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Rural Producer Organisations
and Policy Formulation
in Tanzania

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Abstract: This report is one of four reports in the series of policy reports from the Business Experience Exchange Programme. It analyses the role of rural producer organisations in national policy development and the influence of national policy on the development of the rural institutions in Tanzania.

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Preface

The Business Experience Exchange Programme - BEEP – is a collaborative effort of African rural producers' organisations and research institutions to develop small scale commercial agriculture within the national and international economic framework.

The overall objective of BEEP is to enable the participating rural producers' organisations (RPOs) in Malawi, Tanzania, Uganda and Zambia to exchange business experiences between them, enhance their business performance and thereby contribute to increase income and reduce poverty at farmer level.

A key component of BEEP is to document success stories and failures of the RPOs through applied research and thereby enhance the exchange of information qualitatively and quantitatively. Another objective of BEEP is to strengthen the national research and training capacity in the fields related to commercial agriculture. This can result in improved supply of relevant candidates for the agricultural sector in general and agro-business in particular.

The regional research programme for the period 2003-2006 was designed in collaboration with national RPOs during the first workshops held in 2003. The 2003 research programme focus on gender and policy issues facing the RPOs.

The programme is financed by Norges Vel and NORAD. NIBR is the co-ordinating research institution. More information about BEEP, the involved institutions and research reports can be found and downloaded from the programme web site www.beepafrica.com.

Arvid Strand

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Acronyms

IMF	International Monetary Fund
AKSCG	Association of Kilimanjaro Specialty Coffee Growers
AMSDP	Agricultural Systems Development Programme
ANGONET	Arusha Non-governmental Organization Network
AP	Agricultural Policies
ASDS	Agricultural Sector Development Strategy
CBO	Community based organisations
CCIA	Chamber of Commerce, Industry and Agriculture
CSOs	Civil society organizations
Danida	Danish International Development Agency
DONET	Dodoma Environmental Network
DRC	Democratic Republic of Congo
ECAPAPA Analysis	East and Central Africa Programme for Agricultural Policy Analysis
ERP	Economic Recovery Programme
ESRF	Economic and Social Action Research Foundation
ESRF	Economic and Social Research Foundation
FANRPAN-SADC	Food, Agriculture and the Natural Resource Policy Analysis Network for Southern Africa Development Community Region
FAO	Food and Agriculture Organization of The United Nations
GDP	Gross Domestic Product
HIPC	Highly Indebted Poor Countries
IFAD	International Fund for Agricultural development
IFPRI	International Food Policy Research Institute
IPMP	Integrated Pesticide Management Project
KCC	Coffee Company
KEDA	Kilimanjaro Environmental Development Association

KIPOC	Korongoro Integrated People Oriented Conservation
KIWODEA	Kilimanjaro Women Development Association
KNCU	Kilimanjaro Native Co-operative Union
KSCGA	Kilimanjaro Specialty Coffee Growers Association
LGA	Local Government Authorities
MDF	Multilateral Debt Relief Fund
MVIWATA	<i>Mtandao wa Wakulima Tanzania</i>
MVIWATA	<i>Muungano wa Vikundi vya Wakulima Tanzania</i>
NGO	Non- governmental organisations
Norad	The Norwegian Agency for Development Cooperation
PASS	Private Agricultural Sector Support
PIDP	Participatory Irrigation Development Programme
PRSP	Poverty Reduction Strategy
RPCS	Rural Primary Co-operative Societies
RPOs	Rural Producer Organizations
TACOSODE	Tanzania Council of Social Development
TANGO	Tanzania Non-governmental Organization
TAPANET	Tanzania Agricultural Policy Analysis Network
TAS	Tanzania Assistance Strategy
TAWLE	Tanzania Association of Women Leaders in Agriculture
TCA	Tanzania Coffee Association
TCCIA	Tanzania Chamber of Commerce Industries and Agriculture
TCGA	Tanganyika Coffee Growers Associations
TFA	Tanganyika Farmers Association
TFC	Tanzania Federation of Co-operatives
TFL	Tanganyika Federation of Labour
TGNP	Tanzania Gender Network
TIPDO	Tanzania Traditional Irrigation Development Organization
UMADEP	Uluguru Mountain Agricultural Development Programme
URT	United Republic of Tanzania
USAID	United States Agency for International Development

WTO	World Trade Organisation
WUA	Water Users Associations

1 Introduction

1.1 Background to the problem

Tanzania, like most of the developing countries, is implementing market-based reforms that are advocated by the World Bank and the International Monetary Fund (IMF). In the agricultural sector, there is an evidence that the introduction of market based agrarian reforms has so far not led to viable strategy to improve the productivity of the smallholders and improvement in the livelihood of the rural population. There is currently a search for new strategies, which focus on agricultural private sector development without losing sight of the multi-dimensionality of this rural sector. In FAO's view both causes of and cure for this imbalance is largely *organizational*. A major hindrance to improvements of production relations in the agrarian sector has, accordingly, on the one hand been a lack of *accountable and powerful local institutions* that can secure the rural population *access to resources and markets as well as make their voices heard in policy making bodies*. On the other hand, private agribusiness, input suppliers and the financial sector need well-organized farmer groups to reduce farm business transaction costs.

There is a growing consensus among certain donor communities, and policy analysts that the new policy environment, following structural adjustment, the political devolution and decentralization path pursued by most governments, will provide new opportunities for the 'empowerment' of local organizations both in the political and economic spheres. So far, there are few success stories to be told and the most successful people's organizations have been small in scale, with little external linkages and highly dependent on support from various non-governmental organizations (NGOs). In the governance equation civil institutions will carry their weight according to economic strength and independence, as well as the strength of their democratic organization. This has been noted in the new commitment made by major donors, such as the World Bank and USAID, to support rural producers' organizations. This is also reflected in the theme of the latest World Development Report 2002 titled *Building Institutions for the Markets*. Despite this consensus, it has been difficult to develop new policies towards the private sector outside the conventional sector approach as well as how best to support it more directly.

This study attempts to assess the role of the rural producers' organizations in policy formulation and influencing reforms in order to strengthen their various activities. It is envisaged that both poverty-reduction and community empowerment can be achieved through market-driven initiatives and through improved *governance* at both national and local levels. The previous debate over state versus market has given way to a more complex set of issues involving the interaction between the *market* and the institutions of both '*civil society*' and the *state*, in short *negotiated development* (an issue closely linked to the ongoing local government reform programme). A potentially important role of RPOs is, as civil society organizations, voicing the interests of their members in the

debate over economic policies. Rural producers have interests in the choice of economic and agricultural policies adopted and implemented by their governments.

Based on the preceding discussions, several difficult issues arise, namely:

1. What are really the members' interests when it comes to economic and agricultural policy? It is not obvious what their interests are. The consequences of different policies are often difficult to predict *a priori*. It requires analysis of policy effects, as well as that of potential alternative policies. Alternative policies may differ in time and results of their effects. Some may be expected to yield positive effects in the short run and negative in the long run, compared to alternative policies - or vice versa.
2. There may also be differences in policy interests among the members of RPOs. In that case the organization will need to find some compromise.

1.2 Research Significance

Many explanations have been put forward as to why many developing nations in Africa are lagging behind than countries in other regions in terms of economic growth. One of the prominent arguments is based on urban biased policies: that is there has been high investment in urban areas at the expense of the rural sector (Lipton, 1977; Schiff and Valde's, 1998). The urban bias policy has been explained, at least in part, by the political power of urban elites relative to rural smallholders. The urban elites have been better to express their interests and to influence policies. According to this reasoning, better organizations of smallholders must increase their political voice, reduce urban bias in policies, increase economic growth and reduce poverty.

Rural Producer Organizations (RPOs) are essentially civil organizations addressing issues of people's welfare, and hence contributing to poverty reduction initiatives. Rural Producer Organizations (RPOs), as civil organizations, have high potentials in terms of voicing the interests of their members in the debate over economic policies. Rural producers have interests in the choice of economic and agricultural policies adopted and implemented by the government. Rural producers may organize themselves to voice their concerns in several ways: political parties, traditional organizations in the forms of chieftainships, or Rural Producer Organizations. It is these latter organizations: in the form of co-operatives, farmers' associations and clubs; that are of primary concern in this study.

If the RPOs are going to be effective lobbyist for the members' interests they need to have competence and capacity for policy analysis. This may be obtained by developing it in-house, or it may be obtained through forming networks with other organizations that have such competence and capacity, by drawing on their analysis. Indeed this is the justification for the involvement of the Co-operative College Moshi in the analysis of policy formulation/design process and assessing impact. Subjects of analysis are both policy effects, as well as determining the strategies or tactics best suited to have achieving policy goals.

1.3 Research Objectives

The objectives of this research project are:

1. To explore the role of RPOs in economic and agricultural policy formulation and implementation. This will address the following issues:
 - How do RPOs operate in relation to agricultural policy?
 - To what extent and how do they participate in policy formulation?
 - What changes do RPOs propose and how do they work?
 - What are own perceptions of success in pursuing farmers' goals and interests?
 - What seems to be the outcome of own efforts in terms of influencing policies in different policy domains and for different categories of farmers?
 - How do the RPOs determine the policies they will work in favor of?
 - What is the policy analysis capacity and competence of the RPOs and how can this be augmented through networking with other organizations?

2. To explore the impact of national economic and agricultural policies on RPO members.
 - How do the national policy and macro-economic environment influence the livelihoods of RPO members?
 - How do possible inconsistencies in policy statements influence RPOs' business decisions, operations, and smallholder farmers' production?
 - What macro-economic issues limit RPO members' access to local, regional and international markets?

This study addressed the two objectives through a stage approach. Stage one, which is contained in this report addresses objective one, where the study concentrated on taking an inventory of RPOs, identification of relevant policies and assessed RPOs involvement in national economic and agricultural policies processes. The second objective, which is big and hotly debated, will be addressed during the proposed second phase of the study.

1.4 Research Methodology

1.4.1 Research Processes: The stage Approach

This research is principally based on the Formative Process Research method (FPR), which is a conceptual framework that has been adopted by some donors in order to improve management and business performances of organizations. This study also attempts to contribute towards ongoing policy debates on the role of RPOs in policy formulation processes. Studies on policy processes need to be done continuously, so as to make these realistic and meaningful. This study was, therefore, undertaken in three phases. Phase one involved preliminary discussions with representatives of few selected Rural Producer Organizations (RPOs) and research institutions. The output of this phase formed preliminary reports for discussions presented at the Regional Workshop held at Makerere University in Kampala, in November 2003.

The second phase, which commenced after the Kampala workshop, entailed refinement of individual country research proposals and workplans based on the Kampala programme of action. The proposal was discussed in a forum of a team of researchers and

representatives of RPOs in Moshi. The third stage involved detailed fieldwork in four regions of Arusha, Kilimanjaro, Morogoro and Dar es Salaam for detailed discussions with identified RPOs, government Ministries, and other relevant NGOs involved in policy dialogue. In addition, literature search was also done during this time. Appendix I summarizes the country study itinerary.

