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## THE IMPACTS OF ECONOMIC POLICY ON THE SOCIAL CONDITIONS IN TANZANIA

In the United States, “farmers produce 500 extra calories per person per day” (Pollan 46) reports Michael Pollan, a graduate professor at the University of California at Berkeley. However, due to the gross misallocation of resources and the failure of global food distribution networks, the problem of malnutrition is felt throughout the world community. Though Thomas Friedman, an award-winning journalist on economics, argues that through globalization the world is being made flat and the playing field is being leveled (Friedman 1), the distribution of wealth on the global scale is only being further confined into the hands of a few elite. Developed countries, those with “political freedoms, economic facilities, social opportunities, transparency guarantees and protective security” (Sen 10) according to Amartya Sen, the 1998 Nobel Prize Winner in Economics, are the ones able to benefit most from this new globalized society. Yet, the countries in most urgent need of development for the basic welfare of their people, are left behind or pushed even further away from their goal of entering the global market as an equal partner with the developed nations. One glaring inequality, which will be the focus of this paper, is the economically inefficient allocation of food and nutrients throughout the world. In more developed countries (MDCs), and to a smaller extent in lesser developed countries (LDCs), obesity is a principal concern. This epidemic is a direct result of the government policy of subsidizing grain production, which has led to massive food surpluses. The majority of this surplus is turned into “more compact and portable value-added commodities: corn sweeteners, corn-fed meat and chicken and highly processed foods of every description” (Pollan 1) which adds lots of near-empty calories to the American diet. These agricultural subsidies do not just thicken the American waistlines, they detract from the diminishing waistlines of the populations of LDCs, adding to their malnutrition problems. The United Republic of Tanzania offers an excellent case study on the effects of globalization and associated economic policy on malnutrition and poverty in the LDCs. Tanzania “ranks 164 out of 177 countries” (1) based on a variety of criteria measuring economic and social indicators, according to the Human Development Index compiled by the United Nations Development Program. There are several reasons for this low rank, many of which can be improved with appropriate policy changes, and benevolent involvement from the world community and financial institutions such as the International Monetary Fund (IMF) and the World Bank. Much of the malnutrition is associated with poor distribution of food throughout the country, and not having a diverse enough diet to sufficiently supply the population with the required nutrients. Tanzania, which currently has a fairly stable democratically elected government, has the potential and opportunity to graduate from being a LDC. It has remained rather peaceful and stable amid the horrors other nations in the Great Lakes region, those countries surrounding Lake Kivu, Lake Tanganyika, and Lake Victoria, have been experiencing for decades. If a more industrialized society was created, there is ready access to coast water ports for shipping and commerce and many fresh water lakes and rivers. Through a plan which will emphasize genetic engineering and biofortification of crops, fair international trade, a gradual shift toward industrialization of certain sectors, and in-country value added commercial refinement of coffee, Tanzania can begin moving toward a more healthy and prosperous future.

By examining the Tanzanian population at the local and family levels, an accurate assessment of the present status of the people and their needs can be found. Hunger and malnutrition are felt by many of the 35 million Tanzanians, 36% of whom are living below the poverty line (World Fact Book 7). A typical family would consist of a single mother, either divorced or widowed by AIDS, raising her four or five children, on average each Tanzanian woman bears 5 children in her lifetime (World Fact Book 3). Even though there is an “extensive health care service infrastructure composed to 280 hospitals, the quality of health care is generally low, because staff is unequally divided” (World Health Organization 2)

throughout the country. This current system allows for an “infant mortality rate of 98.5 death/1,000 births” (World Fact Book 7) with “1 out of 7 children before the age of five” (World Health Organization 1). A primary cause to this infant death is malnutrition which leads to a weaker immune system, making the children more susceptible to diseases like “typhoid, malaria and plague” (World Fact Book 7).

