

# Tanzania: Decentralising Power or Spreading Poverty?

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*Arrigo Pallotti*

**This essay investigates the complex relationships between the decentralisation reform and implementation of the 1999 land laws in the rural areas of Tanzania. After critically reviewing the aims, content and early outcomes of the Local Government Reform Programme (LGRP), the essay considers the political implications of the neo-liberal citizenship model the reform tries to promote at the local level, with a particular focus on its link with the implementation of the Village Land Act of 1999. Behind the rhetoric of poverty reduction and community development lies a government effort to promote a market model of citizenship in the rural areas. Indeed, the implementation of the LGRP and land tenure reform represent part of this broader effort. The paper concludes that these policies will have far-reaching effects on resource access and democracy at the local level.**

## **From *Homo oeconomicus* to *Homo Civicus***

After the election of President Ali Hassan Mwinyi in 1985, Tanzania abandoned *Ujamaa*, the socialist model of economic development it had pursued during the previous twenty years, and embarked on the path of a free market economy. Peter Gibbon (1995:14) has argued that the resulting reform strategy adopted by the Tanzanian government, notably its successive structural adjustment programmes, went through three main stages:

*Whereas the first phase of Tanzanian adjustment had concentrated in practice on trade liberalisation and the second phase in practice on foreign investment deregulation, the third was to mainly address parastatal and civil service reform.*

Moreover, the country abandoned the one-party state model in 1992 and reintroduced multiparty politics. And, since the late-1990s, Tanzanian development strategies have emphasised institutional reforms, good governance, decentralisation and community development as the keys to poverty reduction (Mercer, 2003). This article analyses the local government reform process and the early implementation of the Village Land Act. It argues that these neo-liberal reforms, which try to reshape patterns of resource access in the rural areas of the country, will have a major impact on the nature of an emergent post-socialist citizenship at the local level.

Neo-liberal economic reforms implemented over twenty or so years have had deep effects on the social and economic rights of Tanzanian citizens. Official silence notwithstanding, the last fifteen years have seen both income inequality and

inequality in *access* to social services grow in the country (URT, 2005:5-6). As new paths to capital accumulation and financial wealth were opened up by neo-liberal economic policies, the abolition of farmer subsidies, the liberalisation of agricultural marketing, and the introduction of cost recovery measures within social sectors severely constrained the potential benefits of the reforms for the rural masses (Ponte, 2002). Moreover, the impact of the HIV/AIDS pandemic imposes a dramatic burden on family networks and health structures all over the country. Public welfare institutions in the countryside have to face growing economic and social hardships with inadequate financial resources and collapsing infrastructure.

Donor and government realisation of the negative effects of neo-liberal economic reforms on the welfare of the rural masses during the late-1990s led to a new official emphasis on good governance, decentralisation and poverty reduction within Tanzania's reform programmes. The Poverty Reduction Strategy Paper (PRSP) adopted by the government within the international Highly Indebted Poor Countries Initiative (HIPC) in October 2000, and its follow-up, the National Strategy for Growth and Reduction of Poverty (NSGRP) of April 2005, represent an apparent shift from the 'standard' structural adjustment package to the new social inclusion and empowerment agenda of the post-Washington Consensus era. In fact, both the PRSP and NSGRP maintain a strong neo-liberal focus on macroeconomic rigour and consider poverty reduction as the 'natural' result of economic growth.

Henry Bernstein's (2004) categories of *homo oeconomicus* and *homo civicus* can be profitably applied to the analysis of recent institutional reforms in Tanzania, as they highlight the artificial nature and multiple contradictions of neo-liberal efforts aimed at 'transforming institutional structures and creating autonomy; inculcating certain habits such as calculation and reflexivity, and developing the capacities of the state so that it can itself undertake these tasks' (Williams, 1999:90). In his analysis of agrarian questions in Africa, Bernstein underlines the link between strategies of market liberalisation and the promotion of political participation within neo-liberal theories of rural development, arguing that current institutional reforms aim at promoting an encounter between two neo-liberal ideal types of individual agency:

*Recognition that 'getting the prices right' is a necessary if not sufficient condition of restoring agricultural productivity growth generated subsequent complementary ambitions to build good governance, civil society and social capital. This acknowledgement of collective action, the necessity of basic public goods, and desirability of certain merit goods is informed by the 'new institutional economics', an extension of the neo-classical paradigm. With such (re-) inventions of homo civicus, the objective remains to support, rather than substitute for, the efforts of the African farmer as homo oeconomicus to pursue efficiently those private gains from which social benefit derives (Bernstein, 2004:120).*