1.4.2 Data Sources and techniques

This study depended on two major sources of data and information: primary and secondary sources. The primary data was gathered through personal interviews, discussions, dialogue and sharing of information with other interested parties. The researcher, in some cases with help of a locally recruited assistant, interviewed leaders, members and management of visited organizations. Three Rural Primary Co-operative Societies in Kilimanjaro region were involved, namely: Mamsera RPCS; Legho Mulo SACCO, and Technoserve sponsored farmer group at Mrimbouwoo. In addition, one secondary society- the Kilimanjaro Native Co-operative Union (KNCU) was also involved. In Arusha region only Nkoanrua RPCS was visited.

Other institutions/organizations involved included: Tanganyika Farmers Association (TFA); Technoserve; IFAD supported Agricultural Systems Development Programme (AMSDP) in Arusha town, whereas in Kilimanjaro region the Kilimanjaro Co-operative Bank and Tanzania Coffee Board were involved.

In Dar es Salaam, the study covered the following government Ministries/Agencies: Co-operatives and Marketing; and Planning and Privatization Commission, and Bureau of Statistics. Furthermore, co-operative organizations: TFC, and SCCULT, and NGOs: TANGO, and AFREDA were also involved. In Morogoro the researchers visited three NGOs namely, *Mtandao wa Wakulima Tanzania* (MVIWATA), Private Agricultural Sector Support (PASS), and Uluguru Mountain Agricultural Development Programme (UMADEP). In addition, experiences from two externally sponsored empowerment process of the ILO SYNDICOOP; and MEMCOOP programmes were studied in Dar es Salaam and Moshi respectively.

Secondary data and information were gathered through review of literature and records. This involved review of available materials on current economic and agricultural policies (e.g. government policy statements, research and consultancy reports, as well as statistical materials) undertaken at research and academic institutions in Moshi, Dar es Salaam and Morogoro. In Dar es Salaam, the researcher visited the University of Dar es Salaam; Economic and Social Action Research Foundation (ESRF); and Bureau of Statistics. In Morogoro the researcher visited the Sokoine University of Agriculture.

1.4.3 Analytical framework

This study is mainly a descriptive one in that it reviews the process of policy debates and dialogue between government department/Ministries and producer organizations. In so doing, the study focused on three analytical themes: undertaking inventory of institutions/RPOs involved in key policy debates; assessing the nature of relationships between the RPOs and the state; and local level focus groups and survey of individuals.

(i) An inventory of institutions and their involvement in key policy areas

This inventory of institutions/RPOs maps out the landscape of institutions/organizations involved in agriculture and related policy areas, both RPOs and related relevant

organizations, and facilitated the analysis of their degree of involvement in policy advocacy as well as institutional change at the national/macro level. Inventory of RPOs/institutions helped in answering several research questions: What institutions and organizations are out there, what do they do, and what are they good for? Their analysis is based on the following considerations: type of the organization, origin, affiliation and function, policy area they influence, and the degree of their importance to rural producers.

The survey of associations/RPOs generated the data necessary to paint a systematic portrait of the formal associational networks. When moving beyond the mapping exercise, the local level data collection and analysis focused on the issues around which associations/RPOs develop, the structures that link and coordinate their activities, and their relationships with the state, local government, private sector/market, and their constituencies. In combination with the data about organizational membership and perceptions from the survey of individuals, this data provided a more textured understanding of the RPOs and their economic and political significance among the poor (and more well-off) rural producers.

(ii) Relationships between the nature of the RPOs and the state

In assessing the relationships between the nature of the RPOs and the state, the study took into account the nature of the institutional landscape in general and the form and role of RPOs in particular, which is shaped by the form of the state and its role in a given context. In this regards, it was further hypothesized that the challenge facing the agricultural sector is so large that neither the state nor the private market can solve these problems without a better organization of the producers (through collective action). It is important that the RPOs enter between the state and the market – to further producers' interests through civic engagement and service provision of various types. It is likely that there are complementarities and synergies in functions and responsibilities between the state, RPOs and the private sector. This study, therefore, is an attempt to explore such synergies, by drawing cases from the field.

(iii) Local-level focus groups and survey of individuals

The survey of the associations was accompanied by a simple focus group approach – possibly survey of limited number of individuals - which will generate the data necessary to more systematically explore the relationships among producers work experiences, their social and producer networks, their social backgrounds, their associational membership and activity, their political affiliations, and how they work to solve everyday and more long-term problems. In combination with the data drawn from the survey of the RPOs/associations, this data will generate more information to systematically examine patterns of interactions and relationships among rural producers, their work, their social/political networks, their membership and activity in the RPO, and problem solving actions.

2 Rural Producer Organizations in Tanzania

2.1 Tanzania: Overview of Macroeconomic context

The United Republic of Tanzania (URT) is the largest country among the three East African states and the second largest after the Democratic Republic of Congo (DRC) in East, and Central Africa. It borders with eight countries, namely Uganda and Kenya on the north, by Mozambique, Zambia and Malawi to the south, and by the Democratic Republic of Congo, Burundi and Rwanda on the west. Finally, to the east the large water body of Indian Ocean borders it. The URT was founded in 1964 when two sovereign states of Tanganyika and Zanzibar united to form one sovereign state. Tanganyika became independent in 1961 and Zanzibar fought for its independence from the British colonialist and won it in 1963.

Tanzania covers an area of 945,000 square kilometers, with low population density and vast agro-ecological diversity. It is endowed with natural resources that remain largely untapped. Administratively, Tanzania is divided into 26 regions, of which 21 are on the Mainland and 5 regions in the Isles. Whereas, Dodoma town is politically recognized as the country's capital and Parliament seat, Dar es Salaam largely remains as an administrative and commercial city.

According to the 2002 population census, Tanzania has a total of 34.6 people, which grows at a rate of 2.9% per annum. Majority of the country's population live in rural areas (about 85%) that depend, to a greater extent, on agriculture. Agricultural sector has all along been essential to the country's economy, in terms of employment generation, contribution to GDP and generation of foreign exchange earnings. Main traditional export crops are coffee, cotton, cloves, tobacco, sisal, cashew nuts, and pyrethrum, whereas maize, paddy, wheat, beans and sorghum constitute the main subsistence crops. When produced on commercial basis, these subsistence crops can also be commercial crops. The manufacturing sector is limited to mainly processing of agricultural crops and light consumer goods; hence its contribution to GDP is still low counting for about 14%.

2.2 The Conceptual Framework of Analysis of Rural Producer Organizations

The concept of rural producer organization (RPO) has no universally accepted definition. In this study RPO is used as a generic term; to cover all types of institutional arrangements that regulate individual and collective actions by rural producers in order to safeguard and promote their economic, social, and political interests.

Often RPOs would exist as multi-functional and hybrid organizations with a variety of mandates, constituencies and funding sources. These are in most cases engaged in a variety of functions that involves a wide range of areas such as the question of organization of production and market access, land tenure, resource management, social cohesion/membership cohesion, access/provision of services and inputs supply, access to information, and civil/political advocacy, just to mention a few.

RPOs might also be more or less formal/legalized and more or less externally funded and supported. They might exist as externally invoked – or internally initiated – for instance producer associations, farmers groups, user groups, networks, or community-based organizations – mostly as part of civil society¹. Many RPOs have deep historic roots whereas others are more recently formed. In this study RPOs are categorized in the following groups:

1. Service provision organizations, associations, networks (co-operatives, farmer groups, NGOs), for inputs delivery and organization of marketing,
2. Interest-based organizations (farmer associations, unions, occupational associations, business associations),
3. Advocacy groups (farmer groups, NGOs/environmental organizations, women associations, and issue-based pressure groups),
4. User groups – mainly externally invoked and funded. These are community groups, but formed or created through external support, hence, are held separate from the CBOs. User groups are such as Watershed Management Committees, Wells Committees, Forest Protection Committees, Water-User Associations (in irrigation systems). User groups operate in the same “middle realm” as CBOs, but being funded and supported “from above” operate in different manners, e.g. with greater “upward” accountability.
5. Community-based organizations – mainly natural resource management associations (associations owning and managing natural resources) and self-help organizations such as Natural Resource Management co-operatives, neighborhood associations, saving groups, local NGOs which foster development among communities, grassroots organizations, youth associations, social/recreational groups,
6. Socio-cultural/ethnic organizations when they are of relevance to agricultural producers and organizing such producers (e.g. promoting social-economic movements)

The study recognizes the presence of certain other forms of associations/groupings, which are engaged in such activities as those performed by NGOs. For instance, there are some private firms, such as traders’ associations/networks and business associations, which are not strictly speaking RPOs, yet they play important functions in influencing policy and promoting farmers access to markets. However, the study excluded informal or loose associations of personal network kind, as families and households – as RPOs would be conceived located mostly in the public sphere. In this regard, certain kinds of religious associations, kin-based, caste, tribal, ethnic associations, which simply promote the culture, or identity of a ‘primordial group’ – including local chiefs and “cultural big men”, are excluded. Even so, kinship organizations (lineage, clan) and caste, above the

¹ In this study Civil Society is defined as “an intermediate realm situated between the state and household, populated by organized groups or associations which are separate from the state, enjoy some autonomy in relations with the state, and are formed voluntarily by members of society to protect or extend their interests, values or identities” (Manor concept paper, web, 1999).

level of the extended family, are often important for furthering social or political interests and would be recognized as important civil society organizations.

Among *individual citizens* it is also important to distinguish *local and central political-economic elites*, since they typically play key roles in politics, in the rural periphery as well as in the urban political centres. Moreover, there are those who advocate for the position of disadvantaged groups such as women, poor and vulnerable groups. They constitute an important political force in these debates.

2.3 Rural Producer Organization in Tanzania

2.3.1 Background Information

Rural Producer Organizations (RPOs) are essentially part of the larger civil society organizations (CSOs) that is focused at addressing issues of people's welfare, and hence contributing to poverty reduction initiatives. The history of CSOs in Tanzania reflects a number of things. One, CSOs are still at their infancy in the modern sense of the evolution of free civil society, although they have been in existence for over four decades. Two, despite this fact, they have been operating in an ever changing social, economic, and political environment. Three, there are series of questions as to their sustainability, governance, partnerships with the state in promoting country's development agenda, and their effective engagement in policy dialogues.

