

Is Kilimo Kwanza a Reliable Answer to The Paradox of Hunger in The Midst of Plenty in Tanzania? Challenges and Prospects of KILIMO KWANZA (Agriculture first) Strategy in Tanzania

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Abstract

This paper is of the position that KILIMO KWANZA (Agriculture first) with minimal differences with previous strategies to promote agriculture in Tanzania, among many other challenges is still operating in the raw and unprocessed agricultural products as opposed to agribusiness manufacturing operations or using agricultural revolution as a tool to non agribusiness manufacturing operations reflecting global market preferences. To be precise, this paper is of the opinion that KILIMO KWANZA has come at a right time to promote Tanzanian agriculture but the scope and focus of the strategy is narrow and unrealistic in Tanzanian context with the current market demands. Based on the findings and discussions raised in this paper, it is concluded that, Kilimo Kwanza is a relevant strategy to fight hunger and poverty in Tanzania. However its scope and focus is too theoretical to bring the impact expected. This paper to gather with other things, recommends revision of Kilimo Kwanza strategy to see what can be done to make it more effective and efficiently.

Keywords: KILIMO KWANZA (agriculture first), arable land, agribusiness manufacturing sector, entrepreneurial agriculture.

1.0 INTRODUCTION

Tanzanian agriculture has never been successful and beneficial to Tanzania and her economy since independence despite tedious government effort to promote agricultural sector. There has been a very minimal difference between colonial and post colonial agriculture if any. It has been so uncertain while hunger and poverty have been a way of life since colonialism to post colonial Tanzania (Coulson, A 2011:4). While big agricultural revolutions have been taking place in the world ranging from the classical models as in the case of English agricultural revolution to the recent revolutions in the developing world such as Indian green revolution to name a few, Tanzania has remained to be a sleeping agricultural giant gifted with plenty arable and fertile land, huge work force, water bodies and other related elements of agricultural conducive environment. (Binswanger, H. 2010)

Rampant Hunger and poor contribution of agricultural sector to the national economy have been a problem since independence to date if we take into consideration of our efforts to promote it to other sectors. For example previously there were Iringa declaration of 1972, Agricultural sector development strategy of 2001 and agricultural sector investment program of 2005 to mention a few, but Tanzania has recorded insignificant agricultural improvement in terms of adequate food supply and contribution to the national economy. It has been argued that hunger and poverty in the midst of plenty in Tanzania is due to historical export of raw agricultural products and failure to transform into a manufacturing industrial based economy in areas which Tanzania is not only comparatively advantageous but also competitive at the world market. While market preferences have been changing across time, Tanzanian economic priorities has remained, 'agriculture is the back bone of the economy'. Fukuchi, T (1991) and Fukuchi, T (1993)

Situation was even worse during Ujamaa (Socialism) period compared to free market based economic era; this is because socialist policies could not allow entrepreneurial agriculture confusing it with capitalist and imperialist exploitation in the society. The state discouraged individual and private initiatives to invest in the agricultural production, processing and manufacturing and export of agricultural related products. Since the economic capability of the state became limited because of operating single handedly without the help of private sector it became impossible to transform Tanzanian agriculture from non business to business oriented sector (Mgeni, T (2012), Ibrahim, B and Dibua; J.J. (2003). However, of the recent commercializing agriculture has been inevitable, due to free market economic policies such as attraction of foreign investors in agribusiness sector, and external forces such as increase in global food demand and food prices, African union agricultural development program resolution and the 2008th World development report and the G 20 recommendation on African use of agriculture as their area of competitive advantage and millennium development goals benchmarks to mention a

few. It is under this context KILIMO KWANZA was launched in Tanzania in 2009. The question as to whether KILIMO KWANZA is a reliable solution of the Tanzanian economic tumor and hunger or not.

Hunger and poverty in the midst of plenty of arable land, water for irrigation, work force and reliable market is not a problem of Tanzania alone but of the developing world as a whole. Of all the developing countries sub-Saharan Africa face critical problems in spite of being the leading gifted part of the world in agricultural related advantages such as fertile land; plenty water for irrigation and huge workforce. For example between 1990 and 2002 Latin America and the Caribbean reduced food deprivation from 13% to 10%, Asia and the Pacific from 20% to 16%, North Africa from 8% to 10% while that of sub-Saharan Africa food deprivation declined from 36% to 33%. (FAO 2006). Although North African food deprivation increased by 2% still that of sub-Saharan Africa is the critical of all regions in the category of developing countries. Tanzania is among the sub-Saharan countries thus is not an exception to this trend.

Tanzania's arable land is estimated to be 9600000.0 out of this only 349500.0 is utilized equivalent to 39.5% of arable land (World Bank development report 2010) implying that there is underutilization of land. While, the Tanzanian economy depends heavily on agriculture, which provides 85% of exports, and employs 80% of the work force. It is of a very big concern that most of this export is raw agricultural products since independence to date and there is no sign of changes in the near future. According to international Food development cooperation (IFDC) report more than 80% of the Tanzanian agricultural exports is on primary or raw products implying that out of tremendous exports made by Tanzania to the international market a very little profit is obtained at the state level and thus to farmers and peasants too.

Tanzania has been receiving food aid often in spite of the agricultural comparative and competitive advantages explained earlier implying that Agricultural economy is both subsistent and fragile. In other words Tanzania need to rethink on her Agricultural economic policies if she is to record a significant economic gain from the agricultural sector; Of the recent Tanzania has declared KILIMO KWANZA strategy to transform Tanzanian agriculture from subsistent to commercialized one well known as entrepreneurial agriculture. Despite its implementation from 2009 Tanzanian agriculture is still poor, still exporting bulky raw agricultural products and producing below the internal food consumption demands (Farnworth, C and Good man, M (2008), Doing Business in Tanzania (2011). This paper explores challenges facing KILIMO KWANZA strategy there by inquiring as to whether the strategy operates in the right model and with the right focus and coverage.

2.0 Conceptualisation of the Key Terms

This paper seek to inquire as to whether KILIMO KWANZA is a reliable solution to the problems of hunger and poverty in Tanzania by exploring challenges that face KILIMO KWANZA strategy if it is to be successful. In the light of this view several concepts need to be conceptualized to reduce ambiguity and misinterpretation of the subject matter. Concepts used often in this paper include KILIMO KWANZA, arable land, agribusiness manufacturing sector, entrepreneurial agriculture, Fair trade, comparative advantage and competitive advantage.

