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**The development problems of  
small island states:  
Zanzibar in its regional setting**

Thesis presented for PhD by  
George Leszek Kobelski Jambiya  
Department of Geography and Topographic Science  
University of Glasgow  
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*To my parents, my wife Bernadethe, our children and all those  
whom at various points in my life helped me arrive at this  
point.*

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## ABSTRACT

This is a study of the development problems of a particular category of developing countries, i.e., the developing small island state (SIS). The thesis seeks to establish their position within development theory emphasising the constraints that they confront in their development efforts. The main argument presented is that although small size is a development constraint, its effects are exacerbated by several other factors that are largely the result of not only size but also having a peripheral location and role within the global economy. A review and discussion of the literature relating to small states and SIS development is made focusing on the period following decolonisation when a plethora of Lilliputian states emerged. Their viability was questioned while more recently the emphasis has shifted to their vulnerability and to the need for sustainable development. Methodologically, the study identifies a range of problems commonly affecting SIS while through the use of statistical techniques a typology of SIS is identified. From this regional example, Zanzibar, the Comoros, the Maldives Seychelles and Mauritius are selected and an in depth comparative analysis is made. Through an historical approach, their post independence development experiences are analysed from which some important lessons are drawn. Focusing subsequently on Zanzibar, an empirical investigation is made focusing on its recent development experiences. The background to independence and the Revolution (1964) is analysed, identifying the socio-economic and political factors which have influenced its development before and after 1964. Three distinct phases are identified in post-Revolution Zanzibar. Though distinct from one another in their respective development strategies, they retain one common denominator, i.e. Zanzibar remains a dependent and vulnerable SIS. Analysing socio-economic data generated through a survey, a socio-economic profile of Zanzibar is constructed and some major problems and trends are noted in its contemporary socio-economic make-up. The results confirm its position as a SIS and highlight the need for some unconventional approaches to the development problems of SIS belonging to such a category. The economic and political impacts of Zanzibar's unique position as an autonomous unit in a Union with Mainland Tanzania are discussed. Finally, the thesis draws out theoretical and policy considerations from the analysis of the Zanzibar case.



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## GLOSSARY

CSs	=	Coastal States
GoZ	=	Government of Zanzibar (also Serikali ya mapinduzi ya Zanzibar - SMZ)
JMT	=	Jamhuri Ya Muungano wa Tanzania (United Republic of Tanzania)
LDCs	=	Least Developed Countries
LLCs	=	Land-Locked Countries
NICS	=	Newly Industrialising Countries
PPC	=	Permanant Planning Commission
SIS	=	Small Island States
SS	=	Small States



## CHAPTER ONE

### **1.0 Introduction**

This is a study of the development problems of small island states, focusing on those located in the Western Indian Ocean region and specifically the case of the semi-autonomous island state of Zanzibar. Thus Zanzibar is studied in its regional setting and by doing so the research seeks to draw the development experiences of different developing small island states and assess their applicability in the search for appropriate and sustainable development. The regional dimension sheds some light in an area in which there has been relatively less developmental work, compared to, for example, the small island states (SIS) of the Pacific, Caribbean or Mediterranean regions.

#### **1.1 Aims of the Thesis**

This thesis seeks to obtain an in-depth understanding of the development constraints facing developing small island states in general. However it adopts a regional dimension focusing initially on the island states of the South-West Indian Ocean and then concentrating on Zanzibar. The ultimate objective is to evaluate Zanzibar's post-Revolution socio-economic development and especially its contemporary development problems and prospects. It involves an extensive study of the evolution of the island state's socio-economic structure covering the period since just before the 1964 revolution. A month before the revolution Zanzibar had its independence from Britain, although it was developments in the period leading to independence which had already set the seal for the January 1964 Revolution. In the immediate post-revolution period the small island state became locked into Cold War politics. Its development path was influenced by internal and external factors. Internally, the Revolution was the result of the socio-economic and political struggle of the dispossessed population. However, externally, the superpowers were concerned about the developments occurring in Zanzibar and their potential effects within the region.

The Revolution not only brought the severance of ties with the former colonial power, Britain but with Western interests in general. The influence of Eastern Bloc countries was considerable, seeking to establish a 'sphere of influence' in the region. Other historical links were ended, notably with Oman, where before becoming a British Protectorate, Zanzibar had been part of Oman following its colonisation by Omani Arabs. The Revolutionary regime in the Isles was aware of the inherent dangers of the Cold War politics and partly because of this and partly to reinforce their own position, a political Union was established with Tanganyika to form the United Republic of



Tanzania. However, Zanzibar maintained a considerable degree of autonomy, particularly over internal issues and to some extent even where external relations were concerned. The domestic affairs of Zanzibar were and still remain to a considerable degree, the responsibility of the Zanzibar Revolutionary Government (ZRG). Motivations for the Union were based on the islands' vulnerability insofar as its security was concerned, especially with the threat to the regime by expelled and purged Zanzibari elements and from the interests of the global powers vying for strategic positions in the Indian Ocean.