These single mothers often wonder, “what will I have time to cultivate the garden? Who will help me? What can I do about feeding all my children? Why must I have so many children?” (Engberg 3) a Canadian team researching home economics in Tanzania reports. A social class system is evident throughout society with “the wealthiest group owning cattle, land and the largest amount of labor power provided by wives. A second group [middle income] of households have less land, less livestock and only one wife per household. The poorest group were female households with children but no land-- the woman had been widowed or divorced” (Engberg 3). These second and third groups are most at risk to malnutrition. Though they may have some access to grains, “cereals make up 60% of total calorie intake” (FAO 1), according to the Food and Agriculture Organization of the United Nations, their diets still lack the key components of protein and essential vitamins and minerals. Throughout Africa, women are viewed “as resource (for labor and capital) but without rights to resources” (Engberg 3) whose labor “produces “60% of the cash crops which earn foreign exchange” (Sen 70). This degraded status of women in society is a primary issue holding Tanzania, and much of Africa back. Women are simply not viewed as equals and there do not exist enforced laws to protect them or their property.

In Tanzania’s economy, agriculture “accounts for almost half of GDP, provides 85% of exports, and employs 80% of the work force” (World Fact Book 5). The population is distributed throughout the arable land, only 4% of the country, and “82.9% of the population is involved in sustenance agriculture on land holdings of two hectares or less” (Engberg 4). This farming is labor intensive for lack of modern tools, “75% of this farm labor is provided by women” (Engberg 4), and takes its toll on the soil. Many families are merely tenant farmers, thus having to give part of the harvest to the owners of the land, leaving even less for their family to survive on. While the families should be growing diverse crops to fulfill their nutritional requirements, most are forced into farming crops such as coffee and commodity grains which are used for exports to fulfill the strict policies outlined by the IMF. Using the present techniques, not only is an inadequate amount of food produced, it is also the wrong kinds of food. Also, since the annual income for a family is only equivalent to about US \$700 (World Fact Book 3) the families can not afford to purchase nutritional supplements, even if they were available for public consumption.

With whatever governmental policies are adopted, there must be an emphasis on education. Only through education can the population can be more competitive on the world stage and can there be more upward social mobility in the Tanzania. Currently, only “22.9% of adults have attained literacy” (World Health Organization 1) and though primary education is supposed to be universal, most families can’t afford the supplies to send their children to school. Girls in particular are poorly educated, and since “women are the driving force for education and socialization within a family” (Sen 71) they are even more important. Only if women are able “to have control over their own bodies and are given access to resources” (Sen 70) can steps be made toward elevating malnutrition. Much of their labor is wasted on manual, inefficient tasks, such as walking five miles a day to fetch water, which could be solved by simple investments in infrastructure and modern tools.

In the 1980s, the LDCs of Africa looked like a perfect investment opportunity. A couple injections of a few billions of dollars in Foreign Direct Investment would quickly transform the primitive way of life into fully a industrialized and mechanized profit making machines. Landless farmers would be transformed into skillful factory workers, and a large commercial tax base would built. Needless to say, this has not been the outcome. Though Tanzania is given over “\$2.1 billion in economic aid” (World Fact Book 5) yearly, it still holds over “\$7.3 billion in external debt” (World Fact Book 5) owed to the IMF,

World Bank, other countries and private banks. Tanzania is having difficulties even making the interest payments on those loans. The IMF has set-up programs for each loan recipient country, which has become the economic policy for that country. If they do not follow the outlined policy, severe repercussions will result. Key components include: “at least 5% real economic growth, reduction of inflation, and a balance-of-payments surplus” (Sen 156). These are understandable goals, for which most nations already strive. However, when it comes to structural and financial reforms, a huge burden is placed on the country and its people, directly and unmistakably resulting in increased hunger and malnutrition. All protectionist policies must be eliminated, thereby exposing infant industries to the full field of international competition in which they have very little chance of survival. Massive increases in exports, thus creating the required balance-of-trade, is the key international policy that contributes to malnutrition.