"Agricultural land refers to the share of land area that is arable, under permanent crops, and under permanent pastures."¹ According to this definition agricultural land is the land used for agricultural practices. In the light of this view, agriculture is therefore defined as production of crops and animal husbandry. If we are to agree on this conception we should now differentiate between arable land and non arable land.

Arable land includes land defined by the FAO as "land under temporary crops (double-cropped areas are counted once), temporary meadows for mowing or for pasture, land under market or kitchen gardens, and land temporarily fallow. Land abandoned as a result of shifting cultivation is excluded. Land under permanent crops is land cultivated with crops that occupy the land for long periods and need not be replanted after each harvest, such as cocoa, coffee, and rubber. This category includes land under flowering shrubs, fruit trees, nut trees, and vines, but excludes land under trees grown for wood or timber. Permanent pasture is land used for five or more years for forage, including natural and cultivated crops."²

Land which grows crops and is conducive to be used for pasturing animals is what we regard in this paper as arable land. Animal husbandry includes domesticated animals while crops grown include both cash crops and food crops. Cash crops are all crops which are not used as main food of producers or local society but they are primarily grown for sale, for example sisal, coffee, tea and flowers, while the opposite is true for food crops.

Agribusiness manufacturing sector refers to the system which process and pack agricultural related products to the finished goods for internal consumption and commercial export Reed, E.P (2010). As a sector it entails

¹ <http://www.tradingeconomics.com/tanzania/agricultural-land-sq-km-wb-data.html>

Definition of agriculture given at this part, do not include fishing activities and forestry although some scholars have included all these as agricultural activities. Animal husbandry include domesticated animals while crops grown include both cash crops and food crops

² Ibid,

forward and backward linkage between manufacturing machines and related aspects to the agricultural sector. Agricultural inputs are produced by industries where as the agricultural production sector feed them with raw materials for producing food products and farming implements.

Entrepreneurial agriculture entails production of crops and animal husbandry commercially as opposed to subsistent farming and agro marketing. It entails fair trade which implies a balance between what a peasant, a farmer, a middleman and the final consumer get. The final consumer can be local society or external when the products are exported. Alongside with the concept of entrepreneurial agriculture is where KILIMO KWANZA policies are based. Farnworth, C and Good man, M (2008).

KILIMO KWANZA is a national resolve to accelerate the agricultural transformation. It comprises of a holistic set of policy instruments and strategic interventions towards addressing the various sectoral challenges and taking advantages of the numerous opportunities to modernize and commercialize agriculture in Tanzania.¹

KILIMO KWANZA was launched by his excellence Jakaya Mrisho Kikwete, the president of the united republic of Tanzania at Dodoma in 3rd august 2009 as a central pillar in achieving the country's vision 2025 and the force to propel the national socio-economic development. Other development strategies which equally emphasized commercialization of agriculture in Tanzania includes National Strategy for Growth and Reduction of Poverty (NSGRP/MKUKUTA and ZSGRP/MKUZA), Agricultural Sector Development Strategy (ASDS), Agricultural Sector Development Programme (ASDP), Comprehensive African Agriculture (CAADP)-TAFSIP, SAGCOT. Business Times labels Jakaya Kikwete as the brain behind the move, because he led the Tanzania National Business Council (TNBC) deliberations on the orchestrated KILIMO KWANZA economic development module.²

According to Tanzania National Business council 2009, agriculture in the context of KILIMO KWANZA conforms to the Food and agricultural organization (FAO) definition which includes crops, livestock, fisheries, forestry and beekeeping. In the light of this view the coverage of this agricultural revolution is much wider than mere production of crops and livestock. However this does not mean that KILIMO KWANZA is necessarily operating in the right focus to achieve Tanzanian development. Agriculture plays an important role in Tanzania for example it Provides livelihood to more than 70 percent of the population. Accounts for 24 percent of GDP, 30% of total exports; and 65% of raw materials for Tanzanian industries Provides strong inter-sectoral linkages with non-farm sectors, both backward and forward linkages Control of inflation, since food contributes about 50% of the inflation basket KILIMO KWANZA is thus vital as Agricultural development remains a key to the country's economic and social development, at least in the foreseeable future (FAO 2012).

3.0 LITERATURE REVIEW

Historical experience has shown that developed countries, in particular Western ones, have obtained their economic development through transition from agrarian to an industrialized and service based society. As time passes, the validity of comparative advantage for developing countries weakens, as they try to follow the model of developed countries. Lewi's model of growth is a theory of development emphasizing rapid industrial growth which is fueled by the agricultural sector. (Salih Turan Katircioglu, 2006).

Thus, industrial expansion is possible by means of cheap food and surplus labor (Lewis, 1954). Today development economists are less sanguine about the desirability of paying such heavy emphasis on rapid industrialization (Todaro, 1997). They argue that the role of the agricultural sector and the rural economy in the economic development process must be dynamic and possess leading elements rather than playing a passive and supporting role. This is the case for the vast majority of Third World Countries.

Gunnar Myrdal, Nobel Laureate in Economics, argues that it is in the agricultural sector that the battle for long-term economic growth will be won or lost. A rise in agricultural production, serves as an important component of a strategy to increase incomes, reduce hunger, and contribute to the improvement of other measures of well being in many parts of developing world (Owens et al., 2003). Birkhaeuser et al. (1991) argue that agricultural extension represents a mechanism by which information on new technologies, better farming practices, and better management can be transmitted to others.

There has been a rapid growth of agriculture since the eighteenth century. This has been spurred by technological and biological improvements, which have resulted in even higher levels of labor and land productivity. As Weitz (1971) mentioned agricultural population increases in less developed countries (LDCs) whereas it decreases in more developed countries (MDCs). Additionally, per capita agricultural production increases in MDCs at a faster rate than LDCs. The total number of people who lived in rural areas around the

¹ Jakaya Mrisho Kikwete-The president of the united republic of Tanzania, at the launching of KILIMO KWANZA 3rd august 2009 at Dodoma, Tanzania

² Business times of Friday, 16 July 2010 article on KILIMO KWANZA puts in- Tanzania National Business Council (TNBC as the main body behind the molding the so called KILIMO KWANZA strategy in line with the Tanzanian vision 2025 and international organizations like food agricultural organization(FAO)

world was around 2.0 billion in 1960, 2.7 billion in 1980 and 3.2 billion in 2000. The share of rural population in the total world population was 66.3, 60.3 and 53.0 percent, respectively, in 1960, 1980 and 2000 (World Bank, 2003).