According to Kiondo (1999), the history of CSOs can be categorized into: the colonial period, the independence period up to 1990, and era of liberalism in all fronts as exercised after the 1990s. During the colonial period, three main forms of civil organizations emerged in Tanzania mainland: organized Labour (unified under the Tanganyika Federation of Labour-TFL), in agriculture (under the co-operative movements), and in politics (under political parties such as TANU, etc). However, there were other forms of CSOs that were mostly underdeveloped but now are becoming more prominent that are engaged in development matters, advocacy and lobbying. These are referred to as NGOs, CBOs, and networks/associations. NGOs are normally not for profit, but private volunteer organizations established to foster some objectives determined by its members. In some countries these are referred to as Private Volunteer Organizations, to avoid naming them after what they are not, rather than what they are (Mtatifikolo, *et. al.*; 1999:2-3). A common feature among NGOs is networking. This refers to linkages among NGOs, between themselves or with CBOs, which could be horizontal or vertical. On the other hand, CBOs are loose associations that are usually unregistered and not recognized beyond the community in which they serve, operating at small scale and in more elementary activities. CBOs may evolve to become NGOs, Co-operative Societies, lobby groups, financial entities, or companies.

After independence, the government attempted to integrate the civil movements into the mainstream of the state machinery through the one party democracy system. As a result expansion of the "free civil society organizations" was restricted. This is substantiated by the number of registered CSOs, whereas between 1961 and the late 1970s there were only 7 NGOs, but rose to 18 by the end of 1980s (Kiondo, 1999). During the 1980s, Tanzania experienced serious macroeconomic imbalances as well as decline in provision of social services. As a result it became evident that the government on its own cannot bring about the desired economic and social development to its citizen. In the wake of the market-based reforms initiated in the 1980s through 1990s, civil society movements, therefore,

emerged as important organizations for policy advocacy, dialogue and development organizations outside the state system's mainstream.

2.3.2 Inventory of RPOs and their involvement in policies

Classifications of RPOs can take different forms, for instance could be based on their functions and mandates, constituencies and funding sources. Others may be based on whether they are informal or formal/legalized, externally invoked – or internally initiated - producer associations, farmers groups, user groups, networks, or community-based organizations.

By examining RPOs in Tanzania, it is difficult to categorize them on the basis of groups specified in 2.2 above, as most RPOs have more than one function. However, attempts have been made to come up with a list, though not exhaustive, that closely reflects the true picture of RPOs in Tanzania. Schedule I below contains the summary of relevant RPOs by categories.

Table 2.1 *List of RPOs in Tanzania by categories, 2004*

No.	CATEGORIES	LIST OF RPOs/NETWORKS	MAIN OBJECTIVES
1	Service provision	TFC, SCCULT, Marketing Co-operatives, AFREDA, CHAKIWATA, FIDE, MOA, Economic groups, TIPDO,	Marketing, supply farm inputs, organize financial services, capacity building,
2	Interest based	TAPANET, NGOs Policy Forum, DONET, TCCIA,	Awareness creation, empowerment, defend interests, and lobbying
3	Advocacy groups	MVIWATA, TGNP, TANGO, ANGONET, TAWLE, TACOSODE, HakiArdhi	Advocacy, lobbying, dialogue, and networking
4	User groups	WUAs, AKSCG, Mrimbouwoo Coffee Farmers' Group	Common services, interests
5	CBOs	ENVIRO CARE, KEDA, ILARAMATAK LOKONEREI, UMADEP,	Empowerment, Advisory services, Rehabilitation, maintenance, and provision of services.
6	Others	PASS, TFA, Externally invoked programmes/projects, CONCERN, VECO (T), Poverty Africa, INADES Formation, TAYFAC, World Vision (T)	Diversified: support, lobbying and advocacy, defend interests, and capacity building

Source: compiled from the survey data and information

(i) Service providing RPOs

This category covers a wide range of service provision organizations/associations, and networks for different purposes that may include inputs delivery and organization of marketing, financial services and capacity building through training, advisory services and extension.

Those in the service provision category are mostly involved in marketing of farm inputs and produce (co-operatives, Economic groups, Mtibwa Out growers Association-MOA, TIPDO), financial services (co-operatives, Economic groups, financial NGOs), and capacity building (training, advisory services, networking, provide relief and promotion of agriculture related enterprises (AFREDA, FIDE, CHAKIWATA, TIPDO, TFC). Of these, there are some RPOs that serve localized areas and others the entire country, in most cases with a financial and/or technical support from donors. The effectiveness of

these RPOs in policy dialogue is constrained by a number of factors: some originate from within but some from outside their control. Internally, most of these RPOs have no capacity of policy analysis, but have also low connection with research and academic institutions; and further constrained financially hence incapacitating them from hiring policy analysts. Furthermore, since there are some that are externally financed, these seem to be interlocked to their own focus areas with little or no connection at all with other actors, even in the same area of focus.

Externally, there are still the notions that the government will do everything for them; this is more so among the co-operative sector that used to be part of the government arm in rural development. This hangover though is disappearing but is observed largely in co-operatives that are still managed by the older generations unlike those with new blood who are more proactive. Moreover, selection process of participation in policy dialogue by the government Ministries is mostly done on “*ad hoc* basis”, or who knows whom. There is no clearly designed procedure of representation in policy debates among the RPOs. Worse still the time usually set aside for debate, is too short for useful and constructive dialogue.

(ii) Interest-based RPOs

This category covers a wide range of RPOs that could be farmer based associations, unions, occupational associations, business associations, NGO, specific associations: women-groups, youth-groups, environment associations, and specific-issue-based pressure groups, to mention a few. Their legal statutes vary greatly, as some are registered under different legislation while some operate loosely. Some of them are localized and issues-specific associations and others cover the whole nation or part of it. Those that cover the entire country include the Tanzania Agricultural Policy Analysis Network (TAPANET), NGOs, and Tanzania Chamber of Commerce, Industries, and Agriculture (TCCIA). Areas based RPOs group, are many but few important ones include the Dodoma Environmental Network (DONET), Kilimanjaro Environmental Development Association (KEDA), Kilimanjaro Women Development Association (KIWODEA), Arusha NGOs Network, and Korongoro Integrated People Oriented Conservation (KIPOC).

TAPANET, though not a RPOs *per se*, it is one of the relevant policy networks. The idea of establishing this network was initiated by the research organization based in Dar es Salaam called Economic and Social Research Foundation (ESRF). TAPANET is a policy analysis organ that intends to correct the inherent mismatch between internal and external policies related to agricultural development. The main reason of agricultural policies is to re-vitalize the agricultural sector, but integration of both external and internal policy driven initiatives have remained to be a critical bottleneck in strengthening sustainable agricultural development in the country. Whereas internally, the Agriculture and Livestock policy, 1997 coupled with its strategy (ASDS), and other institutional reforms initiated are already in place, there is a need for reconciliation of these with external agriculture related policies to which Tanzania is a party too.

According to ESRF officials, the central focus of TAPANET is to formulate, co-ordinate, monitor and evaluate Agricultural Policy analysis and Implementation from a regional perspective with regard to research, training, documentation, and dissemination. In their view, this will contribute towards achieving the future desired agriculture with qualities summarized in box I below.

Box I: The desired Future Agriculture: EPRSAI

TAPANET wants to see the future agriculture with the following qualities:

- Ensures food security,
- Eradicates malnutrition,
- Protects the environment,
- Reduces the wastage,
- Stimulates and responds to demand,
- Alleviate poverty,
- Improves the livelihoods of the rural people

While the idea of establishing TAPANET is good and a commendable job, still it has its own flaws. One, the network is still infant and weak. For instance it has not been functioning as desired. Two, it has not come up with concrete suggestions on how to correct the mismatches not only at regional level, but also at the international level, especially the IMF, World Bank and some donors who influences policy formulation processes. Three, the policy dialogue process at producers' level and the question of their involvement are not well addressed. Fourth, representation in the network is more academic oriented than practical realism. The members of the network are from the University of Dar es Salaam, Sokoine University of Agriculture, Ministry of Agriculture and Food Security and ESRF itself. RPOs who are important stakeholders are left out.

Perhaps the most important RPOs in this category would be the TANGO and TFC, as they have close access to government Ministries and have national coverage. Of the two perhaps the NGOs are the most active group in policy dialogue. NGOs are defined as clubs, company, partnership or association of ten or more persons, whatever its nature and objects, normally registered under the Societies Ordinance. However, in this category Limited Companies, Co-operatives, Trade Unions, and in a latter amendment to the Ordinance, Political Parties are excluded (Mtatikolo, *et al* 1999: 8). The current practice requires that the Ministry of Home Affairs register NGOs as societies or trust ships. Few NGOs, especially Trusts, are registered through the Attorney General's Chamber, and a few others as Partnerships or Companies under the appropriate Statutes. Our informed discussions with officials of TANGO revealed that the number of NGOs is growing very fast in Tanzania mainland. For instance whereas in 1993 there were slightly over 200 NGOs, this figure went up almost four-fold to 813 by 1995 (cf. Mtatikolo, 1999:11). The number of NGOs has continued to rise despite witnessed paradigm shift between North-South NGOs partnership². By the year 2002 the NGOs number had gone further up to over 3,000 (Semezana, 2002: 1).

The growth of NGOs is a manifestation of many variables. Of importance, of course is that there is growing role of civil society in many areas of concerns and interest to them. Again one wonders whether really the specific issues being addressed by NGOs cannot be tackled through the established democratic structures under both the central government as well as the local government authorities. This is more so with "thematic or issue specific NGOs". Furthermore, some NGOs claim that they are addressing issues that the

² During the 1990s most International NGOs experienced heavy budget cuts, hence they were forced to downsize much of their national and international programmes.

government has failed to address, surprisingly by so doing they demand resources from both the government and donors reflecting a sinister motive behind their formation.

Tango is in the process of transforming itself to become an active organization in lobbying and advocacy. It has lately transformed itself by re-defining its roles in the light of the economic, social and political transformation Tanzania is undergoing. It has formulated its Vision and Mission statement focusing on the role of NGOs in contribution to development agenda and poverty alleviation. Its main functions are, therefore, re-defined as follows:

1. Capacity building and strengthening of the NGOs sector through improved knowledge, skills and attitudes,
2. Co-ordination of NGOs activities through establishment of mandated NGOs Forum and Code of Conduct,
3. Undertake advocacy and lobbying in order to: create a conducive working environment, ensure an effective presence and participation of CSOs in development and governance, and secure and protect collective interests of CSOs,
4. Representation of NGOs, CBOs and other CSOs in all matters of common interest to the CSOs at large,
5. Sharing and exchange of information, resources, expertise and experiences as well as facilitating the formation of networks, alliances and focal points.

As a result, TANGO has now taken up the issue of advocacy as of prime importance. For TANGO to attain its objectives it requires capable and adequate staff, adequate financial resources, strong networks among and between themselves and other alliances: research and academic organizations, government and donor communities. Most NGOs are still reluctant to join TANGO, or establish regional or district networks. Thanks to the new NGOs policy and Code of Conduct as this move may help in bringing NGOs closer to one another. In terms of human and financial resources, TANGO is still weak as it is understaffed and ill resourced financially. It depends to a greater extent on external support, which means it is interlocked to some extent. Finally, in advocacy, NGOs must work very closely with various media groups in order to ensure that the government hears the voice of the people. However, in so doing NGOs must command public confidence and trust by ensuring a high degree of accountability and transparency. NGOs in some countries like Ethiopia, Thailand, and Mongolia at one time tarnished their image and public felt that they were self-serving operations doing little more than creating jobs for friends and relatives.