A predominate amount of the Tanzanian population are sustenance farmers, growing only what they require for their family, and taking care of the soil in the process. However, for exports, cash crops are needed so revenue can be raised from their sale on the world markets. Principle Tanzanian exports include “coffee, tobacco leaves, cashew nuts, wheat and maize” (Food and Agriculture Organization 2) according to the Statistics Division of the Food and Agriculture Organization of the United Nations. The increased production of these crops has lead to degradation on the soil, less nutritious foods being grown and overall a lower quality of life. Conventional sustenance farming techniques would mix crops such as squash and maize, so that the soil would not be depleted and the family could have a more diverse and healthy diet. Farming like this was much more labor intensive, but labor was not a limiting resource when there is only two hectares of land for an entire family. The money generated from these exports, required to repay foreign debts, are far less than they should be, since the world market prices for grains are so depressed. This depression is directly attributed to the overproduction in the United States and Europe, which is caused by agricultural subsidies. In the United States alone, the “current subsidies [on corn, cotton, and soybeans] cost American taxpayers about \$19 billion a year” (Pollan 46). These subsidies have resulted in the obesity epidemic in many nations since, “when food is abundant and cheap, people will eat more and will get fat” (Pollan 41). Because of the stipulations set up by the IMF, Tanzania must export large quantities of a good that it does not have a comparative advantage producing, into a market that is already flooded with those goods. The farmers are making very little money since they can not possibly compete with the US farmers who have the benefits of a “constant stream of improvements in agricultural technology -mechanization, hybrid seed, agrochemicals and now genetically modified crops” (Pollan 44). Though it is recognized that the US “agriculture policy is undermining the foreign-policy goals, forcing third-world farmers to compete against a flood tide of cheap American grain” (Pollan 46), little action is being taken to fix the problem. LDCs are most negatively effected by these protectionist polices on the part of the United States since they are prohibited from erecting their own protectionist polices. Also the more developed world tends to pay little heed, at times, to the rules made by the World Trade Organization.

The current policies stressing cash crop production and non-protectionist trade stances, are also reeking havoc on the natural environment in LDCs. Due to the required farming techniques, “high yield intensive crops require full sunshine: they also need masses of fertilizers, whose prices are both cyclical and dependant on decision made by more developed countries” (Sen 84). Herein, the LDCs nations are still dependant on the MDC ones for even more of their livelihoods. These crops also require massive amounts of irrigation, which is causing “thousands of rivers to disappear” (Sen 84). The negative impacts on the land such as “soil degradation, deforestation, desertification” (World Fact Book 4) can not be reversed. With desertification, the destruction of rainforests creates land that has very few nutrients and is quickly baked under the hot sun, creating a hard, unfertile field. All the top soil is also quickly blown away, creating a problem that will take decades of intense work to restore.

The economic trends of increasing debt and reliance on foreign sources of aid are easily measurable and understandable. Like other LDCs, Tanzania is caught in a cycle of debt, which will continue to further devastate the country if changes and improvements are not made. While Tanzania is experiencing about 5% growth annually, the lower class is not feeling this improvement. With AIDS also ravaging the country, infant mortality actually increasing, and harvests yielding less product, the family situation is worsening. This trend will continue until government-backed steps are taken, which have been thoroughly analyzed for possible negative and unintended repercussions. A three-pronged plan for improvement is suggested here: investment in agriculture with an emphasis on biogenetics and biofortification, value-added coffee manufacturing in-country, and a global movement to pressure powerful MDC nations into fair trade agreements.

The most swiftly felt effects would stem from the creation of a universally followed set of trade standards that do not unjustly discriminate against LDCs in favor of the rich powerful ones. Protectionist policies in the United States need to be abolished, in favor of the true market forces which are circulating around the globe. As indicated earlier, the abundance of subsidies on certain grain crops in the United States, and sugar beets in the European Union, are directly responsible for the cheap foods which are making the MDCs fat. The MDCs are also being exploited by large multinational corporations which buy up the raw materials or highly unprocessed goods. They can pass as little of the profit onto the producer as possible, since they are the sole buyer in the market. The LDCs themselves also need to invest in their own futures, where it is most advantageous.