Traditional neoclassical theory predicts that poor rural areas should grow proportionally faster than rich areas. On the other hand, a preponderance of small family farms should enhance growth as interpreted in the academic literature and popular press (Deller et al., 2003).

In developing countries, few issues have attracted the attention of economists as has the role of agriculture in economic development and poverty reduction, generating an enormous literature of both theoretical and empirical studies. Much of this literature focuses on the contribution of agriculture in economic and social development and its transformation towards agribusiness from the least developed in which economic activity is based largely on agriculture, to low-income countries like Tanzania where industry and services sectors are low.

The Millennium Declaration set 2015 as the target date for halving the number of people living in extreme poverty. Exceptional progress in some developing countries makes achieving that goal globally a realistic possibility. However, many countries will fall far short, and up to 1 billion people are likely to remain destitute by the target date. (Cervantes-Godoy, D. and J. Dewbre, 2010). In the paper of economic importance of Agriculture authors reveal that there some countries which are still doing better despite various hurdles they face. It further argues that while economic growth generally is an important contributor to poverty reduction, the sector mix of growth mattered substantially, with growth in agricultural incomes being especially important. The study shows that Agriculture contributes 52% of GDP/worker compared to Non-agriculture and remittances. (ibid).

Dione and Macauley (2002) argue that agricultural sector is the largest contributor to the economies and livelihoods of many African countries. It accounts for 35% of the continent's gross domestic product (GDP), 40% of export earnings and 70% of employment and it is expected that reliance on natural resources will remain high at least for the next generation. Despite the importance of agriculture in developing countries in recent years decline in productivity of major food crops such as maize, sorghum and rice, stands at 1.2 tons/ha compared to 4.9 tons/ha for China and 6.6 tons/ha for USA. Some of the identified factors to such decline include inadequate water resources, poor crop varieties and livestock breeds.

Agriculture's performance and its contribution to the region's economic development has traditionally been undervalued, since it is measured using information about harvests and the sale of raw materials, mainly crops and livestock. (Mucavele, 2009). As a result, the backward and forward linkages with agro-industry, the services and trade sectors, and, in general, the rest of the economy, are undervalued. The value added generated by these linkages throughout the economy does not appear in the basic agricultural statistics of most countries.

Agricultural biotechnology, development of improved varieties, use of drought tolerance in food crops such as sorghum; is among the cited remedies for positive change. Collaborations between and among the public sector, private industry and civil society coupled with policy environment and organization structure; a mix of local and imported technology can improve productivity hence economic and social development. (Nyange, 2011).

Steven Haggblade (2011) from Michigan University challenges the Africa's agribusinesses which stand poised for exceptionally rapid growth over the coming 40 years. Because of strong interdependencies between agribusiness and agriculture, productivity growth in agribusiness systems will critically affect Africa's overall economic growth rate, its spatial development patterns and progress toward poverty reduction. But the necessary efficiency gains in agribusiness performance will not appear automatically. They will require substantial private investments, a competitive private sector and heightened public attention in areas where governments have historically proven weak: promoting regional trade, improving town and regional planning, financing scientific research, funding higher education and building commercially viable rural financial systems. All these are not given the required weight in Kilimo Kwanza strategy implying hardship for the success.

It is ascertained from the literature that, agriculture is still an appropriate strategy towards poverty eradication and reduction of hunger. However, an appropriate model should be adapted to make it more practical. Evidences are drawn from identified successful countries such as India and South Korea to mention a few. It was the quest of this paper to find out of what is startling in Kilimo Kwaza strategy to address the two named problems namely poverty and hunger. From the findings appropriate model is suggested to redress the situation.

4.0 Theorizing Kilimo Kwanza Strategy in Tanzania

KILIMO KWANZA strategy as a policy to transform agriculture from subsistent to commercialized one is not something new in the world; There has been similar transformation throughout history in various parts of the world taking different models and names like green revolution, agricultural revolution, Agribusiness revolution and so on. If we are to theorize these models we would say there are two main theories involved namely agricultural production and economic transformation theories and agricultural marketing theory. The two are inseparable as for the case of two sides of the same coin because agriculture is about production and marketing of the agricultural products and its dynamism across time.

In the agricultural production and economic transformation model explains how a state should engage in agricultural production and its impact in the economy. In this paper we discuss three models falling under this category namely English revolution model, Netherland agricultural revolution model and hybrid agricultural revolution model as in the case of Saemaul undong¹ in South Korea. We analyze the model where KILIMO KWANZA can be associated with; its weaknesses and what model should KILIMO KWANZA follow for successful agricultural production and economic transformation. This category of theory is built in the assumption that the theory of comparative advantage and competitive advantage coexist and they are dynamic across time and space. In other words it is based under assumption that area of comparative and competitive advantages are not permanent as a state can choose to develop new areas which may be more profitable reflecting changes in the world market priorities and demand choices and preferences.

In the agricultural marketing theory we discuss how should a state market her agricultural products at the world market profitably with a win-win situation between primary small and large agricultural producers, middlemen and final consumers commonly known as Agricultural fair trade. Different models are given ranging from the one KILIMO KWANZA is based to the one we propose as the ideal agricultural marketing model.

4.1 Production and Economic Transformation Theory and Models

There are three things here which should be understood, firstly taking agricultural revolution as a tool of industrialization as in the case of English agricultural revolution which transformed their economy from agrarian economy to manufacturing economy. At the beginning countries operating in this model started using their area of comparative advantage by producing agribusiness manufacturing industries thereby gradually transforming into non agribusiness manufacturing sector, reflecting their area of competitive advantage at the world market and market preferences of the time. English agricultural revolution transformed English economy from agribusiness manufacturing economy of 15th to 19th centuries followed by the English revolution of the 19th century to the manufacturing sector of the 20th century development of non agribusiness industries and less agribusiness industries between 20th and 21st centuries.