Both Tanzania's PRSP and NSGRP place a strong emphasis on the restructuring of local political and economic institutions; they both also consider decentralisation and the formalisation of individual land rights as the keys to economic growth and poverty reduction. This article thus analyses the problematic relationship between decentralisation and the implementation of the 1999 Village Land Act within the reform programmes. It argues that, official rhetoric of poverty reduction and community development notwithstanding, these policies aim at transforming production and reproduction strategies in the countryside according to dominant neo-liberal notions of individual agency. In so doing, the essay aims to critically question mainstream interpretations of contemporary local government reforms in

sub-Saharan Africa as promoting popular political participation, democratic accountability and social empowerment (Olowu & Wunsch, 2004). Mainstream analyses downplay the risk that neo-liberal institutional reforms aimed at fostering social inclusion and local participatory development may paradoxically deepen the economic and social marginalisation of individuals and groups and foster political apathy in the countryside. The paper therefore highlights the need to investigate the multiple, complex and often contradictory relations between reform policies and politics, and between institutional reforms and their effects on citizens' rights.

If, as Graham Harrison remarks, 'Embracing governance reform might in itself be a new strategy of extraversion' (Harrison, 2005a:254), there is a need to critically examine the 'politics of policy implementation' (Gould & Ojanen, 2005:52). Tensions and disagreements notwithstanding, donors and government share a common vision of the neo-liberal transformation of Tanzanian economic and social structures, to the point that the country has been considered a paradigm of the 'post-conditionality regime', in which 'the national-international boundary has been rendered so much more porous by a historically embedded "mutual assimilation" of donor and state power and ideas, consolidated within a context of economic growth' and financial dependency (Harrison, 2001:661). However, as an analysis of the implementation of Tanzania's LGRP shows, donor-government relations are only part of the institutional reform equation. The process of post-colonial nation-building left a complex legacy of top-down state-society relations which helps to explain both the *dirigiste* nature of the transition from socialism to liberal democracy, and the outcomes of particular institutional reforms.

Following a review of the political link the NSGRP establishes between decentralisation and formalisation of individual land rights as the key to private sector-led growth and individual empowerment, this article examines the aims, content and outcomes of Tanzanian local government reform and central government efforts to speed up the implementation of the 1999 Village Land Act. Drawing partly on information collected during a field research on local governance carried out during 2004 in five villages in Iringa Region and extensively discussed in other papers (Pallotti, 2006, 2007),<sup>1</sup> it focuses on a number of general issues raised by these reforms. I also draw on insights from a visit to the country during 2007 which was aimed at gathering up-to-date information on the local government reform process and the implementation of the Village Land Act, and at interviewing a number of strategic informants on the implementation of the two policies.

## **Poverty Reduction, Decentralisation & Land Reform: From Political Subjects to Economic Citizens?**

As in the case of many other African countries (UNCTAD, 2002), Tanzania's PRSP is marked by an unresolved tension between government determination to pursue fiscal rigour and private sector-led economic development, and the growing need for policy measures aimed at improving people's access to social services and fighting poverty. This tension emerges over and over in the pages of the PRSP, as for example when, after stating that 'The Government will continue to maintain sound macroeconomic policies and intensify the implementation of reforms aimed at bolstering market efficiency', it hastens to add that 'special efforts will be made to channel limited Government resources toward the support of key programmes and social services under the poverty reduction strategy' (URT, 2000:18). Moreover, given that 'the poverty reduction programme will be constrained severely by

available resources', the PRSP insists on cost-effectiveness, cost-sharing and co-financing and the involvement of communities and local government authorities within social service provision (Ibid. p. 28).

The political dilemma of the PRSP finds a neo-liberal answer in the NSGRP, which argues that the tension between fiscal rigour and social spending can be solved only by 'creating opportunities for people to participate in the growth process' through 'efforts to promote private sector development' (URT, VPO, 2005:10). This development strategy is premised on the neo-liberal assumption of 'an immanent property in the poor to be able to escape their own undesirable conditions once properly facilitated to emerge as market actors' (Harrison, 2005b:1310). The success of the NSGRP neo-liberal growth strategy rests on two pillars: the implementation of the LGRP and the formalisation of individual land rights. The NSGRP insists that 'Regularisation and titling of land is expected to facilitate residents' use of their land and property thereon (dead capital) as collateral with which they may obtain credit from banks and building societies for socio-economic investment' (URT, VPO, 2005:7). The NSGRP considers local government institutions as providers of social services and not as spaces for democratic practice. In accordance with this apparently neutral model of institutional reforms, the NSGRP emphasises the need to improve the management of local government finances in order to check the expenditure and scale up '*private-public partnership* consultation mechanisms in support of the participation of the private sector not only in business but also in the provision of public services' (Ibid. p. 26).