The Tanzania Federation of Co-operatives (TFC) acknowledges the importance of its engagement in policy dialogue, but it is faced by its own crisis. The co-operative sector is in doldrums, ineffective to competition, insolvent, conflict-ridden³, and poorly managed. Moreover, it is not well placed in policy dialogue as it lacks capacity in policy analysis and dialogue due to inadequate skills and staffing⁴. However, conflicts resolving, advocacy and Lobbying are among its planned future intervention. Despite these

³ For instance conflicts between RPCS and Unions in Kilimanjaro, Arusha, Mwanza, and Mbeya. Other conflicts are between KCB and KNCU in Kilimanjaro region.

⁴ In some countries RPOs play a pro-active role in policy formulation. In Uganda, for instance the Uganda Co-operative Alliance is preparing Co-operative development policy for the government. This is move that RPOs should take. In Tanzania, the government left the preparation of the NGOs Code of Conduct to the NGOs sector, which they did.

shortcomings, the federation has occasionally been involved in policy debates that are relevant to the sector such as the Co-operative Development Policy, 2002; Co-operative Development Strategy, and Co-operative Act, 2003. Others are Agricultural Sector Development Strategy, and Rural Development Strategy.

The Tanzania Chamber of Commerce Industries and Agriculture (TCCIA) and the Tanganyika Coffee Growers Associations (TCGA) are other interest focused RPOs. These, though are more of business associations, are mostly interested with large-scale farmers who are not very much affected by policies. Some of their members have certain policy effect cushioning techniques e.g. by engaging in direct exports, and imports or paying lower taxes.

(iii) Advocacy groups

In essence, most of the RPOs are required to advocate and lobby own members' interests. Some RPOs that fall in other categories are by implication or are *de facto* advocacy groups. As explained elsewhere, there are national and local RPOs that are involved in numerous activities, and these could include: farmer groups, NGOs/environmental organizations, women associations, and issue-based pressure groups. Important ones include *Muungano wa Vikundi vya Wakulima Tanzania* (MVIWATA), Tanzania Gender Network (TGNP), Tanzania Non-governmental Organization (TANGO). Others include Association of Kilimanjaro Specialty Coffee Growers (AKSCG), Arusha Non-governmental Organization Network (ANGONET), Tanzania Association of Women Leaders in Agriculture (TAWLE), and the Tanzania Council of Social Development (TACOSODE).

TANGO, which was launched in 1988, has established a fully-fledged department of Advocacy and lobbying in year 2000 with two permanent staff. However, the department is still weak in policy analysis and articulation of issues of common concern to CSOs. Despite these weaknesses TANGO has participated in series of policy debates. For instance debates on NGOs policy that dragged for almost four years, participation in WTO awareness rising and lobbying for better terms of trade for LDCs, Land law, and International Debt Crisis. Through linkages with some international NGOs (e.g. KEPA, INZET, and MS Tanzania), TANGO participated in the preparatory workshops for the South NGOs for the Seattle Forum on WTO, and TANGO was represented in the Seattle Forum itself. In terms of fair trade, TANGO feels that there is a need for a deeper analysis of the effects of globalization on the terms of trade of the agriculture-dominant economies of the LDCs.

TANGO has also been involved in the debates on international debt crisis, through networking and participation in various fora such as the Tanzania Coalition on Debt and Development (TCDD), the Copenhagen+5 United Nations General Assembly in Geneva, the InterAction Forum in Washington and the International Council of Social Welfare World Conference in Cape Town.

As pointed out in the preceding sections, TANGO needs further re-engineering in terms of resource mobilizations, networks, representation, advocacy and lobbying. Definitely TANGO cannot do everything by itself, hence the need for strengthening networking and collaboration with other partners. It has to liaise with other NGOs locally and abroad, work closely with research and academic institutions in policy analysis and comprehending current development debates.

Apart from TANGO, another advocacy group and perhaps the most organized networks is the MVIWATA (*Muungano wa Vikundi vya Wakulima Tanzania*). This is National Network of Farmers' Groups in the country with a slogan "FARMERS THEMSELVES

DEFEND THEIR INTERESTS". The network was established in 1993 by a group of innovative farmers from Dodoma, Kilimanjaro, Mbeya, Tanga, Iringa, and Morogoro. The aim of MVIWATA was to promote farmer-to-farmer exchange forum.

Box II: MVIWATA: A Strong Farmers' Network!

MVIWATA serves a total of over 50,000 individual members who are drawn from over 150 local networks each with an average membership of between 5 and 15. Its vision is to become a strong farmers' organization that will guarantee small-scale farmers' participation and representation in socio-economic and political decision making processes, through learning and initiating, implementing and monitoring their own economic an

According to the co-ordinator and some members of the Steering committee, MVIWATA has so far addressed a number of issues related to smallholder production in the rural areas. For instance, it has facilitated the process of organizing smallholders into groups, and has enhanced confidence building among the farmers through awareness creation and networking. It advocates for strong organizations of smallholder farmers, the existence of reliable markets for their farm produce, sustainable financial services and technical assistance, and representation of farmers at all levels. Furthermore, it has facilitated strengthening of local groups and networks that has enabled farmers to develop sound relationships with extension staff at both local and district levels. As a result, farmers now effectively participate in local meetings at Ward and Village levels.

MVIWATA has established an elaborate network locally and internationally. Internally MVIWATA is linked to various organizations such as the Participatory Ecological Land Use Management (PELUM), TANGO, UMADEP and INADES Formation. It has also international network with farmers' union of Uganda, Zimbabwe, Mali, Senegal, East and Southern Africa Farmers Forum (ESAFF), and East African Farmers Union.

MVIWATA has actively participated in various policy debates, some of which include: Agricultural marketing policy, review of the Poverty Reduction Strategy Paper, Rural Development Strategy Paper, Co-operative Development Policy, and legislation. On international front, MVIWATA's participation was on debates on food security, fair trade under WTO arrangements, and debt crisis. On agricultural marketing, MVIWATA focuses on availability of markets, market information and fair prices. It has launched a newsletter "*Pambazuko: Sauti ya Mkulima*". The newsletter is an awareness creation newsletter, which also provides market information.

Whereas MVIWATA seems to be a promising advocacy forum for farmers, it is appropriate to note that: one the organization is still at an infancy stage that requires more nurturing, two, it depends substantially on external financing (about 80% of its total budget comes from French NGOs of FERT and AFD, and Agritera of Holland, 15% members contributions and 5% from other sources). Its sustainability, therefore, really lies on the hands of farmers, local networks and itself. Three, and lastly, it is inadequately staffed to undertake effective conflict resolutions, advocacy and lobbying. Connections with research institutions is good, it has regular contacts with the Sokoine University of Agriculture in Morogoro and the Co-operative College Moshi on issues of capacity building, research and advisory services. However, due to inadequate staffing and lack of competencies MVIWATA is not capable in articulating current development policy issues debates and advocacy.

(iv) User groups

Most of the user groups are mainly externally invoked and funded, and they serve to

achieve specific objectives. Some of the salient examples include; Water Users Associations (WUAs) that are found in most irrigated areas, for instance those groups under the Tanzania Traditional Irrigation Development Organization (TIPDO), Participatory Irrigation Development Programme (IFAD supported PIDP), Kilimanjaro Specialty Coffee Growers Association (KSCGA), and Mrimbouwoo Farmers' Group just to mention a few. The WUAs are mainly focused on allocation of irrigation water, and maintenance and repairs of canals. The government through the Ministry of Agriculture and Food Security promotes extension-focused groups that are mainly used as focal points for organization of farmer based training and extension work. Mrimbouwoo, though promoted by TCB in collaboration with Technoserve, falls in this category.

In the coffee sector there are few user groups that also advocates for the interest of the sector. One of such groups is the Association of Kilimanjaro Specialty Coffee Growers (AKSCG), which was involved in this study. The AKSCG Ltd, is an association of specialty coffee growers that cater for progressive smallholder farmers representing about 62 farmer business groups in three arabica growing areas of Kilimanjaro, Mbeya and Mbinga. This association focuses on promotion of production of specialty coffee, and markets it profitably in order to improve farmers' incomes. In order to achieve this goal, the AKSCG provides management training, credit facilities, market information, and quality control to member farmer groups in the three areas. According to the AKSCG Operations Manager, Mr. Yatera Tanzania's specialty coffee growers have secured specialty coffee market in the USA, where farmers received higher prices than their fellows who are not members of these groups. He further contends that, during 2001/2002 and 2002/2003 coffee seasons AKSCG members won the *Best Quality Award* in the smallholder category, a competition held annually by the Tanzania Coffee Association (TCA).

Mrimbouwoo Farmers' group, which is a member of AKSCG Ltd, has a total membership of 100 farmers who grow specialty coffee. Members have attended series of training provided by Technoserve and TCB. They have also obtained mini pulper machine from Technoserve on credit. The group was first initiated with a help of a private coffee buying company known as the Kilimanjaro Coffee Company (KCC) that was interested in special coffee from the area. KCC linked the group at first with GTZ, which was implementing the Integrated Pesticide Management Project in Kilimanjaro region. When IPM project ended, KCC connected the group to Technoserve, which to date supports it. The group auctions its own coffee at TCB, where they fetch higher prices.

(v) Community-based organizations

Community Based Organizations are loose associations, usually unregistered and not recognized beyond the community in which they serve, operating at small scale. Organizationally, they are small organizations that cater for a variety of activities ranging from natural resource management, self-help organizations, neighborhood associations, saving groups, local NGOs which foster development among communities, grassroots organizations, youth associations, social/recreational groups. CBOs can be registered as NGOs, co-operative societies, lobby groups and financial entities. If this happens, they move to a higher level of growth, which covers wider audiences.

Community-based organizations are typically internally evolved resource management groups, local committees, villages and village councils and associations, communities or a set of communities or groups that have some degree of common identity and co-operation based on proximity, social and economic interaction, and inter-dependence in use of resources (Uphoff, 1998). The CBOs operate in the "middle realm" between the state, local government, and the private sector (sometimes closely associated with one or

several of these actors). They are treated separate from NGOs, although they work in concert with them, and directly fall under the umbrella of an NGO program or indirectly through a state program engaging NGOs to undertake community capacity building.

There are numerous RPOs that fall in this category of CBOs some of these have acquired higher status of being recognized as NGOs. Important ones include the *Muungano wa Vikundi vya Wakulima Tanzania* (MVIWATA), Tanzania Gender Network (TGNP), Tanzania Non-governmental Organization (TANGO). Others are the Kilimanjaro KEDA, ILARAMATAK LOLKONEREI, and Uluguru Mountain Agricultural Development Program (UMADEP).