Figure 1. English revolution development model



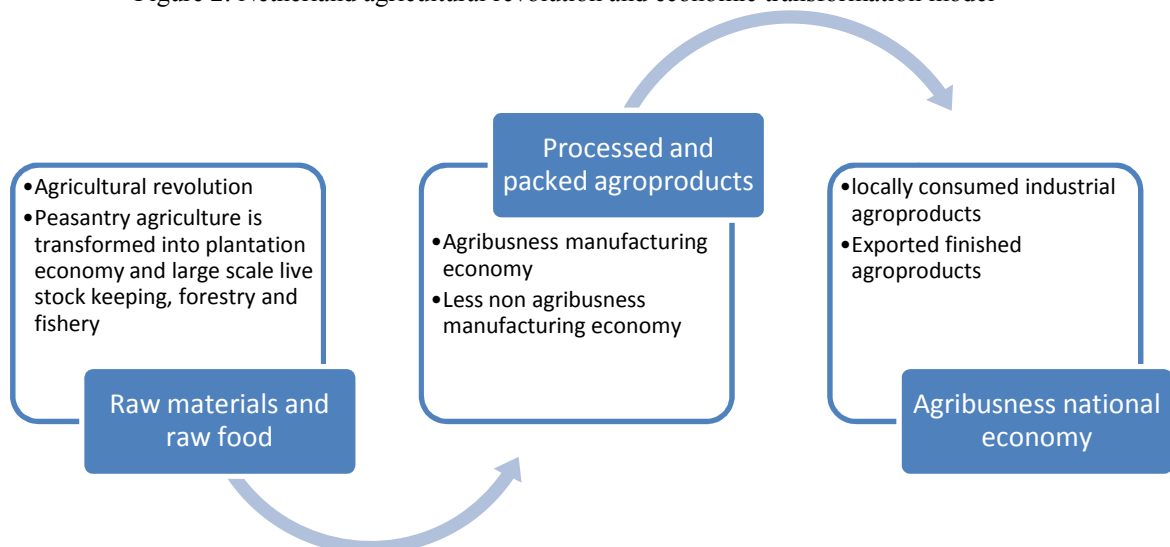
Source: Author based on trends shown by the English economic transformation

Today English economy has further transformed where agribusiness even the non agribusiness manufacturing sector considered sophisticated in the 20th century and that of agribusiness of the 19th century are less embraced rapidly being replaced by service sector.

Secondly; using agricultural revolution as a means and an end to itself and not a means to an end as in the case of Nether land model, is another approach. In this model agricultural revolution include transforming agriculture to agribusiness manufacturing sector and become a net exporter of certain industrial food products into the world market as opposed to net export of raw or processed agricultural products but not finished goods.

¹ Saemaul Udong is a Korean word which can literally be translated as rural transformation which transforms the economy from subsistent agriculture to both agribusiness manufacturing economy and non agribusiness manufacturing economy. Here rural industrialization is the engine of economic transformation

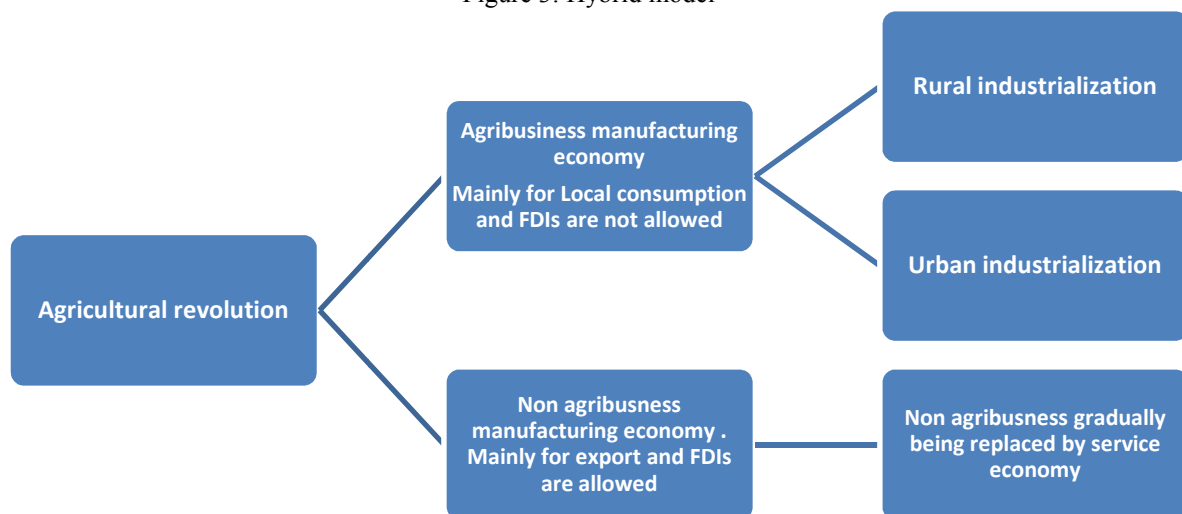
Figure 2: Netherland agricultural revolution and economic transformation model



Source: Author based on Netherland agricultural revolution and its aftermath

Thirdly, Hybrid model can be obtained by taking a middle position between two extreme ends namely, starting with agricultural revolution thereafter transforming to a completely different economic specialization in the manufacturing sector as for the case of England and that of transforming the economy from subsistent agriculture to the industrialized agribusiness economy as for the case of Netherlands. An example of this model is ‘Saemaul Udong’

Figure 3: Hybrid model



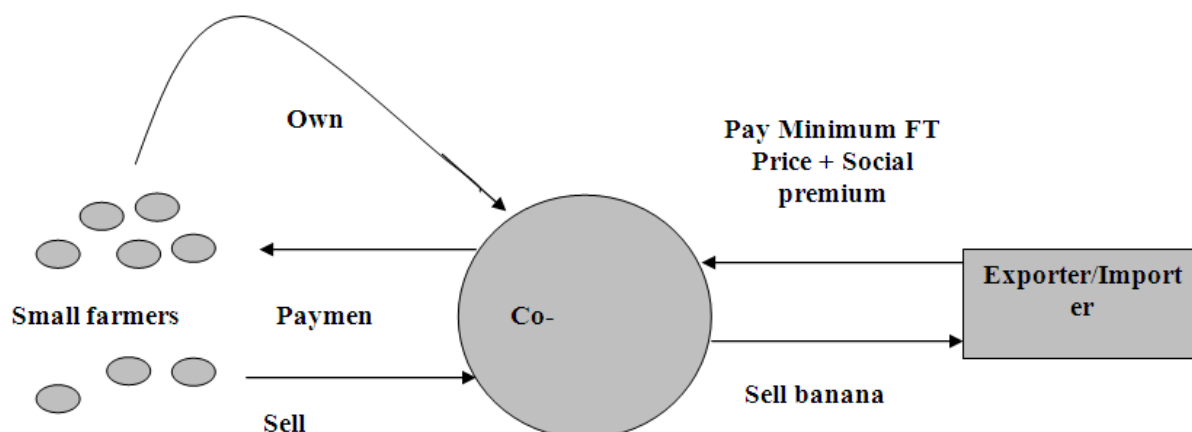
Source: Author based on the Korean agricultural revolution and its aftermath

4.2 Agricultural Marketing Models

There have been claims among agricultural and development stake holders that KILIMO KWANZA has been too narrow focused and unrealistic because put much emphasize on commercialized agricultural production thereby ignoring the industrial sector which has direct relationship with international marketing if we want to operate on fair trade bases. In other words we would argue that agriculture under KILIMO KWANZA strategy purely operates on unfair trade as it has always been since colonial era (Farnworth, C and Good man, M (2008). Currently KILIMO KWANZA operate in a narrow and unrealistic marketing model.