Both the decentralisation process and the land reform try to inject a model of market citizenship into rural areas and will have a crucial bearing, not only on the production and reproduction strategies of the majority of citizens, but also on the nature of rights and democracy in the countryside. Villagers and peasants, long considered passive recipients of central government instructions and directives (Mamdani, 1996), are now seen as active and autonomous entrepreneurs, customers and consumers. The rational economic behaviour of Bernstein's *homo aeconomicus* is supposed to spearhead economic growth and to arouse the political virtues of the *homo civicus* at the local level.

### **The Local Government Reform: Opening Democratic Space or Decentralising Poverty?**

The promotion of good governance and political accountability are the main aims of the decentralisation reform the government has been implementing since 1996 through the LGRP. The reform, involving only Tanzania Mainland, should entail the restructuring of the bureaucratic organisation of the local councils, the redefinition of sector responsibilities among central government, regions and district and municipal councils, and the granting of greater decision-making and financial powers to the latter (URT, PMO, CSRP, 1996). The overall implementation of the LGRP has been much slower than expected and the programme is now supposed to end in 2008.

The LGRP represents the last stage of the complex post-colonial evolution of Tanzanian local government institutions. Between 1962 and 1963 the new independent government abolished the chiefs (Iliffe, 1979:318-341) and introduced district, urban and municipal councils (Mukandala, 2000:122). A system of Development Committees was established from the regional to the village level.

Under the political supervision of the ruling party, the Development Committees were to draw up and carry out development projects in their area of jurisdiction and 'mobilise the people in the implementation of projects on self-help basis' (Max, 1991:40). Central government dissatisfaction with the poor development attainments of local government authorities and, above all, the new resolve of the Tanganyika African National Union (TANU)<sup>2</sup> to transform society according to the socialist orientation of the Arusha Declaration and the policy of *Ujamaa*, brought about the abolition of district and urban councils in 1972 and 1973, respectively, and the implementation of the decentralisation policy (Ibid. p. 63). The newly created District Development Councils (DDCs) were conceived as executive branches of the central government and their activities were under the coordination and supervision of non-representative Regional Development Committees. DDCs were financially dependent on the central government and gradually lost all political representation (Ibid. p. 88). Mahmood Mamdani captured the nature and contradictions of this strategy of social transformation, arguing that:

*The Tanzanian experience was first and foremost an attempt at a reform of the bifurcated state, at linking the rural and the urban, through the apparatus of the party. When this attempt to develop through persuasion (ujamaa) failed, persuasion gave way to coercion, and the link hitherto made through the party gave way to one effected through the state bureaucracy. The Tanzania decentralization of the mid-1970s was in effect a centralization (Mamdani, 1996:177).*

Given the failure of this top-down, 'revolutionary' strategy of state-building, opening – at least partially – the local political space became imperative for the *Chama cha Mapinduzi* (CCM) leadership during the 1980s. The economic crisis of the late 1970s and the inefficiency and gross corruption of DDCs were at the root of the policy reversal of the early 1980s, when the government re-established elected councils in urban and rural areas. The complex architecture of central-local government relations established since 1982 was instrumental in both maintaining a strong centralisation of political power in CCM hands and in shifting to the local government part of the financial burden of social service provision (Mukandala, 2000:132). Moreover, the close association between village institutions and party structures remained one of the defining elements of village governance (Ngware & Haule, 1992:30).

The analysis of the LGRP must consider both the policy and the politics of reform. The two are in a dialectical relationship. While the LGRP aims at translating the theoretical abstractions of the post-Washington consensus into concrete political institutions, its implementation was subject to central government resolve to maintain the reins of political power at both the national and local levels. The long-term vision of neo-liberal transformation for the country shared by both government and donors helped to overcome the contradictions which surfaced during the implementation of the LGRP.

At the level of policy, the LGRP tries to bring institutions of local governance in line with broader PRSP and NSGRP imperatives of economic liberalisation and good governance (Mercer, 2003). The introduction of the Local Government Reform Agenda 1996-2000 spells out the rationale behind the decentralisation process, stating that 'Local government reform is closely linked to the reform of the Civil Service. Both share a common fundamental goal: **to improve service delivery**. One of the strategies to achieve this goal is decentralisation' (URT, PMO, CSRP, 1996:1) (bold in the original).