Amongst the first tasks of the Revolutionary Government was the attempt to redress the socio-economic disparities between racial and class factions. Disparities were pronounced spatially, between rural and urban areas and between the two main islands of Zanzibar, *Unguja* and *Pemba* and this essentially characterised the Isles' role in the expansion of the global economic system following the industrial revolution. The instruments for implementing these objectives (egalitarianism) included land redistribution, central control of the economy by the state, nationalisation of dominant aspects of the economy such as import-export business or trade and provision of basic needs, and attempts at diversifying the island economy through encouraging non-agricultural activities such as fishing and manufacturing. Self-reliance and self sustained development was given prominence in the various development objectives that ensued. Reducing dependence on former colonial powers became a central objective, though the goal of rapid, planned egalitarian development through technical assistance offered by East Germany and the Peoples' Republic of China became an important support to the populist regime in Zanzibar. Meanwhile, strong links continued to be forged with the Mainland.

By the mid-1980s the economy of Zanzibar was on the verge of collapse. Many of the grand aspirations set out at the start of the Revolution had not been attained. The reasons given for this situation were that the world price for Zanzibar's main export crop, cloves, had collapsed and hence its major source of foreign exchange. Exogenous factors, such as increasing oil and food prices strained the limited amount of foreign exchange Zanzibar was earning. However, there are other inherent problems related to the socio-economic and political development of Zanzibar, which help explain its economic plight. Even if the prices of cloves had not collapsed, the economic situation would have improved only marginally better. There are deeper and more far reaching structural problems belonging to its status as a developing small island economy which help explain its economic failure since independence.

This study aims to fill the gaps which exist in the case of Zanzibar and by so doing contribute to the on going debate on the development of small island states. An historical approach is taken in which an analysis will be made of each of the distinct



phases of Zanzibar's post-Revolution development.<sup>1</sup>

Some constraints to development are outwith the control of the state, particularly the exogenous ones, and these need to be identified. It is important to understand how they inhibit development in the Isles. An analysis of the internal factors is also important since it is significant to know where policies and programmes went wrong and why and whether there were other options. In this way it is possible to identify the 'manipulable' factors in development.<sup>2</sup>

In comparing the experiences of a group of SIS, a statistical exploratory technique, *Cluster Analysis*, is used to establish whether there exist categories of small states (and SIS) and reveal associations and structures in their basic data.<sup>3</sup> *Comparative Analysis* is then used to explain the existence of different categories. Such an analysis focuses on SIS within the Indian Ocean region, comparing the development experiences and outcomes of five SIS. It also reveals patterns and trends that are used to explain why and how there exists different levels of development in SIS within the region. This has implications for SIS elsewhere in the developing world and highlights the need for and emergence of yet another category of states in the development debate and literature.

The main theme addressed in this study is the development of Zanzibar and SIS. It brings into focus important issues relating to development theory, such as such as *dependency, double dependency, and interdependence*. Development theory and the different strands within it are useful in identifying and explaining the problems of development (and underdevelopment) and these concepts are used in the empirical analysis of Zanzibar.

An understanding of the problems of (and prospects for) Zanzibar requires an historical approach. Much of the Isles' contemporary economic structure is inherited from its colonial past and in its participation the East African trade of slaves, ivory and spices. Since the 1964 Revolution, the psychological dependence of a large section of the population on a hierarchical social structure based on race has been changed.<sup>4</sup> There

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<sup>1</sup> The development of the Zanzibar Revolutionary Government between 1964 to date is divisible into three distinct phases characterised by different leadership styles (policies and strategies) *The First Phase* (1964-1972) was led by Sheikh Karume and highly populist. *The Second Phase* (1972-1983) was led by Sheikh Jumbe and *the Third Phase* (1983 to date) started with Ali Hassan Mwinyi and was succeeded by Idris Abdul Wakil and recently by Salmin Amour. The phases are used by used by the ruling Party Chama Cha Mapinduzi (CCM) to identify and distinguish political developments in the Isles and they are adopted here mainly because of the policy and socio-economic differences that occurred during each phase. Further details of their respective policies are discussed in chapters 7, 8 and 9.

<sup>2</sup> 'Manipulable' factors are those which are within the grasp of the government, i.e. those which can be manipulated to achieve certain goals.

<sup>3</sup> Small States (SS) and Small Island States (SIS) are combined to increase the sample size as there is difficulty to obtain similar data for enough SIS but the inclusion of small states does not necessarily invalidate the search for characteristics of small island states, since these are discussed in depth in chapters four and five.

<sup>4</sup> But has not been entirely eliminated. A significant reduction in economic and political power differentials based on



has occurred a gradual but firm polarisation of development both in terms of spatial and class development, with urban areas and the bureaucratic bourgeoisie being relatively favoured. Like many developing SIS, Zanzibar has become increasingly dependent on external sources for capital (loans, aid, remittances, private investment, etc.), a situation that contradicts development philosophies adopted after the Revolution. Accompanying its growing dependence is the steady erosion of self-sufficiency, self-reliance and its autonomy within what Connell (1988) terms as a 'negotiated dependence' - albeit on unequal terms.<sup>1</sup> Significantly, and especially in recent years, it appears that the government has become resigned to increased dependence and views interdependence with metropolitan economies as the best option for survival. The study examines the metamorphoses and role of dependence and interdependence in Zanzibar's development strategies to test the hypotheses that it is characterised by greater dependency compared to the early years of the Revolution. This in turn has repercussions resulting in increased spatial and class differentiation.