The government emphasizes on assisting small farmers so that they can produce commercially by giving them any assistance thought possible by the government. Under this assumption the government has provided subsidies into farming implements such as fertilizers, tractors, harvester, power tillers, agrochemicals to name a few. Furthermore the government is striving to facilitate agro-market availability and insure fair trade bases. In light of this view the government has a marketing policy which requires small farmer to sell through cooperative unions as a way of insuring reliable market and free them from exporters and whole sellers’ exploitation. The Model represented by figure 4 below summarizes Kiliomo kwanza marketing operations in Tanzania.

Figure 4: Theoretical Models



Source: Farnsworth, C and Goodman, M (2008) pp. 5

Looking critically into this model there are several observations made. Firstly, KILIMO KWANZA assumes that Tanzanian agriculture is dominated by small farmers alone there by ignoring the role of plantations. While conversing why KILIMO KWANZA is important Jakaya Mrisho Kikwete said “80% of Tanzanians depend on agriculture for their livelihood”¹. If we are to buy Kikwete’s words we will assume that Tanzanian agriculture is preoccupied by small farmers alone, but this is different from the reality. Since 2009 to date Tanzanian agriculture has recorded a significant increase in plantation investors through Foreign Direct Investment (FID). Therefore resources poured to peasants also reach the plantations without the government knowledge.

Secondly, the government is not aware of the black market operating between the plantation owners and small farmers and between the plantation owners and the exporters. As a result of this black market agro-marketing is not in win – win situation between small farmers, plantation owners, exporters and the government in question.

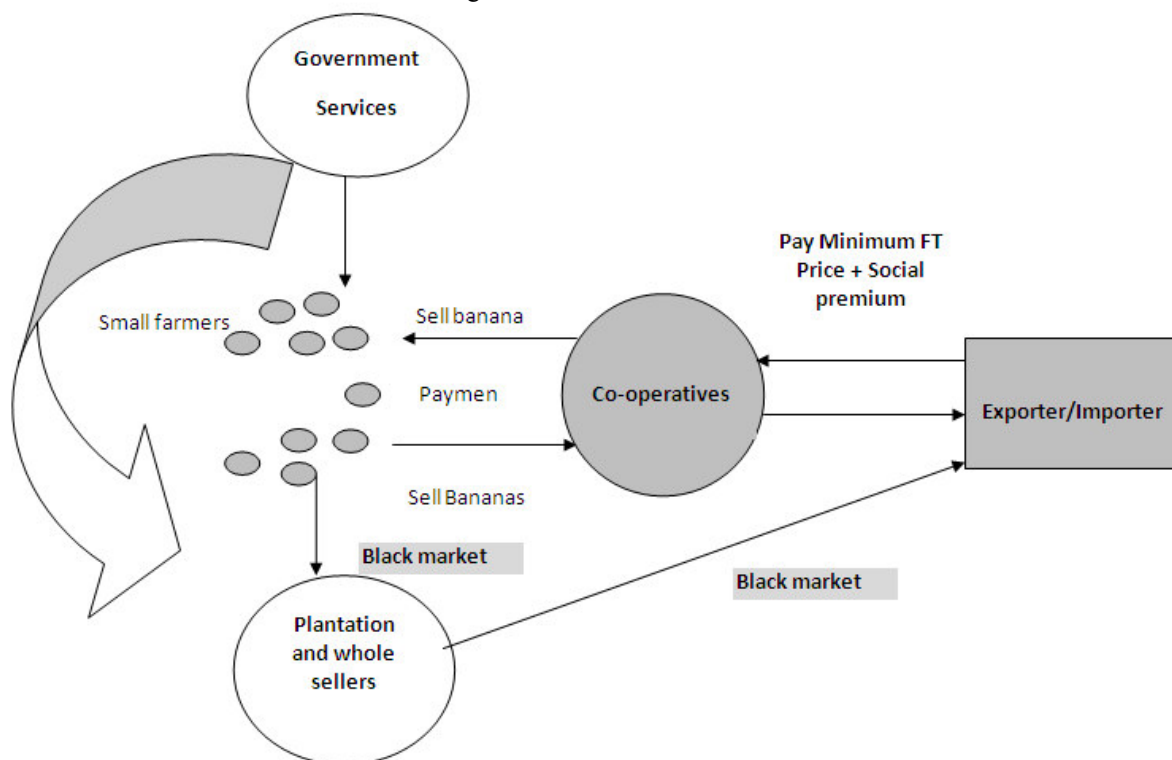
Thirdly, cooperative union have no power of adding value to agro-products before reaching local and external final consumers. Consequently more than 80% of the Tanzanian agricultural exports are on primary or raw products (International Food development cooperation (IFDC), 2012).

Fourthly, there is no clear link between various government authorities dealing with agribusiness under KILIMO KWANZA strategy such as Ministry of Land and Settlement, Ministry of Water and Irrigation, Ministry of Agriculture, Local Authorities and Export Processing Zones (EPZ); for example while Export Processing Zone (EPZ) is meant to attract and promote investment for export-led industrialization; to increase Foreign Exchange earnings; to create and increase employment opportunities; to attract and encourage transfer of new technology and to promote processing of local raw materials for export (value addition); in practice EPZ in Tanzania mainland and Special Economic Zones (SEZ) focus much on plantations at the expense of small farmers. Processing of agro-products for value addition has not been met by EPZ due to unreliable power supply and shortage of fund for smooth operations.² The existence of EPZ and SEZ is said to provide loophole for investors to aviate export tax because SEZ do not have limitations on where to sell and how to sell agro-products, hence loss of government revenue.

¹ A speech given by Jakaya Mrisho Kikwete to Tanzania National Business Council in Dodoma, Tanzania on 16th October 2009.