The financial autonomy of local government authorities and the decentralisation of social service provision are presented in the official discourse as necessary tools to foster grassroots democratic participation. The 2001 Joint Government/Donor Review makes this point, arguing that 'A close relationship exists between paying taxes and getting acceptable levels of service, thus strengthening local demand for accountability by Local Government' (Joint Government/Donor Review, 2001:43). Like mainstream literature on decentralisation in sub-Saharan Africa, the LGRP considers taxation and user fees as the essential bridge between decentralisation and democratisation (URT, MRALG, 1998:5). The underlying logic is that the payment of user fees and the collection of local taxes make citizens politically active and promote accountability (World Bank, 2006:7), as if local political participation could be reduced to the 'rational-maximising self-seeking behaviour of individuals which is at the heart of both neo-classical economics and new institutionalism' (Stein, 1995:110). These are the economic doctrines which inspired structural adjustment packages during the 1980s and the 1990s, and now shape the poverty reduction strategy papers in sub-Saharan Africa (Cheru, 2006).

The implementation of the LGRP has had effects on both district and village authorities. To date sector ministries have proved reluctant to relinquish decision-making powers to district councils (URT, PO, RALG, 2004), while the financial (and political) dependence of the latter on central government was strengthened by the Minister of Finance's decision to abolish the development levy and a number of local fees in 2003 (Boex & Martinez-Vazquez, 2006:73), on the ground of their unpopularity among the population. The implementation of the LGRP highlights central government determination to maintain its political control over the activities implemented by local authorities. The 2006 Local Government Fiduciary Assessment remarks that

*Following the rationalisation of local taxes in 2003 and 2004, own source revenues only represent between 4-5 per cent of overall revenues. Local government fiscal performance is therefore highly dependent on central government (...) and donor transfers (PEFAR, 2006:12).*

The abolition of local taxes not only impaired the fiscal autonomy of district councils (DC) and municipal councils (MC), making them more dependent on central government transfers (Fjeldstad, 2004:10), but also had negative effects on development activities at the local level, since 'remaining collections to a large extent are being absorbed by DC/MC to finance costs associated with the running of DC/MC Headquarters leaving nothing or only minor proportions for development let alone service delivery'. Moreover,

*returns of funds remitted by the Wards/Villages have effectively come to a stand still since July 2003, implying that ongoing and planned development activities at Ward/Village level have been put on hold (URT, PO, RALG & UNCDF/DFID, 2003:7).*

LGRP implementation could not be further from the stated policy aims. With the reluctant backing of donors (Boex & Martinez-Vazquez, 2006:73), the central government implemented the local government reform so as to maintain its political grip on district and village authorities. The LGRP emphasis on the link between taxation and local political mobilisation was not abandoned, but its realisation has been premised on villagers being granted individual land title deeds under the new land policy. As the ministry explained:

*In the Government's long run vision, the primary sources of local government revenue would be two such local taxes: first, a unified local tax on business activity, and second, a local tax on property ownership (imposed on land and buildings) (URT, PMO, RALG & MF, 2006:8).*

The real question the official discourse on the implementation of both the LGRP and the land policy leaves unanswered is who will benefit from the reform of local services which past neo-liberal policies had already rendered unaffordable for the majority of rural dwellers.

Turning to village level effects of the implementation of the LGRP, these have been almost completely neglected to date by the LGRP (Shivji & Peter, 1999). The lack of attention to village institutions reveals a serious contradiction between the LGRP's stated aim of strengthening local political participation and its actual political priorities. The emphasis on service delivery as the fundamental goal of the reform process was detrimental to any appropriate consideration of the role and sites of popular political participation and activism. Field research showed that the LGRP failed to address a number of institutional bottlenecks hampering villager political participation, and that the abolition of the main local taxes in 2003 was followed by a reduction of revenue transfers from the districts to the villages. So, the LGRP strengthened district council grip on village development initiatives, further adding to the political difficulties of village authorities (interviews with S. Tellun, August, 2004; A. Ngolo, August, 2004; and E. Kisava, June, 2007). It was only in 2006 that the government and donors decided to speed up the implementation of the 2002 Opportunities and Obstacles to Development Programme, in order to foster the involvement of village authorities in development planning (URT, PMO, RALG, JICA, 2006). While it is too early to judge the impact of this programme, it is unlikely to achieve its objectives within an institutional context of centre-periphery relations which are historically biased against the autonomy of village authorities in development planning.

