


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## Abstract
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