² Into East Africa Website article on May 2011 Tanzanian Parliamentary Assessment of EPZ and SEZ

Figure: 5 Practical Models



Source: Farnsworth, C and Good man, M (2008) pp. 5 with modification by authors

According to IMF Tanzania sells is not beneficial to Tanzanians and to Tanzanian economy; for example Tanzania last year launched a 26-SEZs program that lasts till 2020 with a projected cost of 6 billion U.S. dollars. The IMF doubted Tanzania's initiative in attracting more foreign direct investment through tax and customs incentives to be offered under the SEZ scheme. This position is shared by most Tanzanians as it appears in the article on "Parliamentary discussions on EPZ operations in Tanzania saying

The envisaged board will comprise the minister responsible for industries and permanent secretaries in the ministries responsible for finance, water, minerals and local government, he said. Some people however remain critical of the programmes, which they say have had little economic benefits to Tanzanians. (Tanzanian Parliament, 2011).

4.3 Suggested Model

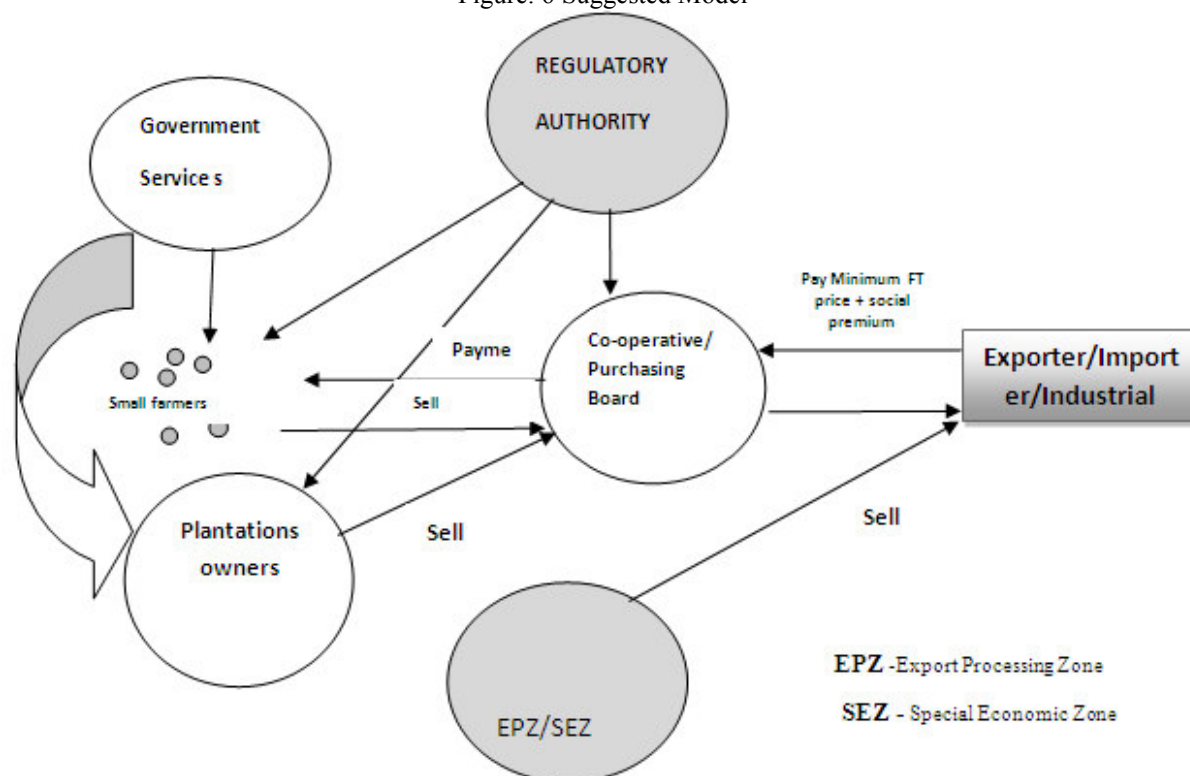
In this part we suggest a model to be followed by KILIMO KWANZA strategy to make it more effective. The KILIMO KWANZA suggested model is summarized by figure 6.

Remedying weaknesses of the KILIMO KWANZA practical model in Figure 5 above, this paper suggest that the government should develop a structure which will regulate agribusiness sector including land allocation between small farmers and plantation owners instead of divided care practiced by KILIMO KWANZA where by the EPZ prepare conducive conditions for foreign investors while small farmers who are the majority Tanzanians are neglected although other authorities are theoretically responsible to them.

Secondly, there should be a regulatory authority to regulate agribusiness operations this is because if KILIMO KWANZA is truly meant to make agriculture business operating under free market such authority is compulsory to ensure that the rules of the game are respected. Agribusiness regulatory authority should ensure equity and fairness between small farmers, plantation owners, immediate market board, exporters and any other stake holders in the sector.

Thirdly, EPZ and SEZ should create conducive environment for local investors and foreign investors to buy raw materials from purchasing board so as to befit both plantation owners and small farmers. Moreover EPZ and SEZ should promote rural agro-industrialization as opposed to mere urban industrialization.

Figure: 6 Suggested Model



4.4 The Politics of Kilimo Kwanza's Practices-Investigating its Challenges

Despite successes obtained from KILIMO KWANZA strategy, still there more challenges than benefits where by some of them are identified by the responsible ministry of agriculture food security and cooperatives in June 2012. The challenges identified include, Poor access and low use of improved seeds and fertilizers; Under-investment in productivity enhancing technologies including agricultural mechanization; Limited access to financing for uptake of technologies; Unreliability of rainfall in some of the regions; and Limited use of available water resources for irrigated agriculture. As result of these challenges poverty in Tanzania is yet to be combated as the major goal of KILIMO KWANZA.¹

There are also more challenges on KILIMO KWANZA than what have already been surfaced by the government. Some of the unrevealed challenges include: Underutilization of the resources namely human resource may be due to poor conditions in the rural areas, over reliance on rain water etc; Rural electrification; Rural industrialization; Marginalization of peasants to plantation owners; Export of raw agricultural products; and Failure to reflect the dynamism of the world market choices and pricing priorities. Others include lack of practical political will in enforcing the outlined ten pillars of KILIMO KWANZA strategy; lack of policy integration between agriculture and industries; and wide coverage but too shallow to catalyze social economic development. Discussing thoroughly these weaknesses one would say;