Most of the CBOs are very weak in influencing macroeconomic policies due to their nature, as explained above. If united, there are chances of influencing the policy processes at national level. However, as for local policies that relate to their communities, local governments, the chances are high, if they are empowered through training and exposure.

(vi) Other forms of RPOs

There are other forms of organizations that facilitate directly or indirectly empowerment of farmer groups in policy dialogue. Some of these organizations include the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA), Private Agricultural Sector support (PASS), and Tanganyika Farmers Association (TFA). The TCCIA, as explained in the preceding sections, is mainly concerned with commercial and large-scale farmers. It has minimal impact on issues related to smallholder farmers. Although, there are possibilities of spill over effects if by chance it manages policy dialogue with the government that is relevant to agriculture.

TFA and PASS are mainly concerned with economic and technical empowerment. Whereas TFA supports agricultural sector by organizing input supply at reasonable prices and providing extension services to its members, PASS concentrates on business development in agriculture and organization of farm financial services. According to its CEO, PASS was established in order to stimulate growth and investment in the agricultural and agri-business in Tanzania by providing two main services: business development and financial services. Its business development services focuses on providing feasibility studies, developing farm business plans, organizing capacity building in specific technical needs, and organization of small farmers into legal entities for specific purposes, e.g. contract farming, access to credit, and markets. In terms of financial services, PASS provides financial linkage without credit guarantee to financial institutions, organizes contract farming and hire purchase.

There are also international NGOs that support agricultural sector. These include DANIDA, Technoserve (T), CONCERN (T), VECO (T), Poverty Africa (T), Africare (T), and World Vision (T). Schedule II below provides a list of these organizations and their main objectives. Schedule II below summarizes list of INGOs engaged in agricultural support in Tanzania. As it can be discerned from this schedule, the INGOs focus on different aspects of rural development, poverty reduction, environmental issues and empowerment aspects. Some of these work directly with the government, others through local NGOs or projects and programmes.

The Technoserve (T), which supports the specialty coffee growers in Tanzania through the AKSCG Ltd has made remarkable progress through lobbying and advocacy. For over a long period, there have been cumbersome coffee taxes, levies and licensing procedures in Tanzania. However, in 2002 Technoserve, with assistance from USAID conducted a comparative study on the Coffee Taxation and Benchmarking Initiatives. This study

assessed coffee marketing policies among coffee producing nations, and revealed that Tanzania has the highest taxes on coffee producers and the lowest investment in the coffee industry when compared to peer coffee producing countries. According to Paul Steward, Technoserve Marketing and Financial Advisor, the study recommended reduction in taxes, licensing and permit requirements in order to lower production costs and encourage investment in the coffee sector (cf. Technoserve Web page, 2004).

Table 2.2 *List of International NGOs supporting agricultural sector, 2004*

No.	CATEGORIES	MAIN OBJECTIVES
1.	Action Aid (T)	Poverty Eradication
2.	Africare (T)	Health, Agriculture, private sector, governance, environment, water resources, emergency and humanitarian aid
3.	Care International	Health, civil society, Malaria eradication
4.	Concern Worldwide (T)	Capacity building, civil society, water resources and agriculture
5.	Danish Association for International Co-operation	Sustainable agriculture, basic education, civil society,
6.	Netherlands Development Organization	Rural Development and local governance
7.	VECO (T)	Agriculture, gender, and food security
8.	World Vision (T)	Education, Agriculture, food security, environment, water resources, health and emergency relief
9.	Norges Vel	Capacity building, research and training through BEEP and MEMCOOP
10.	ILO	Support of Informal workers through the SYNDICOOP Project

Source: Compiled from field survey

Technoserve in collaboration with other stakeholders in the coffee industry continued to struggle through advocacy and lobbying for improved welfare of coffee producers. However, it has succeeded in bringing harmonization and rationalization of local government taxation and levies in an attempt to boost rural productivity. Furthermore, coffee market licenses and permit producers were also further relaxed. The government announced all these measures during the budget speech of 2003/2004 financial year.

2.3.3 The nature of Relationships between RPOs and the state

The nature of relationship between the RPOs and the state can be defined in many ways. Firstly, is their recognition through policies and regulatory framework. As pointed out earlier on, most RPOs have legal recognition and their role clearly spelt out in several policy documents. There is an NGOs policy document, Co-operatives development policy, national trade policy, Small and Medium enterprise policy, all of which recognize one or several forms of RPOs or other forms of enterprises. These policies recognize the role played by RPOs of different nature.

Secondly, the government in Tanzania recognizes and appreciates role played by NGOs in social, economic and political development. In this regards, the government

encourages partnerships with the NGOs in development endeavors. The government has categorically spelt out its intention to continue supporting the NGOs genuine development cause in different ways. One way is through tax exemptions, but NGOs will be required to be transparent in their operations by submitting their workplans, and financial reports to the government.

Thirdly, the government encourages NGOs participation in policy dialogue processes through representation in policy debates. The government is now encouraging stakeholders consultative meetings in policy debates, legislations and some other issues of mutual interest to the nation.

2.3.4 Local-level focus groups and survey of individuals

Economic and agricultural policies affect rural households in many ways. This study was not able to go into the in-depth analysis of the impact of policies at individual household levels. It is envisaged this will form the second phase of the study. However, information from the few grassroots organizations visited in Arusha, Kilimanjaro and Morogoro has come up with some pointers. These are some issues gathered in this direction:

- (i) Declining agricultural production due to prohibitive and at times poor quality inputs,
- (ii) Lack of markets for farm produces,
- (iii) Gender biased policies hence marginalization of women in almost all economic spheres,
- (iv) Increasing degree of food insecurity,
- (v) Declining assets base of the rural households
- (vi) Inadequate, research and extension services

Some RPOs at grassroots level have device ways of coping up with the changes emanating from policies adopted. Certain Rural Producer Organizations have designed, for instance own mechanisms of accessing farm inputs. Mamsera RPCS is a case in point. The society established own input funds, and distribute inputs to its members on credit. The input loans are recovered during coffee seasons when members deliver their produce to the society for marketing. This is in addition to the input voucher scheme managed by the Coffee Input Trust Fund.

Box III: Mamsera RPCS: An Innovative Society

Mamsera RPCS is one of the oldest marketing society established way back in 1932 in Mengwe Division in Rombo district, to market coffee. It was among the first societies that founded KNCU in 1933. The society is fairly a strong one with a strong managing committee. In 1997/98, the society established a revolving input loan fund of Tshs. 5 million, obtained from its other economic projects of making bricks, income from hardware shop and beer wholesaling.

Another crucial action by RPCS is defection from secondary societies especially in the coffee growing areas of Arusha and Kilimanjaro. In Kilimanjaro more than half of the primary societies that used to sell their coffee through KNCU have decided to auction their coffee direct at TCB hence by passing the union. In this way they have managed to

reduce marketing costs substantially. Nkwanrua RPCS in Arusha is also doing the same, after defecting from ACU. The speciality coffee groups organized under AKSCG earn good prices after deciding to auction their speciality coffee on their own.

3 Rural Producer Organizations and Economic Policies

3.1 Macro-economic Policies and Reforms in Tanzania: An overview

Tanzania followed centrally planned economic policies since 1967⁵ up to the mid 1980s when new economic policies were ushered in with both external and internal pressures (Bee, 1996). Since mid 1980s Tanzania pursued a number of macro-economic and sectoral policies coupled with series of reform programmes in order to improve both social and economic performances. These policies and strategies aimed at attaining the Nation's Vision of achieving a "sustainable socio-economic development by the year 2025". Major reforms implemented include Structural Adjustment Programmes (SAPs); Economic Recovery Programme (ERP); Public Sector and Local Government Reforms, Parastatal Sector Reforms (PSR); Poverty Reduction Strategy Paper (PRSP); and Liberalization of Trade and Privatization. These reforms aimed at:

- Combating poverty and deprivation,
- Creating an enabling environment for the growth of the private sector,
- Maintaining an environmentally sustainable development path, and
- Reducing government involvement in directly productive activities

The government strategies for realizing the desired national development with a focus on poverty reduction are articulated in the National Poverty Eradication Strategy (NPES). The PRSP was then developed in the context of Highly Indebted Poor Country Initiatives (HIPC) process and the Tanzania Assistance Strategy (TAS) that identifies priority areas for external support.

The PRSP strategies focus on the following issues:

- Facilitating creation of enabling environment for good governance, effective coordination and enhancing peoples participation,

⁵ In 1967 the government adopted policy of Ujamaa and self-reliance that was based on socialism principles blended with an African familyhood way of life. As a result, all major economic sectors of the country were placed under state control and central planning system was followed.

- Capacity building for enhancing economic growth through conducive macroeconomic sectoral and infrastructure⁶ development, and
- Promote education, health, water supply and sanitation, employment opportunities, protection and conservation of environment

On the other hand, the Public Sector Reforms in Tanzania are also aiming at improving the delivery of services especially in enhancing the role of local communities in decision-making. Both the Public Service Reform Programme and the Local Government Reform Programme aimed at achieving these results by strengthening Local Government Authorities (LGA) in making them effective in implementing and expanding responsibilities through both decentralization and devolution.

These broad socio-economic reforms have, therefore, established policy framework for the sector policies and strategies, of which Agriculture and Livestock development policy of 1997 that culminated into the preparation of the Agricultural Sector Development Strategy (ASDS), is one of them. Out of the sector policies, government has also established series of regulatory frameworks provided in the form of legislation, Rules and Regulations.

3.2 Agricultural Policies, Strategies and Reforms

3.2.1 Background to Agricultural Policy Evolution

There is no standard definition of the word “policy”. There are varied perceptions of what it entails, hence some authorities define it narrowly and others broadly. However, in most literature there are consensuses that a policy entails “a course of action or intended chosen course of action conceived of as deliberately adopted after a review of possible alternatives and pursued, or oriented to be pursued” (Matchethe, 2001: 66). There are two categories of policies: macroeconomic and sector policies. Agricultural policy, is therefore of the sector policies. Matchethe (2001: 66) further described agricultural policy as “the actions taken by the government on agricultural matters in pursuit of certain objectives (e.g. agricultural development objectives)”. In this respect agricultural policy may be sub-divided into price policy, institutional policy, and technological policy.

Formulations and designs of agricultural policies are influenced by the changes in the international arena. Increasing openness and integration of national economies into international economic system make agricultural sector more sensitive to economic developments internationally. Schuh (1991) argues that as economies become more open, some part of the economic policy making has to take into account international factors. Another part has to take national and local interests.