### 1.1.1 Hypotheses

The principal hypothesis postulated states that Zanzibar is becoming increasingly incorporated into the global economy through increasing levels of dependence, and this has amplified endogenous development problems.

This over-arching hypothesis is followed through by a number of sub-hypotheses that help to define the processes by which the development of the isles' socio-economic structure has evolved, highlighting its current development constraints. They state that:

- 1) the economic characteristics of the economy of Zanzibar have developed into what is characterised as a MIRAGE economy. Its social, economic and political characteristics have been transformed dramatically over the last decade and are currently characterised by predominance of migration and increased remittances emanating from this population movement. Foreign aid dominates development expenditure and the government remains the largest employer in the absence of alternative viable economic activities. These characteristics encourage urban growth and counter rural and agricultural development, and as such the economy of Zanzibar can be described as a MIRAGE (*M*igration, *R*emittances, *A*id

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race/ethnicity and class has taken place, although it is argued that this was replaced by a bureaucratic bourgeoisie. In recent years there has emerged an increasingly powerful merchant class and representatives of multinational corporations establishing footholds within the national economy. Whether these will take up racial/ethnic dimensions remains to be seen.

<sup>1</sup> Negotiated dependence refers to a situation in which SIS increasingly negotiate for bilateral and multilateral assistance for both their development and recurrent budgets and also to seek preferential access for their exports, a phenomenon which Connell, 1988a terms as 'aid with dignity'.



- and dominance of Government Employment*). economy and one which is far from sustainable,<sup>1</sup>
- 2) major spatial disparities exist in levels of development both, between rural and urban and between the core and peripheral islands and such spatial disparities have both spatial and developmental repercussions in areas and sectors of the economy, implying that socio-economic transformation has accentuated internal inequality and this is in part a result of the MIRAGE economy.
  - 3) small size (physical, economic and population) and remoteness, have significant effects since they create a situation of limited options for the islands, highlighting the difficulty of achieving development in small island states.
  - 4) despite efforts aimed at increasing self-reliance, a higher degree of dependency - both bi-lateral and multi-lateral - and 'double-dependency' has developed in Zanzibar, further inhibiting the possibility of self-reliant development. Such a position further debilitates its development potential, and especially as its development strategies are becoming increasingly under the influence of external parties, that have failed to address some fundamental flaws in the global economic system.
  - 5) small island states (SIS) share a number of common constraints in their socio-economic development, but these are not homogeneous. Numerous factors account for the existence of a typology of small island states (SIS) and Zanzibar belongs to a grouping which is defined by its historical legacy, economic linkages, political affiliations, geopolitical and geostrategic position, and internal composition of the population (cultural, skills and demographic). In addressing the development problems of SIS, it is important to take note of such factors, since they continue to influence the path and rate of development (and underdevelopment) of SIS.

### 1.1.2 Why the study of Small Island States (SIS)

A basic premise of this research is that there exists a group of small, isolated and poor island countries (SIS) that form a separate category of LDCs facing a specific set of problems different from other developing countries. The problems are different either in the extreme effects of some factors, such as population, physical or geographical and economic size, fragmentation, remoteness or isolation and a paucity of physical and human resources, or in the existence of some different factors, such as problems of

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<sup>1</sup> A concept formulated by Bertram and Watters (1985, 1986), and referred to by Munro (1986) cited by Tisdell and Fairbairn (1984), Brookfield (1986) and Connell (1988a, 1988b).



distance, communications, and geopolitical and geostrategic considerations. Until the 1970s there was little research and discussion on such problems. However the situation has changed since, though there remain gaps in the knowledge about the development process in the smaller and poorer SIS particularly those of the SIS of the Western Indian Ocean Region.<sup>1</sup> As the SIS in the region are different from each other, they provide the benefit of comparing their development experiences and highlight their strengths and weaknesses and especially in terms of policy measures. The study hopes to contribute in filling in that gap and establish a link between development theory and *praxis*.

### 1.1.3 Why study Zanzibar?

Zanzibar is of particular interest in that while it is a SIS, it is unique in being formally incorporated within a political Union between itself and what was Tanganyika, the United Republic of Tanzania. It is a form of a federal union, with Zanzibar retaining a considerable degree of autonomy. It maintains its own government, parliament (representative council) and head of state. It runs all matters (e.g. social and economic development) except those which are designated as Union matters (e.g. foreign affairs, home affairs, defence, currency, etc.). Although part of a union with a mainland or continental developing country, it exhibits all the characteristics and problems of the smaller and poorer SIS, little attention to which has been given in the understanding of its development problems. Other opportunities may exist by virtue of it being part of the union, and provide it with some 'room for manoeuvre' in confronting its development problems, particularly by comparison with other SIS which are defined as independent (sovereign) states.