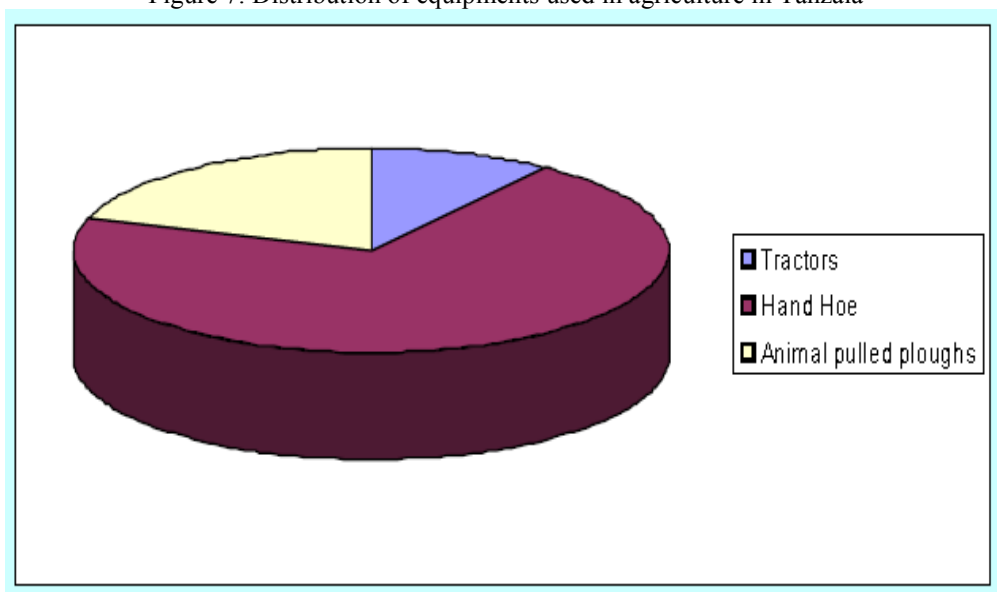
Firstly, Kilimo kwanza lacks political will in working out the ten pillars outlined in the particular strategy. Kilimo kwanza was longed in 2009 and the government gave the first priority to it at the expense of other sectors meaning that the lions' share goes to agriculture. However in practice it is evident that the government is not committed to such slogan, whereby since then the budget and production of agro-products are continually declining.

Furthermore since 2009 to 2012 Tanzanian agriculture is still very poor using poor farming implements. For example in 2009 as figure 7 shows, more than 70% of Tanzanian farmers used hand hoes. Of this more than 90% of the minorities who had access to tractors were plantation owners and not small farmers. It is surprising to see that to date there is very little changes if any implying that the impact of kilimo kwanza is too political with so little practical sense of political will.

KILIMO KWANZA Resolution as spelled out by Jakaya Mrisho Kikwete President of the United Republic of Tanzania in a meeting held on 2nd and 3rd June 2009 with TNBC, Dar es Salaam, to discuss the policies and strategies for the transformation of Tanzania's agriculture under the theme "KILIMO KWANZA" and its implementation;

www.agriculture.go.tz/kilimo%20kwanza/

Figure 7: Distribution of equipments used in agriculture in Tanzania



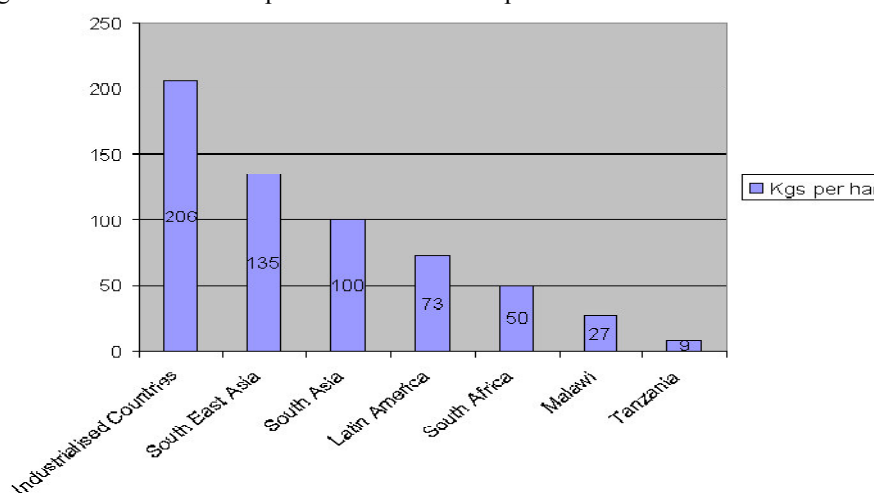
Source: Tanzanian national Business council 2011

It is shocking to see that Tanzania is still among countries which consume as little as 9% of fertilizer in her agricultural activities compared to other countries which consume more fertilizer thus more production. (see figure 8) For Tanzania the reason is unavailability of fertilizer to farmer's especially small farmers who account 80% (Tanzanian national Business council 2011). The implication of this is that Tanzania also record too low agricultural production.

As we have discussed earlier when theorizing Kilimo kwanza strategy, the government claim that Kilimo kwanza is meant to help 80% Tanzanians who are the majority farmers who cannot access farming implements such as fertilizers and tractors to name a few under pure market bases. Although the government provide subsidies and other privileges in agricultural related implements, it is unfortunate that small farmers do not benefit. For example if the government voucher system provides 1 subsidized bag of fertilizer to a house hold under assumption that the rest will be bought in the market because farmers can take loan, most small farmers find themselves lacking collaterals and when they do, lack of appropriate information and corruption delay access to the implements.

In other words, consciously or unconsciously Kilimo kwanza though is meant to help majority Tanzanian farmers find itself serving the interest of plantation owners who are the minorities.

Figure 8: Fertilizer consumption in Tanzania compared to other countries in the world

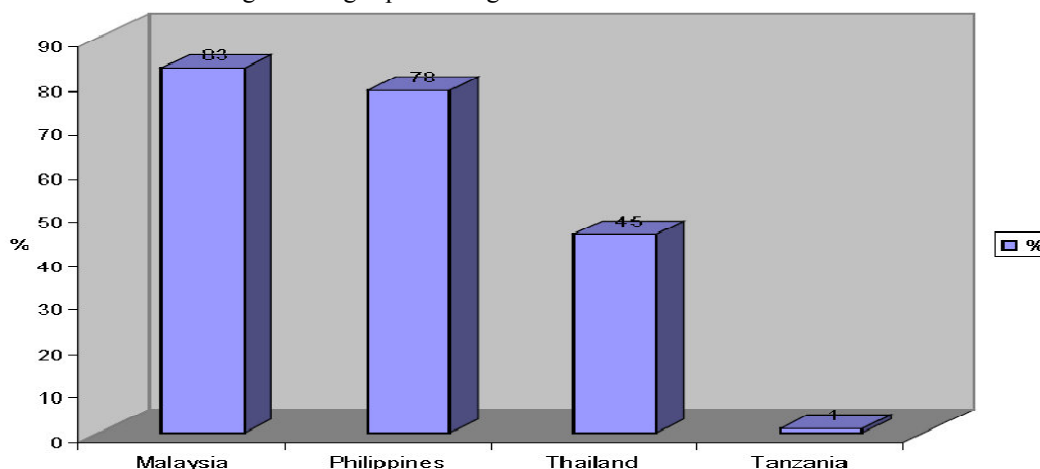


Source: Tanzanian national Business council

Moreover, most of the agricultural products exported is still raw despite the government effort to emphasize value added exports. This is because Kilimo kwanza operate under un-conducive environment. For example lack of integration between agricultural and industrial policies cause blockage in the forward and backward linkage between the two sectors which would otherwise promote manufacturing sector in the agribusiness sector.