The evolution of Agricultural Policies (APs) is associated with the debates on market failure. There is an enormous literature on these debates and the justifications for government interventions (Bates, 1999; Bee, 1996; Gibbon, 1993; Little, *et. al.*, 1993). The intentions of agricultural policies are, therefore, to address the inherent market failures in maximizing social welfare among the farmers. However, counter arguments propagated by pro-market analysts argue “public intervention is frequently a bigger

⁶ The main emphasis sector wise is placed on agriculture, mining, and industry; whereas on infrastructure is on financial services, transport, communication, energy and marketing.

failure than the market failure it was designed to correct” (Tweeten, 1989). In this regard, it is observed that government policies tend to undermine interest of producers and hence weaken production incentives (Bates, 1999).

In most literature it is argued that government interventions in controlling economies in LDCs, Tanzania included, had serious repercussions. First, the import substitution industrialization strategy adopted by most governments was heavily financed through taxing the agricultural sector. Second, controls on agricultural producer prices and overvalued exchange rates acted as a disincentive to agricultural production. Third, Parastatal sector that was engaged in agricultural production, supply of inputs, and produce marketing proved to be expensive and hence inefficient and uncompetitive.

A combination of both internal and external pressures forced the government in Tanzania to adopt various economic and political reforms. Internally, there were pressures emerging from financial imbalances, budgetary deficits, balance of payments crisis, and financial losses by agricultural parastatals (Bee, 1996:32). Price controls instituted also proved ineffective as it resulted into parallel markets. Controls on foreign exchange imposed an implicit tax on exports, hence shifting the terms of trade against the export sub-sector. On the other front, increasing international debt crisis, forced the donor communities to co-ordinate aid to developing countries, hence policy prescriptions before accessing support. As a result, the government in Tanzania and other developing countries was forced to introduce measures to contain the growing economic crisis. Thus, series of economic reforms were introduced since the beginning of the 1980s. These include: the National Economic Survival Programme (NESP-1981-82); locally conceived Structural Adjustment Programme 1982-85; the all-encompassing Economic Recovery Programme (ERP 1986-1989), and Economic and Social Adjustment Programme (ESAP-1990-93).

During the 1990s, Tanzania has initiated series of agricultural policies, strategies and institutional reforms, largely as a result of international, regional and domestic initiatives to address the poor performance of agricultural sector. Internally, these policy initiatives are well documented in Food and Agriculture Vision 2025; Agriculture and Livestock policy, 1997; Agricultural Sector Development Strategy (ASDS); as well as institutional reforms being implemented by the government. Furthermore, there are series of initiatives by the current regime to boost and rejuvenate the agricultural sector with more emphasis on private sector participation.

Since Tanzania is not an Island, there are external drives to policy formulations. There are regional institutional arrangements and networks that address the agrarian problems in Africa. The relevant institutional policy networks include: the International Food Policy Research Institute (IFPRI) and its Vision 2020; East and Central Africa Programme for Agricultural Policy Analysis (ECAPAPA); and the Food, Agriculture and the Natural Resource Policy Analysis Network for Southern Africa Development Community Region (FANRPAN-SADC).

Apart from the national and regional influences, there are also broad based policy initiatives which the country has adopted and has a bearing on agricultural policies. These broad policy areas are: Highly Indebted Poor Countries (HIPC), Tanzania Assistance Strategy (TAS), Multilateral Debt Relief Fund (MDF) and Poverty Reduction Strategy (PRSP); provide an opportunity for Tanzania to develop its agricultural sector. MDF can be used to reduce the budgetary constraints experienced as a result of external debt by the HIPC group, hence providing an opportunity for the government to improve its investment in agriculture.

3.2.2 Review of agricultural Policies

The poor performances of the agricultural sector are attributed to policy inadequacies and inconsistencies. In many cases, macro-economic policies were developed by different units within the government machinery without proper co-ordination and matching up. In this regard, agricultural policies are formulated on weak foundations. The link between agricultural policies and macroeconomic policies is of paramount importance.

Agricultural performance is generally influenced by macroeconomic policies. According to Timmer (1988), “agricultural sector cannot grow rapidly and efficiently unless a set of macroeconomic policies are in place to stimulate rapid and efficient growth in the rest of the economy. On the other hand, a growing agricultural sector can contribute significantly to the speed and equity with which the non-agricultural sector grows.” Table I below provides a list of agricultural policies that are of relevance to this study.

Table 3.1 *Summary of relevant agricultural policies, 1980s to-date*

No.	Policies/strategies
1.	Agricultural and Livestock Policy, 1997
2.	Agricultural Marketing Policy (Liberalization, Coffee Industry Act, 2003)
3.	Agriculture Sector Development Strategy, 2001
4.	Land Policy, 1995
5.	Co-operative Development Policy, 2002
6.	NGOs Policy, 2002
7.	National Microfinance Policy, 2000
8.	Rural Development Strategy (RDS), 2000
9.	Medium Term Expenditure Framework (MTEF)

Source: Various sources from interviews with the government officials, NGOs, TFC, and literature reviews.

(i) Agricultural and Livestock Policy, 1997 (ALP, 1997)

The Agricultural and Livestock Policy, 1997 is an outcome of the review of the previous two separate policies formulated in 1983. The review of these policies: agriculture and livestock were necessary because the government wanted to consolidate the two policies into one policy document. The review and the need for consolidation were also in line with the then ongoing reforms and institutional transformations. Other crosscutting issues such as environmental concerns, land policy and gender aspects called for harmonization and rationalization of policy issues.

It was against this background, that the government came up with the Agricultural and livestock policy, 1997 in order to promote and facilitate environmentally sound, gender sensitive and sustainable agricultural sector. The government envisaged to improve the smallholder production by following market based reforms in an attempt to commercialize agriculture. In this respect the government had to confine its domain in agricultural sector to the basic functions of: providing extension services, agricultural research, training, regulatory services and technical services.

According to Haji, *et al.* (2001:55) the ALP 1997 failed to meet the intended goal as a result of:

- Lack of “Comprehensive Strategic Action Plan” for its implementation,
- Poor co-ordination of formulated policies, and
- Inconsistencies.

The ALP, 1997 was left on papers without having being translated into actions, i.e. how it should be implemented and progress measured. As a result certain market-based reforms were implemented without proper guidance. For instance, quick withdrawal of the government in the agricultural sector resulted into decline in agricultural productivity, as private sector was not well prepared to take over. On the other hand, the policy lacked coordination with other related policies such as Land policy, marketing, co-operatives, environment and gender. There were also areas of inconsistencies, for instance whereas the government focus is on food security and improved incomes, the question of seed production and distribution was left to the private sector, which was not well prepared to take over. Under the land policy, land planning is a crucial issue, unfortunately people in the villages were not used to it, hence difficulty in terms of implementation. The land plans must serve as a guide for different uses of land: agriculture, forestry, wildlife, livestock, etc. This practice presumes the involvement of all beneficiaries in a democratic way on the basis of existing land tenure system, land use patterns and land capacity (Hajji, *et al.* 2001: 55).

Tanzania introduced comprehensive economic reforms beginning mid-1980s when it adopted the first comprehensive Economic Recovery Programme (ERP). Ever since, series of institutional reforms have been implemented. Some of the relevant reforms in the agricultural sector include trade liberalization, price decontrols, and privatization. As a result, the marketing of farm produce and supply of farm inputs were privatized and the role of the marketing boards re-defined. Agricultural marketing co-operatives were made autonomous and member based organizations that were expected to compete with private traders. The government abandoned price controls and left it to be determined by markets.

In the coffee sector, the government decided to maintain some degree of controls over it, as coffee is one of the most important foreign exchange-earning crops. A major feature of the coffee sector in Tanzania, over the past three decades was the excessive state control. Since 1993, coffee marketing has been liberalized with a limited regulation. Liberalization of coffee marketing has created considerable opportunities to increased production and improved smallholder livelihoods. While liberalization has invariably increased competition and lowered transaction costs, it has complicated problems in accessing inputs and credit.

Liberalization of agricultural trade encouraged private coffee buyers to be engaged in coffee marketing chain: buying coffee from producers, bulking, processing, auctioning and exporting. As a result, unfair competition emerged, where private buyers would only reposes own coffees at the auction leaving smallholder coffees unsold. It was at this moment; quality of Tanzanian coffee went down, which coincided with the world coffee price crisis. Coffee marketing co-operatives managed to lobby for re-institution of coffee industry regulation. As a result Coffee Industry Act no. 23 of 2001 was passed in order to regulate the industry and create a fair trade. According to the regulation, all legal persons involved in the coffee business have to obtain valid licenses from the Tanzania Coffee Board, which controls quality of coffee. The government revoked the use of the same licenses for all types of business in coffee. Now, each company has to apply for one license: domestic trade, export trade, coffee processing, or auctioning.

The separation of licenses, though has been applauded by most of the smallholders, politicians and policy makers, some policy analysts argue that it is counter-productive. The argument centers on the possibility for vertical integration for coffee traders, thus increasing their costs. In this respect, co-operative unions become more competitive. However, this contention may be unfounded as co-operatives market members' produce and as such do not compete with others in the market.

Over the last two decades there have been heated debates over the role of government intervention in markets. To what extent should the government intervene, especially in agricultural markets? Now, the effects of liberalization policies have been disappointing, both to proponents and opponents. Fortunately the debate seems to have moved on from a debate over whether the state or the market should rule. It seems to have moved on more to how the state should work to improve the functioning of markets and correct or prevent failure.

In Tanzania, the government still feels that there is urgency in intervening in markets. As a result, with a support from the IFAD, the government is implementing a pilot programme on Agricultural Marketing Systems Development (AMSDP) in eight regions of Arusha, Manyara, Tanga, Kilimanjaro, Ruvuma, Iringa, Rukwa, and Mbeya. The program aim is to increase the incomes and food security of the rural poor, by improving the structure, conduct and the performance of agricultural marketing systems. The programme focuses on the following main activities:

- To facilitate the process of establishing appropriate policies, regulations and legislation, improve market information systems and institutionalize the analysis and monitoring policy impact, at national and local levels,
- To empower groups of smallholder farmers and small-scale traders/processors,
- To facilitate access to credit by small-holders for storing produce and medium scale-traders and processors for increasing the size and efficiency of their businesses,
- To rehabilitate and maintain market infrastructure especially rural and village access roads,

AMSDP envisages intervening in policy process at various stages starting from impact and needs assessments, organizing consultative and participatory policy dialogue and working groups, policy committees, and implementation and monitoring and evaluation. The programme will support policy, regulatory and legislative reform process that contributes to improved marketing system efficiency that benefits all participants in the market as a whole. This process aims at creating an enabling environment for a competitive, efficient and transparent marketing system to flourish.

The programme will promote the integration of smallholder producers into the rural market economy by facilitating grassroots participation in defining policy debates of relevance to the agricultural sector. Furthermore, facilitating improvement in rural infrastructure and access to market information

(ii) Agricultural Sector Development Strategy (ASDS)

In order to address weaknesses of the ALP, 1997, the government prepared the Agricultural Sector Development Strategy (ASDS) that translated the policy into a Comprehensive Strategic Action Plan for its implementation. The ASDS considers agricultural sector as the backbone of the country's economy. It forecasts that the country's agriculture will be a significantly developed one by year 2025. In essence the strategy provides for priority areas of actions, guidelines, and resources required.