The research findings underlined the ahistoricism inherent in the neo-liberal model of institutional reform and local political participation which inspired the LGRP, given the lack of any 'serious consideration of how a country's history might affect the "politics of the possible" in respect to reform' (Harrison, 2005a:254). Notwithstanding several deficiencies, local government authorities played in the past and still play today an important role as institutional channels of popular political participation. Even if the authorities of the villages visited (during the field research) were often accused of revenue misappropriation, the great majority of the households interviewed contacted them in case of a dispute over land rights, when taxes or the request of communal work increased, and in some cases of extreme financial need. However, rarely were village authorities able to provide villagers with material help (Pallotti, 2006). Reformers and scholars disregard the fact that while the policy of *Ujamaa* and the development activities of the 1960s and 1970s socialised rural people into national and local politics, the failure of socialist economic policies, widespread corruption, and structural adjustment plunged local authorities into a deep political crisis which current reform efforts could, paradoxically, worsen due to a lack of village authority financial and human resources. The implementation of neo-liberal institutional reforms is made more complex by the fact that multipartyism and economic liberalisation have in no way weakened the electoral strength of the ruling CCM, which controls not only the federal and Zanzibar governments, but also most of the district and village authorities in the country. Several factors account for this, including popular perception of the political and social stability CCM rule provided after independ-

ence; the long history of popular involvement within party structures; the weakness of opposition parties; and the ability of the CCM leadership to reconcile the political and economic interests of disparate social groups (Mukangara, 1999).

These political dynamics point to the need for a type of analysis which abandons the ideological framework of the good governance model and focuses on the restructuring of political and financial relations between national political institutions (party leaders, individual ministers, the cabinet, members of parliament) and regional and district peripheries in the framework of economic liberalisation and multiparty politics, on the one hand, and their effects on the citizenship rights of rural masses, on the other. This underlines the urgency of the need for combining the examination of the LGRP with that of the implementation of the land policy.

### **The Individualisation of Land Rights**

In January 1999 Parliament passed the Land Act No. 4 and the Village Land Act No. 5. These two very complex and lengthy pieces of legislation sparked off a heated debate among scholars, policy-makers and civil society activists, as previously happened with both the Report of the Presidential Commission of Inquiry into Land Matters (chaired by Issa Shivji) of 1992, and the National Land Policy published by the Ministry of Lands and Human Settlements Development in 1995. This article does not venture into an in-depth review of the Land Act or the Village Land Act. Instead, it focuses attention mainly on those provisions of the Village Land Act which foreshadow a radical transformation of land rights and are likely to have a crucial impact on resource access in the rural areas of the country.

However, it must be stressed that the two Acts are inextricably interlinked from both a legal and political point of view. Given that 'All land in Tanzania is public land vested in the President as trustee on behalf of all citizens' (URT, 1999:3.1.b), the President has the power to transfer 'any area of village land to general and reserved land for public interest' (Ibid. p.4.1). This provision puts strong political (and economic) pressures on village authorities. Apart from the problem of the loose definition of 'public interest',<sup>3</sup> the Village Land Act requires the village assembly<sup>4</sup> to approve the transfer of parcels of village land 'less than 250 hectares in extent' but, in the case of a transfer of a land area 'greater than 250 hectares', the final decision is reserved for the Minister (Ibid. p.4.6.b). These provisions reflect the investor-friendly nature of the National Land Law of 1995 (Maoulidi, 2004:5-6), show central government determination to maintain its tight control on land allocation to big investors (Shivji, 1998:82), and add further pressure on village authorities to directly grant land to non-resident investors in the form of a customary right of occupancy (URT, 1999:24), or a derivative right (Ibid. p.34), since this remains their only chance to negotiate a premium and a rent on the land with the investor before the latter decides to address her/his request directly to the President (interview with Kisava, June 2007).

The crucial innovation introduced by the Village Land Law is the possibility for an individual (or family or association) to get a certificate of 'customary right of occupancy' (*Hakimiliki ya kimila*) within a village. The Land Commission had proposed that

*Customary ownership on village lands by the villagers will be registered in the Village Land Registry and the owner – whether an individual, family or clan as the case may be under the local customary law – issued with a simple certificate called Hati ya Ardhi ya Mila (URT, 1994:154).*