## **1.2 Statement of the problem**

Despite pursuing development policies and programmes aimed at achieving self-reliance, self-sufficiency and diversification of their economies, SIS economies in general and Zanzibar in particular have become even more dependent, narrow and vulnerable. Their economic structures are open and distorted with a considerable degree of social, economic and spatial differentiation. Despite policies aimed at eliminating underdevelopment in Zanzibar, it occupies amongst the lowest positions in the 'development league' of developing small island states, (SIS) using any combination of development indicators.<sup>2</sup> There is a high degree of spatial differentiation in development (social and economic) within and between the islands and between rural and urban in

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<sup>1</sup> They exclude territories, departments and dependencies (i.e., DOMs and TOMs).

<sup>2</sup> Using basic and simplistic indicators such as GNP and GDP, the island is amongst the poorest. The inclusion of quality of life indicators improves the situation somewhat, but then only marginally. Increasingly, there are indications that the achievements of the early years of the revolution have been eroded.



spite of the various development programmes and populist policies which have aimed at egalitarianism.

### **1.3 Specific Objectives**

This is an empirical study couched within the theoretical frameworks of dependency theory and interdependent development. Both have substantial implications for the concept of sustainable development, a concept that has been of immense relevance to small states and small island states, as they are intricately linked to resource use, survival and the potential for development. The objective is to identify and analyse the various development disadvantages or constraints, options and advantages that Zanzibar encounters. The specific objectives are to:

- 1] show that the island economy has become increasingly dependent on the metropolises despite efforts aimed at the opposite;
- 2] analyse the underlying structures of the Zanzibari economy and show how the socio-economic development of the country is affected by this. It will also show how in recent years these have been transformed into one with urban bias and increasingly dependent on government employment, aid, remittances and migration as a safety valve.
- 3] analyse the nature of the political union linking Zanzibar with Mainland Tanzania and show how this relationship is being transformed into an economic one, enhancing the interdependence between the two developing countries.
- 4] show the degree of spatial differentiation within the island state and its relationship with socio-economic developments in the country.
- 5] assess whether under the severe constraints that SIS, and Zanzibar faces, there are other untried and perhaps even unconventional possibilities, or what Selwyn (1975b:2) called 'room for manoeuvre'.
- 6] attempt a comparative analysis with other small island states (SIS) within the Western Indian Ocean region to show the individual differences between them, explain why these exist and assess whether there is any relevance to Zanzibar's development experiences. A typology of SIS is attempted with the aim of assessing and explaining Zanzibar's position.

Development is a multi-faceted process whose nature cannot be understood by the political scientist, economist or the sociologist alone; each has a narrowness of scope limiting the ability of appreciating the multi-faceted nature of development. In



considering this situation, the study attempts a multidisciplinary approach to the problem. This is one of the strengths of human geography and explains why in recent years the study of small states and small island states (SIS) has seen an increasing contribution by geographers as the physical, environmental, spatial, economic, human and political dimensions are considered (Clarke *et. al.*, 1987; Connell, 1988a, 1988b; Kaminarides *et. al.*, 1989; Beller, *et. al.* 1990). The complexities of development in most developing SIS demand this approach to arrive at any meaningful analysis.

#### **1.4 Background to the research**

One of the major motivations for this study is the relative lack of understanding of development issues of the small island states (SIS) adjacent to the African continent. Although in recent years considerable information has been generated about small states and SIS in general (Selwyn, 1975a, ; Shand, 1980a, 1980b, 1980c; Shaw, 1982; Jalan, 1982a; Dolman, 1984, 1985a, 1985b; Dommen and Hein, 1985, Clarke and Payne, 1987; Beller *et. al.*, 1990), relatively little research has been published on African island states (Shand, 1980b; Cohen, 1983, Appleyard and Ghosh, 1988). Moreover, the progress of island states next to the African continent, as with much of Sub-Saharan Africa, appears to be slower or even worsening compared to most other SIS.

Despite the increased realisation of the difficult development prospects of developing SIS relatively little socio-economic empirical research has been carried out on the problems of peripheral developing small island economies. There is a lack of adequate statistical information and sustained empirical work on their past development experience (Jalan, 1982b; Hein, 1989). Although UNCTAD III (Resolution 65 III), suggested that the needs of developing island countries may be different from those of larger LDC's and it is important to understand the specific conditions of each SIS before the complete range of development constraints facing them can be fully understood and appreciated, still very little empirical work has been done.

Zanzibar has undergone several phases in its socio-economic development since 1964. Many of its problems and experiences are found in other developing SS and SIS and there is need to compare and contrast them with Zanzibar's and analyse them. Ironically, despite being a semi-autonomous SIS, the period after the 1964 Revolution has failed to recognise that because of its small island status and peripheral role in the global economy, it faced development constraints that were to some extent different from those of other developing countries and so failed to take appropriate measures in confronting them.

In one sense the small size of Zanzibar implies that it is a manageable forum for research. However, its small size conceals considerable diversity and complexities of



development. Bearing this in mind and given the limited time and resources available, other logistical difficulties (such as transport) and the tense socio-economic and political atmosphere prevailing at the time the research still had to be carried out.