The ASDS draws a number of stakeholders with varying roles and responsibilities and interests in agricultural sector development. These include the central government, local government, private sector (smallholder included), and foreign investors.

(iii) Rural Development Strategy (RDS)

The overall RDS is to provide a strategic framework for co-ordination of strategies

related to the development of rural communities. The RDS well fits in the PRSP framework. It is envisaged to create opportunities for rural communities to attain sustainable livelihoods. In this context, the RDS identifies short and medium term priorities in order to contribute to the long-term goal of sustained economic growth as outlined in the country's Vision 2025.

The Rural Development Policy (RDP) involves four categories of strategic interventions, namely:

- Promoting pro-poor growth,
- Increasing opportunities and access to services and assets of the poor,
- Reducing risks and vulnerability,
- Adherence to good governance.

The RDS realizes that improvement in the standard of living of the rural people will depend on improvements on several initiatives. These include commercialization of smallholder agriculture, improving infrastructure and services, improving access to economic and social services, such as education, health, land, financial services and markets, and ensuring sustainable management of the natural resource base. In this context RDS provides a strong linkages with major country's policy initiatives that are complementary to one another. These policies are summarized in Box V below.

Box IV: Policies Linked to RDS

- ❑ Tanzania Development Vision 2025 (TDV-1999)
- ❑ The National Poverty Eradication Strategy (NPES-1998)
- ❑ The Poverty Reduction Strategy Paper (PRSP-2000)
- ❑ Agricultural Sector Development Strategy (ASDS-2001)
- ❑ Community Development Policy (1996)
- ❑ National Employment Policy (1997)
- ❑ Sustainable Industrial Development Policy (1996)
- ❑ National Microfinance Policy (2000)
- ❑ Agriculture and Livestock Policy (1997)
- ❑ Co-operative Development Policy (2002)
- ❑ National Lands Policy (1995)
- ❑ Women Development and Gender Policy (2000)
- ❑ SME Development Policy (2002)
- ❑ National Environmental Policy (1997)

The RDS focuses at the transformation of the rural economy to generate sustainable socio-economic growth and the need for poverty alleviation. The rationale for the strategy is based on the need for approaching poverty eradication in an integrated and holistic manner. This calls for the harmonization and rationalization of sector policies into an integrated strategy that encompasses the issues of globalization, liberalization and decentralization.

(iv) Land Policy

The land policy was developed in order to take into account the changing social, economic and political environment both locally and globally. The policy provides for elaborate procedures for allocation of land, ownership and its uses. Furthermore, it provides guidance on how to resolve conflicts. The government formulated land policy

with the aim of promoting and ensuring a secure land tenure system, encourage the optimal use of land resources, and to facilitate broad-based social and economic development without causing environmental degradation. Under the market based economic system, land is a basic economic asset, which every individual should have an access to (URT, 1995:2-3).

In order for each citizen to have the right to acquire, own and use land, the government developed elaborate rules, and regulations to guide such processes. Although, there were extensive debates and discussions on the same, it is important that the process should be a permanent one so as to defend the interest of the poor rural households who take things for granted.

The adoption of liberal policies by the government during the 1980s, and the subsequent privatisation has attracted private land ownership, hence need for new tenure policy. Under the guise of liberalization, land grabbing by wealthy and influential people has emerged resulting into land conflicts and alienation. Widespread land alienations has brought fears and increased insecurity over rural producers, over their continued right of occupancy under the former customary tenure arrangement.

Most literature on land question, talks of non-involvement of the rural people in policy process. Reports of different Commissions (Nyalali Commission on one party system or multi-party system, the National Land Commission), spoke clearly on this issue of democratization and land reform in Tanzania. According to its Chairman Prof. Issa Shivji the Commission devoted a whole chapter on popular participation (Shivji, 1998:47):

The central focus of a large of majority of complaints received by the Commission in rural areas was that the villagers concerned had not been involved or had not participated in the decision complained against. Hatukushirikishwa (we were not involved) was the constant cry.

Few RPOs were involved in the process, but very few responded in actively discussing the proposed policy and later the Land Act. Indeed, three NGOs contributed effectively in the debates on land policy and legislation, namely TGNP, TANGO, and HAKIARDHI (Land Rights Research and Resources Institute). Unfortunately, co-operative movement did not participate effectively, partly reflecting its own inadequate capacities in terms of staff and ability to analyze and comprehend issues. It is observed recently, that Management of some co-operative organizations are using their owners' ignorance to sell co-operative farms/estates on the pretext of paying off debts without involving their members. A good case in point is KNCU and ACU, which decided to sell coffee estates to pay bank debts, but their members the primary societies are not in agreement with this decision.

Many people have questioned the land allocation procedure under the land act. According to the new policy, land must be allocated on the basis of right of occupancy or customary right. However, land allocation process is as follows:

Registration----- Planning----- Surveying----- Certification----- Allocation.

There are few doubtful issues: firstly, most rural people are not used to applying for land allocations, and above all not all areas are surveyed and planned for different uses as required by the policy. Secondly, the cost of surveying is prohibitive and many people cannot afford to pay.

Thirdly, there are possibilities for double allocation, especially in the urban areas. There are few cases in rural areas where land earmarked for certain uses have been allocated to

foreign investors. The case in point is the allocation of some 381,000 acres extending over Lolkisale, Makuyuni to Monduli area in Monduli district to a foreign investor. Pastoralists using the land were not involved, neither the Tarangire National Park, which controlled part of the land that was publicly owned by the park as game reserves area was not contacted either.

(v) Co-operative Development Policy, 2002 and NGOs Policy, 2002

Co-operative development and the NGOs policies focus on the organization and management of people centered organizations. The first Co-operative development policy was adopted in 1997 to provide the overall guidance for interested members to come together for a common goal. This policy addressed a number of issues; of paramount importance was the promotion of autonomous member based co-operatives that observe internationally recognized co-operative values and principles. However, with changes in macroeconomic fundamentals, the policy was revised in 2002.

The Co-operative development policy 2002 emphasizes on:

- Government commitment in terms of promotion and extending support to co-operatives that are owned and managed by the members based on internationally accepted principles,
- Recognition of economic groups as a step towards genuine co-operatives,
- Commercially oriented and business minded leadership,
- It recognizes the structural and historical factors that form constraints to co-operatives in liberalized market environments, hence a provision for the growth of market oriented co-operatives,

The policy, though lack co-ordination with other policies such as Agriculture and livestock, which is in the main domain of co-operatives. In the financial sector, it does not consider the role of the central bank in terms of regulation and supervision. The department of co-operative development supervises it, but its staff has no expertise in the supervision of the financial markets.

The discussions on the co-operative development policy were to a greater extent limited to the co-operative sector. Even within itself there were large disparities in the degree of involvement as Invitations were said to be limited to secondary, tertiary and apex bodies. Adequate representation of the ordinary members was not considered. For instance, according to the Management of KNCU, some unions were asked to give their comments in writing. The union, however, did not bother to consult their members certainly because of the cost of consultations as well as lack of seriousness among the co-operative management. Similar views were aired out during the meeting of the Managers of co-operative Unions' held in Dodoma in August, 2003 that "the degree of involvement of co-operators in the ongoing co-operative reform process is very low. The drafts of co-operative development policy as well as the bill of the new legislation were not distributed and discussed by wide audience. The government in finalizing the policy document and the Act did not consider all those comments given by co-operators, KNCU management further alleges.

Perhaps the widely debated policy is that one involving the NGOs. The debate on NGOs' policy lasted for four years as tug-of-war erupted between the government and the NGOs over its usefulness. The NGOs sector was skeptical that the government intention is to establish tighter controls over their activities and operations. Finally consensus was reached, and the policy was put in place in 2002.

The NGOs policy, aims at enhancing self-regulation, transparency and accountability amongst NGOs and to establish modalities for interaction with the state.

According to the new policy, NGOs will now be regulated at national level by two separate bodies. There will be a National Co-ordination Board, its members to be drawn from the NGOs sector itself and the government. NGOs are required to form another organ, ostensibly as a self-regulatory body. Furthermore, the policy clearly defines what a NGOs is, and demands NGOs to establish own Code of Conduct. According to the government NGOs are non-profit bodies that must be non-political, i.e. should not in any way indulge themselves in seeking political powers.

(vi) Other relevant policies to agricultural development

The development of the Agricultural sector depends on a number of variables that cannot solely be addressed through agricultural policy. Some of these variables are contained in other national policy documents. These include agricultural finance, research and extension, rural infrastructures and services, and agricultural technology.

Tanzanian's development policies are prepared in the context of the National Poverty Eradication Strategy (NPES) that fall within the HIPC external support framework. PRSP is a medium-term strategy of poverty reduction, developed through the involvement of broad-based consultations locally and internationally, within the framework of enhanced HIPC. Since, Tanzania is an agricultural country, PRSP recognizes the constraints that face the sector as well as the potentials it possesses. In this context the government encourages greater participation of the private sector in provision and maintenance of rural infrastructure, irrigation farming, extension services, technological advancement, and produce marketing. Government on its part will continue to facilitate research and extension, formulation of sound market driven policies and other necessary interventions as will be dictated by the obtaining circumstances.

In 1998, the government came up with the Medium Term Expenditure Framework (MTEF) at the Public Expenditure Review consultative meeting. The MTEF was proposed to replace the medium term planning strategy and it will guide linkage between policies, planning and budgeting in the medium term framework. In this context government Ministries can plan with certainty and realistic budgets. The agricultural MTEF is focused on achieving these realities. Whereas, the focus of MTEF is on medium term, in the short term the Public Expenditure Review (PER) provides the basis for formulating, planning and analyzing agricultural expenditure framework for utilizing public resources (Haji, *et al.*: 2001:64). In other words the PER implements the MTEF in intervals of short periods.

One of the major constraints that face agricultural producers is lack of financial services. In 2000 the government prepared the National Microfinance Policy whose objective is to "establish a basis for the evolution of an efficient and effective micro financial system that serves the low-income segment of the society, and thereby contribute to economic growth and reduction of poverty". The policy document sets *inter alia*, best practices framework: legal framework, regulatory and supervisory aspects.

With the growing MFIs in the country supported by the new policy, it is envisaged that these financial institutions will provide financial services needed by the agricultural sector. Other openings are those provided by the PASS to support private sector agriculture related investments and advisory services, IFAD sponsored rural Financial Services Programme and Agricultural Marketing Systems Development Programme.

3.3 RPOs and Policy dialogue process

The agricultural policy processes entail the formulation, promulgation and application of the courses of action by the government focused on influencing the agricultural sector. Most studies seem to have neglected the process of policy formulation and implementation. Of late, it has become evident that in order to do a proper policy analysis, one needs to comprehend the agricultural policy process.