Within a complex and dynamic context – one influenced by neo-liberal economic reforms; land alienation for investment purposes; land claims by pre-*Ujamaa* owners; the risk of eviction of *Ujamaa* farmers; and growing urbanisation (Shivji, 1998:26-40) – the granting of certificates of customary right of occupancy was aimed both at overcoming the historical dichotomy between ‘granted rights of occupancy’ and ‘deemed rights of occupancy’, and at providing villagers with security of tenure. The ‘communitarian’ character of the Land Commission proposals was reflected in its recommendation that ‘The major form of land tenure in the village will be customarily governed by customary law’ (URT, 1994:153) and that a ceiling of 200 acres be imposed on village land ownership (Ibid. p.156). Even if the Commission stated that it was ‘aware that our proposals do not adequately address the subordinate role of the female gender in the ownership and control of land’ (Ibid. p.158), according to its chairman, ‘Such an evolution of Tanzanian ‘common law’ would be more organic and would have greater legitimacy than statutory law imposed from above’ (Shivji, 1998:54).

Moreover, while the Land Commission seemed conscious of the fact that the issue of customary rights of occupancy would risk intensifying land conflicts and disputes within villages (URT, 1994:158), it believed this risk was to be avoided through an adjudicatory system ‘not only efficient, but also accessible’ by the villagers (Ibid. p.158). However, the risks connected with the titling process were not only legal, but also political. Within the context of the neo-liberal economic policies implemented by the government, how would the latter regulate the granting of certificates of customary right of occupancy? Moreover, would village authorities have the capacity to manage the land titling process? The Land Commission paid scant attention not only to the gender issue (Tsikata, 2003), but also to the problem of widespread corruption and other non-democratic practices of village governance (Pallotti, 2007).

Small wonder that the National Land Policy of 1995 retained the Commission proposal for issuing certificates of customary right of occupancy to villagers, but within a different institutional and political framework. Apart from the fact that the radical title – defined as ‘ultimate ownership and control’ of the land (Shivji, 1998: 72) – (also) on village land was to be vested in the President (and not in the village assembly as proposed by the Land Commission), the village council (and not the village assembly) was to be responsible for the administration of village land and the granting of the new certificate of customary right of occupancy (URT, MLHSD, 1995:4.2.7.ix). Moreover, the National Land Policy emphasised the need to recognise the commercial value of land and to facilitate the development of a land market.

The introduction of the new ‘customary right of occupancy’ in the Village Land Act and the procedures laid down in the latter for the granting of title deeds, sparked off a heated debate among scholars and activists. While Alden Wily talked of ‘a community based land tenure management system’ (Wily, 2003:1), other commentators highlighted the risk that, instead of strengthening tenure security, the new bureaucratic and costly titling system would spark off a process of land grabbing by wealthier villagers (National Land Forum, 1997), and national and *foreign investors* who, as reported in one of the villages visited during the field research, in some cases resorted to bribing the village councillors in order to get control of tracts of village land (Interview with Kisava, June 2007). According to peasants interviewed during May 2007 in the Iringa region, getting the certificate (*Hati ya haki miliki ya kimila*) would cost them around 10,000 Tanzanian Shillings per acre (interviews with Kindole and Kihongosi). Moreover, as one of my interviewees observed, paying for

the certificate made no sense, as his family had been farming that very same parcel of land for three generations. However, due to the uncertainty of the legal system, he felt compelled to apply for a land certificate in order to secure its property against investors coming from outside the village (interview with Kihongosi). It must also be noted that a customary right of occupancy may impose recurrent costs on the holder of the certificate, since the village council may subject the granting of the title deed to both the payment of an annual rent and some development conditions (URT, 1999:28 & 29).

If the provisions of the Village Land Act stirred activist fear that the Act would undermine rural land tenure security, the accelerated implementation of the Act, notably government adoption of a number of initiatives which emphasise the individualisation of land rights, further adds to these concerns. First, in February 2004, Parliament passed the Land (Amendment) Act which makes it easier for mortgagees to enter into possession of and sell mortgaged land (URT, 2004). The amendment was government's response to intense lobbying by banking and financial institutions lamenting the fact that the 1999 land laws 'tended to inhibit bankable projects especially mortgages from accessing finance' (Tanzania Bankers Association, 2005:4). The amendment attracted strong criticism from civil society activists. In response, Issa Shivji has remarked that the 2004 amendment allows the selling of bare land and radically transforms Tanzania's post-colonial land tenure system (Shivji, 2004). Moreover, there is now a higher risk that the 'formalisation of property (...) leads to the formalisation of [villagers'] dispossession' (Olenasha, 2005:25), even if it remains to be seen whether banking and financial institutions have any interest in lending money to poor farmers with only small plots of rural land to use as collateral.