The thesis adopts a positivist stance. Although the principal approach to the study is from the geographical perspective, much of the argument is economic, sociological, political and historical. Given the complexity of the problems and prospects facing SIS in the developing world the research cannot limit itself to the 'traditional' definitions of geography alone. However, one of the strengths of human geography is that it is able to seek explanations from the social sciences as a whole.

### **1.5 Research approach**

Of the different development paradigms, this study is based on a *dependency approach*. It discusses the strands of dependency analysis, modifies and utilises them in the study of development problems of SIS. (Brookfield, 1975; Cardoso, 1972; Dos Santos, 1972; Frank, 1969, 1977; Griffin, 1969; Johnson, 1972; Kay, 1989; Seers, 1979; Sunkel, 1972). With the exception of Brookfield's (1975) work and perhaps the few contributions of the "Caribbean dependency school", there is a striking absence of dependency literature on small states.

The research extends the problems of dependency to the concept of *Double Dependency*, which has been devised for land-locked countries. While these are problems commonly associated with dependency analysis this does not invalidate their application. For example, Kay (1990) notes the continuing relevance and utility of dependency analysis and recommends the renewal and progression of traditional structuralist and dependency analysis in attempting to present an alternative to the neoclassical and modernisation paradigms (Kay, 1989; 1990). This approach is taken up here and applies the remodelled dependency analysis to the current development problems. Although the analysis is based on a remodelled and more realistic version of dependency analysis, the possibility that other paths of development exist - and need not be within the simplistic confines of capitalism or socialism, outward or inward directed development, or import substitution or export promotion industrialisation - are recognised.

In the 1970s most of the discussions and debates on Dependency Theory revolved around larger countries and the manner in which they were linked to the global economy and influenced by it. In a study of small economies in 1965, Demas argued that a small domestic market placed sharp limitations on the process of import-substitution industrialisation, thus removing the option of balanced growth. This goal, he believed, could only be realistically attained by large continental countries. However,



these views were seen as being 'environmentally deterministic' by Best (1971). He argued that such views focused only on physical variables such as size instead of 'manipulable' policy variables. He suggested that emphasis should be upon the *organisation* of small economies instead on their size *per se*. Underdevelopment was no longer seen as a passive condition in which states found themselves at birth, instead it was a phenomenon brought about by their dependence upon, and peripheral location within, the international economy as a whole (Payne, 1987:85). It is important to understand that such economies are both small and dependent, and not dependent *because* they are small. Nonetheless, a claim does need to be made for size, though it is of secondary importance to their world economy position.

Dependency analysis can help by identifying a series of factors that explain constraints to development and enhance underdevelopment. These include the examples provided and others such as the position of certain classes and their influence on the economy, a tradition of monoculture, the intermediary function of the state, and the role of foreign investment, including aid and loans. In so doing Dependency Theory can be seen to have added something of value to the analysis of the economic constraints facing small states (Payne *op. cit.*:55). It is not the purpose of this study to repeat analyses which have been made in larger countries, rather it seeks to complement such studies by highlighting the specific problems and constraints of small developing countries and SIS in particular.

The study needs to adopt an historical approach in assessing how the economy of Zanzibar was influenced by its previous history (pre-colonial and colonial) and how it evolved from 1964 to the 1990s. This provides the background to the understanding of how the current problem has evolved and thus avoiding the poverty of ahistoricism. Moreover, such an approach forms one of the manifestations of dependency analysis. According to Palma (1981), the historical component is one of the most encouraging and redeeming features of Dependency Theory. The themes and ideas emanating from the dependency literature are then applied in making an assessment of the Zanzibar's current position and future prospects. It is also appropriate to analyse the dependency relation within the periphery and their implications.

## **1.6 Methods, assumptions and limitations**

### **1.6.1 Methods**

Three methods of analysis are adopted in the study. The first, *cluster analysis*, is made using a sample of 26 small and small island states, incorporating the five SIS of the Western Indian Ocean Region to ascertain whether there does exist a typology of SIS and why the groups are formed. The second, *comparative analysis*, is used to help



explain the membership and status of these groups. The advantage of the comparative approach is that it enables issues in the main study area (Zanzibar) to be seen in a different light, which might have not been seen otherwise, for example, why is tourism and administration so much better developed in Seychelles, or manufacturing in Mauritius compared to Zanzibar? The third, is a *socio-economic survey* of Zanzibar. The purpose of the survey is to ascertain and complement secondary sources of data, to provide an in depth understanding of the existing situation in the Isles, given the recent changes occurring there and to draw out and analyse characteristics existing in the population which are a consequence of current socio-economic and political developments. The survey also seeks to show that both rural-urban and inter-island disparities exist and that these are accentuated because of its status as a MIRAGE economy.

### 1.6.2 Limitations

SIS are plagued by the lack of adequate statistical data and other information related to development. The SIS in the South West Indian Ocean, and Zanzibar in particular, are no exception. Moreover, the inherent problem of insularity that exists in most SIS has affected the research in various ways. For example, despite going through all the relevant and official channels and explaining why the research was done, there were many instances when the researcher was treated with suspicion and was aware that some interviewees were weary of some questions and issues.