There were attempts to theorize on the processes of policy formulation. Breton in Matchethe (2001: 69) describes the economic theory of democracy and economic theory of bureaucracy to explain the behaviour of the state in the policy process. According to the theory of bureaucracy, the various agents involved in the policy process tend to maximize expected benefits arising out of it. In this regard, politicians seek to maintain their political status quo, while bureaucrats; wish to maintain the size of their bureaucracy. On the other hand, the theory of democracy emphasizes a dialogue process that seeks to reach acceptable outcomes to all stakeholders. Box III below, summarizes analysis of the policy dialogue processes.

Box V: Issues for analyzing models of public policy dialogue	
Who participates?----->	special groups/open to all
Relations between group leaders and followers ----->	disciplined/flexible
Relative power of participants ----->	equally strong/strong-weak/equally weak
Issues for dialogue: ----->	single/strategic set/multiple
Discourse framework ----->	ideological/eclectic
Institutions for dialogue ----->	established bureaucracy/special institutions/diffuse
Public resources for dialogue ----->	limited/large
Duration of dialogue ----->	short-term/long-term intermittent/continuous
General outcomes ----->	effective/ambiguous

Source: Adopted from Bangura (1996:4)

The policy formulation process in Tanzania is influenced by the need to improve agricultural performances as a result of domestic macroeconomic variables, sectoral needs and or international factors. The draft proposals are prepared and discussed at Ministerial level, stakeholders meetings, Cabinet and finally in the National Assembly. The involvement of stakeholders through the Consultative Meetings is appropriate, but the questions are is there adequate time for policy dialogue? How are the representatives

to these meetings selected? What about the capacity and competencies in comprehending issues and analytical skills prerequisite of those attending?

The present policy formulation process is weak as observed in a study undertaken by Van Arkadie, *et al.* (2000) that, first there is no policy co-ordination at national level. Although, policy proposals are discussed at Cabinet level, the Planning Commission is in principle, the right organ to scrutinize and co-ordinate policy proposals, but it is not doing it. Furthermore, there is no forum for regular interactions at professional level in the government machinery on policy matters. Secondly, the study also observed weaknesses in appointments, training and promotions of policy related personnel in the civil service. Third, the newly formulated Planning and Policy Division in government Ministries are weak as most staff undertake routine work that are in most cases outside the realms of the policy formulation, monitoring and analysis area. As a result policies are prepared on *ad-hoc* basis to respond to directives from politicians or external pressures. Fourth, there are few active networks that bring together policy analysts in the government on regular basis.

On the other hand, the RPOs participation in policy formulation processes is weak. First, the CSO as observed earlier on is not well organized except where there is an external donor funding. Secondly, their involvement is often on *ad hoc* basis, without adequate preparations and extensive involvement. There are general consensuses that CSO have a role to play in policy dialogues especially that affect their welfare. In order to do so, they need to be facilitated by policy analysts on one hand, but also increase their access to policy information from the government and its partners such as the World Bank, IMF and other strategic partners.

Since there are many RPOs engaged in different issues, they need to have strategic plans on how to engage the government in a constructive policy dialogue process of direct relevance to the country's overall development agenda in general and to their own sector in particular. The NGOs sector has started the National NGOs Forum in 2001. As disunited they remain, the Forum might run into problems. Although there are attempts to establish district and/or regional networks, but in as long as they remain on direct external funding, the process will prove *a fiasco*.

In September 2001, the government invited representatives of few selected Civil Society Organization to participate in an IMF/World Bank – Government Consultative Group talks held in Dar es Salaam on how to engage the Civil Society in policy debates in future. It was decided that seven representatives Civil Organizations that attended the talks be given a task to prepare a strategic action plan. These were from TANGO, TCCD, TGNP, Action Aid, CARE, HakiElimu and NOCC. The task force was charged on how to broaden participation of Civil Organizations, and improve communication and information sharing/exchange/dissemination. May be the outcome of this task force will help in charting out the way for constructive engagement in policy dialogue by RPOs.

4 Conclusion and Recommendations

4.1 Conclusions

Governments, policy makers and rural producers in the developing countries are all concerned with the state of agriculture that has been disappointing for centuries, despite the implementation of market based reforms. There are views that the causes and cure of this state is largely organizational. This is explained by lack of accountable and powerful local institutions that can secure rural producers access to resources and markets and make their voices heard in policy-making processes.

The processes of policy formulation are influenced by a number of variables such as the need to improve agricultural performances, other sector needs and international factors. Of interest is what considerations are made when policies are formulated? Is it the interest of farmers, large scale producers, processors, traders, consumers, agri-business, international or local interests, group interests: elites, and or politicians? Agricultural policies, economic and institutional reforms affect RPOs and their individual members in many ways. Unfortunately policy formulation processes has not been given adequate attention, rather it is in most cases taken for granted.

This study attempted to assess the role of the Rural Producer Organizations (RPOs) in policy formulation and influencing reforms in order to protect their interests and livelihoods. The study examined variety of RPOs and their involvement in policy processes of relevance to them. The study concludes that there are so far few successes in the involvement of the RPOs in policy formulation processes. Successful cases are mostly as a result of external support. Most RPOs are weak: have no capacities, desired competence in analysing and comprehending policy issues. They are understaffed and financially poor. Furthermore, there are weak relationships among themselves on one hand, and with research and academic institutions on the other. They lack advocacy and lobbying capacity as well.

The relevance of agricultural policies depends to larger extent on the process of policy design itself. The consultative nature of the policy formulation process is called for. However, the consultations need to be as broad as possible, with adequate time frame for analysis, discussions and the improvement of policies. It is time now to avoid narrow involvement of a few individuals and organizations. RPOs are important stakeholders in the process; hence their views need to be solicited in formulating policies. However, for RPOs and their members to be able to contribute, they need to be capacitated to internalize and articulate their views. This can be done by promoting and strengthening RPOs, linking them with research institutions, and inculcating advocacy and lobbying skills among their management, leaders and members.

4.2 Recommendations

The study recommends the following:

- (i) RPOs need to take active role in policy formulation, analysis and implementation by engaging government in constructive dialogue. They have to work very closely with the research and academic institutions.
- (ii) Government need to address the issue of policy formulation positively by involving seriously the CSO through dialogues and education and training, and even extending financial support to facilitate RPOs participation. At the government level, there is a need for training and exposing more policy making personnel to policy formulation, analysis and options identifications,
- (iii) Policy dialogue/debates should be given adequate time, resources and active facilitation for thorough understanding and effective contributions from all stakeholders.

4.3 Areas for further research

The study recommends that studies on macroeconomic policies be done continuously so as to address some of the above identified weaknesses and contributes towards capacity building processes among RPOs. In this respect, the study suggests phase two of research on policy area to explore:

- (i) The impact of national policies on RPOs and their members,
- (ii) Designing appropriate methods/mechanisms for the RPOs involvement in policy formulation processes in a sustainable manner, and
- (iii) Identify a strategy for RPOs networking and collaboration on issues of common interests.

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Appendix 1

Study Itinerary

Places	INSTITUTION/ORGANIZATION VISITED	ACTIVITIES
Kilimanjaro	Kilimanjaro native Co-operative Society (KNCU) Regional Co-operative Development Office Kilimanjaro Co-operative Bank Tanzania Coffee Board Tanganyika Coffee Growers Association (TCGA) Mamsera RPCS Legho Mullo SACCO Mrimbouwoo Farmers' Group Co-operative College Moshi MEMCOOP KSCGA Ltd.	Fieldwork: search of information, interviews, discussions/dialogue and sharing of information
Arusha	Tanganyika Farmers Association (TFA) Agricultural Marketing Systems Development Programme (AMSDP) Nkoanrua RPCS Technoserve	Fieldwork: search of information, interviews, discussions/dialogue and sharing of information
Morogoro	Sokoine University of Agriculture, Morogoro PASS MVIWATA UMADEP	Literature review and Fieldwork: search of information, interviews, discussions/dialogue and sharing of information
Dar es Salaam	University of Dar es Salaam Economic and Social Research Foundation (ESRF) TANGO AFREDA TFC SCCULT ILO SYNDICOOP Ministry of Co-operatives and Marketing Planning and Privatization Commission Bureau of Statistics and Census	Literature review and Fieldwork: search of information, interviews, discussions/dialogue and sharing of information

Appendix 2

List of People and Institutions visited

1.	D. Kimathi	Co-operative Education and Publicity Officer, KNCU
2.	R. Kimaro	KNCU General Manager
3.	J. M. K. Kullayar	Manager, Kilimanjaro Co-operative Bank
4.	Julius S. Arope	Ag. Director, Operations and Planning, TCB
5.	Said Said	Secretary General, TFC
6.	Agness Namuhisa	Manager,
7.	Caroline Frank Shayo	Extension Officer, South Mwika Ward
8.	Beda Kyara	Chairperson, Legho Mullo SACCO
9.	Largus J. Kisanga	Vice-Chairperson, Legho Mullo SACCO
10.	August Mbuya	Secretary-Manager, Legho Mullo SACCO
11.	Frida Krispin	Assistant Secretary-Manager, Legho Mullo SACCO
12.	Mrs. Elly Kisanga	Group Member, <i>Juhudi</i> Broidery group
13.	Mary Shao	Manager/Secretary Mamsera RPCS
14.	Felician Assenga	Chairperson, Mamsera RPCS
15.	Peter Mnyenge	Assistant Secretary-Manager, Mamsera RPCS
16.	Mariatonia P. Mleo	Member, Mamsera RPCS
17.	Hamidu Musa	Chairperson, Nkoanrua RPCS
18.	Damari Nicodemu	Committee Member, Nkoanrua RPCS
19.	Godson Kundaali	Committee Member, Nkoanrua RPCS
20.	Justice Shekilango	Ag. Co-ordinator, & Extension and Gender officer, MVIWATA
21.	Leonard Mkavu	Member, Management Committee of MVIWATA
22.	Marcelina Charles	Member, Management Committee of MVIWATA
23.	Restuta Kahewanga	District Co-operative Officer, Morogoro Rural
24.	Emanuel Mbwambo	Accountant, TANGO
25.	N. M. Massawe	Programme Officer, Capacity Building TANGO
26.	Walter E. Swai	Monitoring and Evaluation, AMSDP
27.	Dr. Mashindano	ESRF, Dar es Salaam
28.	S. Libena	ESRF library, Dar es Salaam
29.	Dr. Michael Ndanshau	University of Dar es Salaam
30.	Abdul Mshaweji	SCCULT, Dar es Salaam
31.	N. Nyatera	Operations Manager, KSCGA Ltd.
32.	Paul Steward	Technoserve, and Advisor KSCGA Ltd.
33.	John Gonza	TUCTA/ILO SYNDICOOP
34.	F. A. Macha	Co-operative College/MEMCOOP Project
35.	Mshiu	TFA