Second, the Ministry of Land and Human Settlement Development commissioned the draft of a Strategic Plan for the Implementation of the Land Laws (SPILL), which was 'meant to streamline the land laws into the socio-economic life of Tanzania' (URT, MLHSD, 2005:3). Finalised in April 2005, SPILL aims at 'operationalising the land laws, which means that it will take on board all that needs to be done by the land administration machinery to frame and safeguard customary and granted land rights for land users. It will also facilitate, among other things, the alleviation of poverty, particularly in the rural areas' (Ibid. p. 4). The emphasis of SPILL, whose implementation would cost 300 billion Tanzanian shillings during a 10 year period, is on speeding up both the decentralisation of land delivery and land administration services to the districts and villages, and the involvement of the private sector in the implementation of the land laws (Ibid. p. 32). From a political point of view, SPILL redefines the nature of Tanzania's land tenure reform. The plan assumes that 'the operationalisation of the land markets would enhance the productivity of the land, where tenure security has been guaranteed. In this regard, temporarily handicapped users can rent out their lots and bankrupt ones can sell off to willing buyers to sustain production and land development' (Ibid. p.16). Therefore, it insists on the need for villagers to use the certificate of customary right of occupancy 'as collateral in mortgage loans' (Ibid. p. 9). Paying only lip service to the need to secure villager land rights, SPILL mirrors the neo-liberal economic development approach of the Land (Amendment) Act 2004, promotes the individualisation of land rights, and acknowledges the possibility that the modernisation of the agricultural sector could (or should?) create a class of landless people in the rural areas.

Third, the implementation of the Village Land Act has become one of the sector components of the Property and Business Formalisation Programme launched by

the government in 2004 and popularly known as MKURABITA (*Mpango wa kurasimisha rasilimali na biashara za wanyonge*). Drafted by the Institute for Liberty and Democracy under the auspices of former president, Benjamin Mkapa, this programme aims at promoting the formalisation of citizens' property rights, in accordance with the economic model developed by Hernando de Soto (de Soto, 2000) who, in February 2003, was invited by Mkapa to address Parliament (Mkurabita Programme Management Unit, 2007:2). While the Mkurabita programme is still officially in its planning phase, a land pilot project was implemented in some villages of Handeni District (Tanga Region) in late 2006, with the aim of 'test[ing] ways of making titling quicker and cheaper' (Ibid. p.3). Apart from several technical problems experienced in the implementation of the Handeni pilot project, the Legal and Human Rights Centre noted that 'Land grabbing became a normal habit during the titling project' and that, in spite of the Village Land Act provisions concerning the confirmation of land allocations made during the villagisation period (URT, 1999:15.1), land disputes and conflicts which had first emerged during villagisation were exacerbated by the granting of the new title deeds (Legal and Human Rights Centre, 2006:3 & 10).

The land component of MKURABITA introduces a sort of 'fast track' implementation of the Village Land Act, with a strong neo-liberal emphasis on the individualisation of land rights. If this is the approach the implementation of the Village Land Act is meant to follow in future, the decentralisation of 'the whole village land to the village authority' (Ibid. p.5) will become a fig leaf for a double process of 'consolidation of a middle peasantry and marginalisation of poor peasants unable to reproduce themselves' (Bernstein, 2003:131). The same institutions that should officially foster democratic participation and community development would become a vehicle for disempowerment and decentralisation of poverty.

In short, there are two main political weaknesses of the SPILL and MKURABITA neo-liberal approach to the formalisation of land rights. To begin with, both programmes idealise the democratic nature of village governance for the sake of cost-cutting and rapid implementation of the titling process. Giving village councils very extensive powers in the definition of land ownership and the granting of customary rights of occupancy, the programmes further marginalise the village assembly and downplay the risk that corruption and unequal power relations will bias the titling process, and disadvantage women and poor villagers who are most likely to be the ultimate losers of land reform. In addition, although a vibrant land market already exists in the rural areas of Tanzania (Daley, 2005), the government opted for the implementation of a development policy aimed at securing the rights of a minority of land owners in order to foster their capital accumulation strategies, instead of an agricultural policy that helped increase the productivity of smallholder farmers and provide them with farming inputs, services and infrastructure. This second option would require a rethink of the role that the state should play in the promotion of agricultural and (more generally) economic development in the country. It also runs contrary to the neo-liberal approach to the implementation of the Village Land Act which, while neglecting to consider the nature of off-farm employment opportunities open to people without access to land, cedes to market forces and, in particular to the transfer of land rights, the task of spearheading economic development in rural areas. Significantly, evidence collected during the field research showed that village off-farm activities were mostly limited to petty trade and crafts and that, except in a few cases, stiff competition within these sectors ensures that their income-generating potential was quite low (Pallotti, 2006).