In Zanzibar, the research was carried out at a time when considerable political, social and economic changes were occurring and society was sensitive to developments (e.g. removal of food subsidies, emergence of clandestine dissident groups, emergence of religious fundamentalism, liberalisation and the influx of 'foreigners' and foreign investments and the re-emergence of class interests).<sup>1</sup> The researcher is not indigenous to the Isles, and in some instances, coming from the Mainland can be a disadvantage.

The social and economic problems facing the island community were (and still are) considerable and this was observed during the research. It is not known to what extent the research and the responses and quality of data and information was affected by these developments. As such the timing was perhaps not ideal for conducting a social science research, but the limitations of time and resources dictated that the work had to continue. However, being aware of the situation is advantageous and the researcher

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<sup>1</sup> The emergence of fundamentalism is symptomatic of social and economic dissatisfaction and frustration. A similar situation occur elsewhere, e.g. in Egypt, Algeria and Tunisia. However, there is also an element of external attempts aimed at influencing local political (and economic) developments through the influence of religion. Whatever the case, this phenomenon merits a study of its own and it is assumed in this study as symptomatic of a response to socio-economic and political development that have occurred in the Isles.



was able to adjust to them. Despite the frustrations they sometimes created by (possibly) affecting questions and responses, or through mere suspicion, they have helped broaden and enrich the understanding of the situation in the islands and perhaps added more to the research findings than they may have hindered.

Insofar as the quality of secondary and official sources of data and information, the quality has improved and mainly because of current development needs and the requirements of aid donors who demand precise information before extending any assistance. The offices of multilateral development agencies are also involved in data collection and publication. However there were restrictions in obtaining access to some reports and it was difficult to trace older ones. The researcher was informed that some reports and records were lost or destroyed just after the 1964 Revolution, however, once the Zanzibar Statistics Department was established there has been an increasing variety and flow of published information.

The main predicament with official statistics is that they report within the framework of the economy, often presenting it in aggregate form. As in many other countries, the manipulation and presentation of official statistics occurs in the interest of the established power groups and development objectives. This study has had to depend on such statistics considerably and this is unavoidable. To counteract this problem a socio-economic research was carried out and the results are used to support the hypotheses and other observations. The disaggregated social data generated is also compared to the official statistics for consistency. Furthermore, the period after 1984/85 saw an increasing amount of social science based research being carried out by individuals, multilateral organisations and social scientists in general. Some of this data and information has been made available. In the process, it is anticipated that the micro-level data will overcome some of the anomalies created by the manipulation of official statistics.

It is also hoped that the data and information generated by the questionnaire survey is perhaps amongst the most important contributions in that quite unlike official macro-level statistics is not implicitly diffusionist in approach. The study is not completely dependent on statistics emanating from the diffusionist school such as Keynesian aggregated measures such as Gross Domestic Product and Gross National Income. It also makes use of other, human development based data, such as access to water supplies, education, and literacy. This is important as the study is critical of the excessive use of such measures and the diffusionist development approaches as a whole.

On the whole despite the obstacles presented by the lack of adequate official statistics, it is assumed that inaccuracies have been limited by frugal use of the existing data and



by complementing them with other sources. It is hoped that in the long run the inaccuracies that result are not serious enough to invalidate the analysis.

### **1.7 Organisation of the thesis**

At the beginning of each chapter an introduction followed by the subject matter of the chapter and at the end of each chapter a summary and conclusion is made. The first chapter introduces the research problem and the approaches adopted in making conducting the analysis. Chapter two discusses the theoretical perspectives and how they apply to the problem. Chapter three consists of a literature review, tracing the development of the literature on small economies and small island states, focusing on the problems of size. The fourth chapter introduces and discusses the research design and methodologies used. Chapter five attempts a cluster analysis of a sample of 26 SS and SIS and then isolates and analyses further with descriptive statistics the five SIS of the Western Indian Ocean region. This is followed by a comparative analysis of the five SIS. Chapter six provides the Zanzibar's background and traces and analyses the issues which lead to its independence and the 1965 Revolution. Chapter seven describes and analyses the events and issues occurring during the *First Phase* of the Revolution (1964-1972), including the establishment of a political Union with Tanganyika. The eighth chapter does the same with the *Second Phase* (1972-1983) and notes the gradual (evolutionary) changes that were occurring up to the economic, social and political crises of the early 1980s. Chapter nine analyses the *Third Phase* which is identified by liberal economic and social policies, quasi-prosperity and the emergence of new characteristics in the Zanzibari economy. Chapter ten identifies and analyses the existence of MIRAGE characteristics and their implications. The eleventh chapter notes the other emerging and dominant economic characteristics, the demise of agriculture and emergence of trade as the 'engine of growth'. Chapter twelve presents the results of an empirical study through a socio-economic survey, detailing the spatial, social and developmental implications of Zanzibar's MIRAGE economy. Chapter thirteen summarises and concludes the research findings and identifies issues for further research.