According to Tanzanian national Business council 2011, Tanzanian agriculture is the lowest among many agricultural countries in the world. As figure 9 shows, Tanzanian agro processing industry still is below 10% since 2009 implying that Kilimo Kwanza is doing too little in promoting g agro processing industrial sector

Figure 8: Agro processing industries in selected countries



Source: Tanzanian national Business council (2011).

One can argue that EPZ and SEZ does a sufficient job to promote industrial sector in the effort to export value added products, if we view it from a different angle we can confidently argue that the two instruments are too general to bring the impact expected in the agribusiness sector. Worse enough is that, while farming activities takes place in the rural areas, industries are allocated in urban areas hence widening the gap between the two sectors. It is also true that, urban industrialization is among significant factors behind rural-urban migration causing shortage of youth and energetic workforce in the rural areas.

Benchmarking into transitional economies such as South Korea's rural industrialization movement, we suggest Kilimo kwanza conducts deliberate rural industrialization and enlighten. It is our assumption that, if Tanzanians are enlighten and sensitized not to perceive rural life as of those who have failed in life, alongside with rural provision of social overhead capital and industrialization would attract more workforce.

More over the coverage of Kilimo kwanza is too wide thus unrealistic when it comes to practice. According to Tanzanian national Business council 2009, there are 10 priorities in the Kilimo kwanza strategy labeled as ten pillars of Kilimo kwanza strategy. It is illogical to think that one can effectively implement all the 10 priorities at a time. We suggest that it could be better if the strategy could concentrate into few priorities stage wise.

Worse enough is that despite of this wide coverage of Kilimo kwanza strategy, the focus seems to be to brunt and unrealistic because does not reflect word market dynamisms just like it has been with Siasa ni Kilimo, Kilimo cha kufa na kupona and so on to name a few. For example while the world market products preferences kept changing from agricultural products, industrial products other than agricultural products, electronics and now services Tanzanian socio economic priority has remained to be agriculture. It is misleading to argue that agriculture is a permanent area of comparative and competitive advantage because history has taught the world that areas of comparative and competitive advantages are dynamic and that one can deliberately develop a new area of competence and excel in the world market reflecting dynamism in global marketing trends and behavior. (Keun Lee 2011).

However this does not mean that Kilimo kwanza strategy is irrelevant in today's Tanzanian economy because of the fact that Tanzania is still agrarian and agricultural; potentials makes her to have no option other than concentrating into agribusiness sector. The position of this paper is that Kilimo kwanza should not take commercialization of the agricultural sector as the end to itself but as a means to an end. In other words, it should not fall under the same trap other agricultural and development policies and strategies fallen of assuming that agriculture is a permanent sector of comparative and competitive advantage of which other sectors should remain as supportive.

5.0 Conclusion and Recommendations

KILIMO KWANZA is a viable strategy towards increasing production to address hunger problem and improve social economic development. However, the strategy should not be taken as a permanent comparative advantage due to fluctuation of priorities influenced by dynamism of market preferences. From development experience no one country has ever developed without transforming their areas of comparative advantage reflecting world markets dynamism for example England and USA started with agriculture as the area of comparative advantage in 15th century, transformed into non-agroindustry economy in 19th century and is currently transforming into

service sector. Even in countries which had expected to remain in agrarian sector are now transforming into industrial sector to service sector as for the case of Netherlands. It is absolutely true that food products have reliable market, however its price is not necessary assured because the international system is striving to make food price as low as possible.

This is because there is close relationship between food prices and the economy of individual states and that of the whole world for example rise in food prices is said to be main course of inflation in many countries. As result of the world economic being integrated, rise in food prices is the concern of International Monetary Fund (IMF) and World Bank (IBRD), and other international institutions.

Whiles these institutions are striving to scale down food prices there is no world government to compensate individual countries which sacrifice to feed the world. Thus, choosing to invest in agriculture permanently is to offer common good which one should not expect profit.

Based on the findings and discussions raised in this paper, it is appealing to conclude that, Kilimo Kwanza is a relevant strategy to fight hunger and poverty in Tanzania. However its scope and focus is too theoretical to bring the impact expected. This paper to gather with other things, recommends revision of Kilimo kwanza strategy to see what can be done to make it more effective and efficiently. If it is left to operate the way it is, it is not a joke to argue that it will be similar to previous agricultural policies, programs and strategies although in a different name.

We ask ourselves what Kilimo Kwanza means, if we ironically label the strategy as Agriculture first, where as our budget implication is not in line with that slogan. What is the difference with “Agriculture is the backbone of the economy”, a slogan we sang for 50 years now, yet Tanzania is still agrarian, hungry and poor?

It is under these bases we find appealing to conclude that Tanzania has been hungry and poor in the midst of plenty of arable, land, workforce and related agricultural factors for 50 years now since independence. We thing is of justice to recommend adoption of hybrid model suggested in figure 3 so as to make Kilimo kwanza a reliable solution to the paradox of hunger and poverty in the midst of plenty in Tanzania. We also recommend adoption of the suggested marketing model figure no.6 to promote fair trade on agribusiness sector. It is of no objection that, Tanzania has been losing a lot of profit by exporting raw agro products, this paper therefore is not convinced by the capability of the existing agro marketing model which Kilimo Kwanza depend on.

Furthermore rural industrialization and enlightenment would do a great help in attracting workforce in the rural area and promoting agricultural sector. Looking into Korean agricultural and industrialization model it is our hope that if Tanzania does the same, agricultural sector will be not only be an important and helpful sector in the economy, but also a means to Tanzanian industrialization.

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