## Conclusions

The emphasis on democratic participation and social empowerment within Tanzania's PRSP and NSGRP should not hide the fact that these programmes are part of a broader process aimed at promoting a neo-liberal economic and political transformation of the countryside in a manner suggesting that local relations were a *tabula rasa* on which to build good governance and efficient markets. This article has analysed the crucial role local authorities are expected to play in the definition of the post-socialist practices of democratic participation and land access in the rural areas of the country and argued that there is an urgent need to question the effects of these reforms on the nature of Tanzanian citizenship and democracy. While it is doubtful that the neo-liberal and technocratic approach to local governance at the heart of the LGRP will foster rural political participation and accountability, the land titling process will put local government authorities under heavy pressure, as they will find themselves trapped in new local conflicts over resource access.

Based on neo-liberal ideal-types of *homo oeconomicus* and *homo civicus*, both the LGRP and the implementation of the Village Land Act ignore the complex historical legacy of top-down nation-building in Tanzania (Mamdani, 1996), and neglect to consider political and economic differences between regions, groups and individuals. Under the banner of political accountability, empowerment and poverty reduction, these reforms try to foster new processes of capital accumulation that will have a crucial impact on the rights and welfare of Tanzanian citizens. Far from being a politically neutral actor within the neo-liberal reform process, the government continues to favour the *dirigiste* model of state-society relations of the socialist era, and is actively shaping the implementation of institutional and market reforms so as to secure the political allegiance of key social and political groups, regions and districts, even though this is likely to have negative effects on the citizenship rights of the rural masses.

The paper has shown that the implementation of both the LGRP and the Village Land Act risks weakening local government political legitimacy and worsening the socio-economic well-being of local communities. To date the reforms have given insufficient consideration to the economic and social effects on the production and reproduction strategies of the rural masses and the political repercussions on local authorities. Donor and central government emphasis on the need to foster efficiency and individual entrepreneurship at the local level has downplayed the problem of how Tanzanian local authorities, already stripped of financial resources and human capacities, would properly manage complex reform processes, even while helping to redress the latter's polarising effects and solve ensuing conflicts within rural communities. Moreover, no proper consideration has been given to the nature of the off-farm employment rural people would need to resort to if they were to lose access to land. Clearly, the impact of the reforms on rural livelihoods deserves further research, which should take as its starting point Bernstein's remarks that

*investigation of the effects/outcomes of rural class differentiation cannot be restricted to the growth of agrarian capital and agricultural wage-labour, nor indeed to the countryside, but has to explore the linkages of spatially and socially wider terrains of commodification* (Bernstein, 2004:131).

As for the institutional setting of ongoing class transformations in rural Tanzania, it can be concluded that, contrary to donor and government expectations that the implementation of decentralisation and the formalisation of land rights would open

virtuous channels of democratic participation, political accountability and economic development, the reforms have in reality added further pressure on Tanzania's local authorities and risk undermining their political legitimacy. The result may, paradoxically, be an acceleration of processes of social and economic marginalisation, and a hindrance to emancipatory democracy at the grassroots level.

*Arrigo Pallotti* is Researcher in the Department of Politics, Institutions, History at the University of Bologna, Italy; e-mail: arrigo.pallotti@unibo.it. I would like to thank Graham Harrison, Anna Maria Gentili, Bridget O'Laughlin, Mario Zamponi and two anonymous referees for their helpful comments on early versions of the paper. The usual caveat applies.

## Endnotes

1. The selection of the Iringa Region as research site was driven by methodological and historical considerations, as it experienced instances of strong (sometimes violent) resistance to the implementation of the *Ujamaa* policy during the 1970s and is currently a middle-ranking region in terms of socio-economic indicators within Tanzania (URT, 2005). A total of 358 randomly selected households were interviewed: 217 in one village of the Mufindi District, and 141 households in four villages of the Iringa Rural District. The villages were selected because of their very disparate degrees of economic development, related to their different historical evolution and geographical location. Both districts were involved in the LGRP, though at different stages.
2. TANU was transformed into the Chama cha Mapinduzi (CCM) in 1976.
3. The Village Land Act just specifies that 'public interest shall include investments of national interest' (URT 1999: §4.2).
4. All village residents (above 18) are members of the village assembly, which is the supreme political authority within the village. The village assembly elects the members of the village council, which holds the executive power.

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