## CHAPTER TWO

### 2.0 Theoretical Perspectives

#### 2.1 Introduction

The interest in the development of 'backward areas' during the post war era (WW II) has lead to theoretical and methodological concerns that have become an important part of classical social science. Social scientists from various fields became concerned and involved with important social issues, and especially those related to development and underdevelopment. Consequently, development theory contains a variety of social science approaches and has lead to an interdisciplinary, normative corpus of Third World development theory. Development theory has thus evolved to be a loose body of contending approaches that, in spite of contradicting each other, also presuppose one another (Hettne, 1990).

The emergence of such a theory followed from the realisation that the problems of development of the Third World were specific and different from the original transition (as in the process advocated by transition theorists) and this emerged from tentative attempts at understanding the problem of underdevelopment from the point of view of the developed world. Of central concern was that the conditions in the less developed countries were unsatisfactory and needed to be improved. Such a viewpoint emanated from a Eurocentric phase of development thinking that prevailed during the period. It has since evolved to become increasingly complex, multidisciplinary and more authentically universal. It is concerned with change within social, economic, political and cultural spheres. Logically, since it is not static, there can be no fixed nor final definition of development, only suggestion of what development should imply in particular contexts (Hettne, 1990:2). As Hettne also suggests, development should be an open-ended concept, constantly re-defined as the understanding of the development process deepens, and as new problems to be solved by development emerge. Such a position is adopted in the framework of this analysis.

This chapter comprises two main elements. The first discusses the problems of development and underdevelopment and introduces the theoretical perspectives that have evolved around development and underdevelopment. It includes a discussion of the definitions of development and underdevelopment, what are perceived as the causes of underdevelopment, the emergence of the *diffusionist-modernisation* paradigm and its solutions to the development problem. From there the chapter discusses the challenges to the *diffusionist-modernisation* paradigm, and a number of *alternative approaches* to



development are discussed. Subsequently, the analysis discusses the emergence of *dependency analysis*, presenting a critique of it in an attempt to reformulate and assess its applications in the analysis of the research problem. The focus is on the relevance of a reformulated dependency analysis to the study of small countries and especially developing SIS.

The second part moves from the theoretical to the more concrete highlighting practical experiences of development and underdevelopment in developing SIS. It introduces and discusses the idea of *double dependency*. While formulated within the case of land-locked countries, it is argued that if the premise of this concept is accepted - that geographic location is an inhibiting factor in the development of such - a similar argument can be applied to the SIS. It also consists of a review of the existing literature and contemporary issues and debates revolving around the problems and prospects of SIS. The discussions gradually impinge on the problems and experiences of the islands of the Western Indian Ocean.

## 2.2 Definition of Development

The idea of development can be broad and open to ambiguity. Narrowing it, involves change and in development studies, to change as it applies to whole societies or states (Dower, 1988). However, this is still inadequate and there is a need to define the form and type of changes. Within this context then, development can be defined as a process of change influenced by human action occurring in societies. By its advocates it is seen normally as a positive value.<sup>1</sup> Dower (1988:9) adds to this by stating that "development is a process which ought to take place."

This is the working definition of development taken up by the study. However, it is also recognised that in the process of analysing development theory, different definitions are adopted by the various schools or paradigms at different times.

The research problem is associated with development. It questions why, after nearly three decades from the era of decolonisation acceptable levels of development have not occurred in most of the Third World and attempts to analyse the development constraints of a SIS using a reformulated *dependency* not as a theory, but as a method or framework of analysis.

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<sup>1</sup> Positive value does not necessarily imply economic value. It can include good things of human life or relative priorities in the elements of well being. It also includes basic rules of morality, institutional norms for collective decision-making and the role and extent of government, justice, human rights etc.



### 2.3 Development and Underdevelopment

There is no single, generally accepted definition of development mainly because development theory itself is a diverse body and open to various interpretations. As early as 1963, Dudley Seers in his article *The Limitations of the Special Case* argued that conventional economic theory was only valid for Western Industrial capitalism pointing out that:

Economics seem very slow in adapting itself to the requirements of the main task of the day - the elimination of acute poverty in Africa, Asia and Latin America - just as the previous generation of economists failed to cope realistically with economic fluctuations until after the depression had brought politically catastrophic results (Seers, 1963:77)

Indeed by the 1970s development was still seen by some as a purely economic phenomenon. A basic distinction must be made between economic growth and development. The former is analysed in terms of changes in the value of often purely economic parameters such as GDP, GNP and National Income, whilst the latter is a process which affects not only purely economic relations but also and perhaps more importantly, the social, political and cultural aspects of society. Macro-economic aggregate indices, however, merely provide a rough indication of economic growth, concealing the internal distribution of income and social welfare, both with socio-economic and spatial structures (Brookfield, 1975). This includes changes as they impinge on the cultural, psychological and even spiritual aspects of a nation. Putting it mildly, development should be change for the better - a better quality of life, standards of living, yields, incomes, houses, facilities, food, health, political participation and so on - and these ought to be the wish of those central to the issues.