According to the World Food Summit “every dollar that United States has invested in international wheat research has led to \$190 in benefits for US consumers and farmers” (Pinstrup-Andersen 2). This is a striking statistic, which supports that investments from abroad also benefit those countries who are giving. That one dollar “invested in agriculture research for LDCs increase their import goods and services by more than \$4” (Pinstrup-Andersen 1), stimulating the economy. This leads to more money in the hands of the population, which supports a higher standard of living with less malnutrition. Even though agriculture accounts for 85% of exports, “low income LDCs invest less than 0.5 percent of the value of farm production in agriculture research” (Pinstrup-Andersen 2). This investment is crucial in the development of the country since currently they have “few tools for coping with drought, pests, and disease” (Pinstrup-Andersen 2). This research would allow “farmers to reduce their risk; improve their productivity, and protect their natural resources” (Pinstrup-Andersen 3). A slow integration of more mechanized processes, investment in capital instead humans, would increase output. However one must to be careful not to displace too much of the workforce in the process, shocking the fragile the economy. Women, who are the small farmers in many instances, would be greatly helped by these improvements. Since they are the source of much of the farm labor and responsible for making the choices associated with the business, a greater supply of food and more labor efficient techniques would allow them to send their children to school and not have as many children since their labor is no longer required. In addition to this, investment into bioengineering of crops should be strongly considered.

Biogenetic engineering is on the cutting edge of current scientific thought and research and has the potential to ‘solve’ the nutrition issues ravaging the LDCs. Biogenetics allows for the most advantageous variety of a particular crop to be further tailored for a particular environment, taking into consideration rainfall, soil conditions, available nutrients, amount of sunlight and possible pest issues. When these factors are taken into consideration, higher yields and less devastation to the soil and land ensues. Biofortification of these crops would work toward alleviating malnutrition by incorporating the lacking minerals and vitamins into the foods that are already commonly consumed. Maize “based diets of inhabitants in extremely poor areas center on carbohydrates and lack proteins, vitamins, and important minerals, often leaving them disease prone and unable to work” (Harvest Plus 1) reports Harvest Plus, an international organization which is working toward breeding crops for better nutrition. If nutrients such as “iron, zinc and a- and beta-carotene, and enhanced protein quality” (Harvest Plus 3) can be increased in

the food supply by breeding plants to naturally output more of them, the overall health of the population can be improved.

The final component of the revival plan, which has the greatest potential to have a wide-spread impact and be sustainable, is to do more value-added manufacturing steps with the refinement of coffee in country. Coffee is Tanzania's "number one export commodity with 46,136 metric tons, valued at \$49,063,000" (Food and Agriculture Organization 2) being exported every year. However, according to Make Trade Fair, a member of the Oxfam International confederation, "farmers sell at a heavy loss, while branded coffee sells at a hefty profit" (Gesser 2) Since raw green coffee is such a commodity crop on the world market, the farmers have no control over what price their crop will garner. They are at the mercy of the whims of the global market since they are not involved in future markets. However, if the value-added components of manufacturing could be done in Tanzania, owned by Tanzanian business people who work directly for the Tanzanian farmers who are producing the coffee, more of the final profit would stay in Tanzania and benefit the people. To do this, the help of the Multilateral Investment Guarantee Agency, part of the World Bank group, whose mission is to "promote foreign direct investment into LDCs" (Multilateral Investment Guarantee Agency 1) would be employed. This agency has "issued more than 650 guarantees for projects in 85 LDCs and facilitated over \$50 billion" (Multilateral Investment Guarantee Agency 1) in investment. In Burkina Faso, they worked to "expand the cotton ginning assets of a former monopoly by decentralizing the cotton sector. The project spread commercial risk among entities and led to more efficient operations-and thus higher revenues" (Multilateral Investment Guarantee Agency 3). Other organizations, such as the US Agency for International Development (USAID) are working to "link business and farmers through opportunities that add value and increase incomes" (USAID 3) especially in the developing world. So by taking control of the industry in the country, and possibly in surrounding countries as well, a diverse and broad-based group of native farmers and business people would create a brand of Tanzania coffee. The country should not try to become fully industrialized too quickly though, a steady movement toward this goal must be carefully planned or the economy will become unbalanced in the agricultural and service sectors. By allowing the farmers to own and control the factors of production, you give them an incentive to use their land efficiently and to protect the environment. Since the middleman is being cut out, the profits are going into the hands of the farmers and the government. The people can use this increased revenue to purchase more food, decreasing malnutrition. These businesses also provide more of a tax foundation for the government so that more money can be put toward developing and improving the infrastructure, the education system, and the health care services available. Though it may be generations before equality on the world stage can be attained, steps to fight hunger and malnutrition can start now, and work toward lifting the developing countries of the world up to be competitors on the world stage.

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