Neo-classical economic theory views development as the growth or expansion of a leading sector or sectors in the economy, from which multiplier effects will be generated. The export performance of a country was seen as necessary engine of growth, the benefits of which would be distributed to other sectors (Viner, 1953). This view was embraced with vigour in the development plans of newly independent developing countries, and the period between 1960 and 1970 saw a diffusion of industrial development programmes and projects all over the developing world with the intentions of diversifying from primary production, reducing imports and expanding on manufactured exports. Most of these programmes had limited success since effort was concentrated on what was erroneously thought to be development, but was in actual fact economic growth. The two are totally different since the latter does not necessarily imply the former.



The interest in development within the Third World was generated in the post war era (WW2). The global economic system was being overhauled. The metropolitan economies were weak from the war and focused their attention first on domestic matters. Moreover, one of the effects of the conflict was the increase in the demand for independence by the colonies. Following 1945 there was a massive disequilibrium in the global economic system, particularly in Europe, which was in need of development. Successful European reconstruction created an atmosphere of optimism with the capabilities of manipulative state-led intervention which had 'enormous' potential to the emerging new nations.

For development to occur a major reorganisation of the modes of production, exchange and consumption had to be implemented. The demand for independence was linked to the anticipation that the general socio-economic conditions within the colonies would be improved with self-government. This process exposed the intensity of underdevelopment that existed and the urgent need for rectifying the situation.

Insofar as neoclassical theory is concerned, underdevelopment, like development, was viewed as an economic phenomenon, measured through a set of indicators. If and when these did not approach an 'accepted' (Western) levels, which was more often the case, then a country was considered 'underdeveloped'. Needless to say Third World countries failed to qualify as being 'developed'.

The basis of Western mainstream development thinking, whether economic, political, sociological or psychological, has been rooted in a basic paradigm which viewed development in an evolutionary perspective, the state of underdevelopment being defined in terms of observable economic, political, social and cultural differences between rich and poor nations. This paradigm became known as the *Modernisation Paradigm*, and to it, development was the process of bridging these gaps by an imitative process and once an underdeveloped country assumed qualities similar to Western industrialised countries, it became developed.

The Modernisation paradigm is referred to here as a certain development policy in Third World countries (Smith, 1973). In summary, the modernisation paradigm sees development as a spontaneous, irreversible process in every society and implies structural differentiation and functional specialisation. The process of development can be divided into distinct stages showing the level of development achieved by each society. It can be stimulated by external competition or military threat and by internal measures supporting modern sectors and modernising traditional ones.

An alternative argument is put forward suggesting that development is more the process of generating wealth and the siphoning of surplus from the 'peripheral areas' to the



metropolises - it is responsible for lack of or the degeneration of development in the periphery. Capitalism is seen to create the development of underdevelopment and imperialism maintains a state of backwardness by reinforcing economic and social structures as well as conservative social classes in the Third World. The causes of continual backwardness is the maintaining of peripheral economies in primary production, and within them the transfer of economic surplus from agriculture to commercial sectors and on to foreign capital (Baran, 1957; Prebisch, 1959; Frank, 1967).<sup>1</sup> It is perceived as the combination of the economic underdevelopment process and the stagnation and even erosion of social, political and cultural aspects of society.

Critics of the traditional views of development grew in numbers and were challenging the predominant paradigm of conventional development theory, and this led to a new paradigm severely critical of the capitalist system based on the glaring differences between the development requirements and conditions in the Third World and the developed countries (Seers, 1963; Foster-Carter, 1976). Neo-classical economics was seen to be obsessed with explaining the past patterns of development and its failure to produce sufficient prescriptive analyses was severely criticised (Stöhr and Tödtling, 1977; Browett, 1980). In line with the *Marshall Plan approach*, conventional theory placed implicit faith in *Development from Above* (Stöhr and Tödtling, 1977).

The post war era saw the global economic system going through significant changes. In fact it was not only development which was the leading issue at the time, but coupled to it was the issue of reducing or even eliminating underdevelopment. An historical approach sees the world wide development of capitalism within a context in which Africa, Asia, Latin America and other LDCs were part of the same process that led to development in Europe and North America (Griffin, 1969; Frank, 1969; Palma, 1981). A spatial expression to these relationships sees the *metropolises* (core) of the world capitalist system dominating a series of *dependent satellites* (the periphery), from which the economic surplus is extracted and transferred back to the metropolises (Frank, 1969). The economic structure and spatial organisation of the underdeveloped countries were geared to the needs of the core/metropolises providing food and raw materials and importing manufactured goods. Their positions have become precarious with a significant shift in the terms of trade in which the prices of primary products for export have stagnated or even diminished while those of manufactured goods have risen fast (Smith, 1979).

Seers (1963) points out that at the heart of the problem is the distinction between the development requirements and conditions in the developed countries and those within

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<sup>1</sup> They amongst others, form the basis of the *dependency approach*.



the LDCs a view which is generally accepted by most analysts (Brookfield, 1975). Neo-classical development theory has been accused of failure to redress the unequal patterns of development occurring in the world and held responsible for enhancing disparities at both the class and spatial levels. It has been accused by proponents of the *dependencia* school that in practice it has done very little for most LDCs.

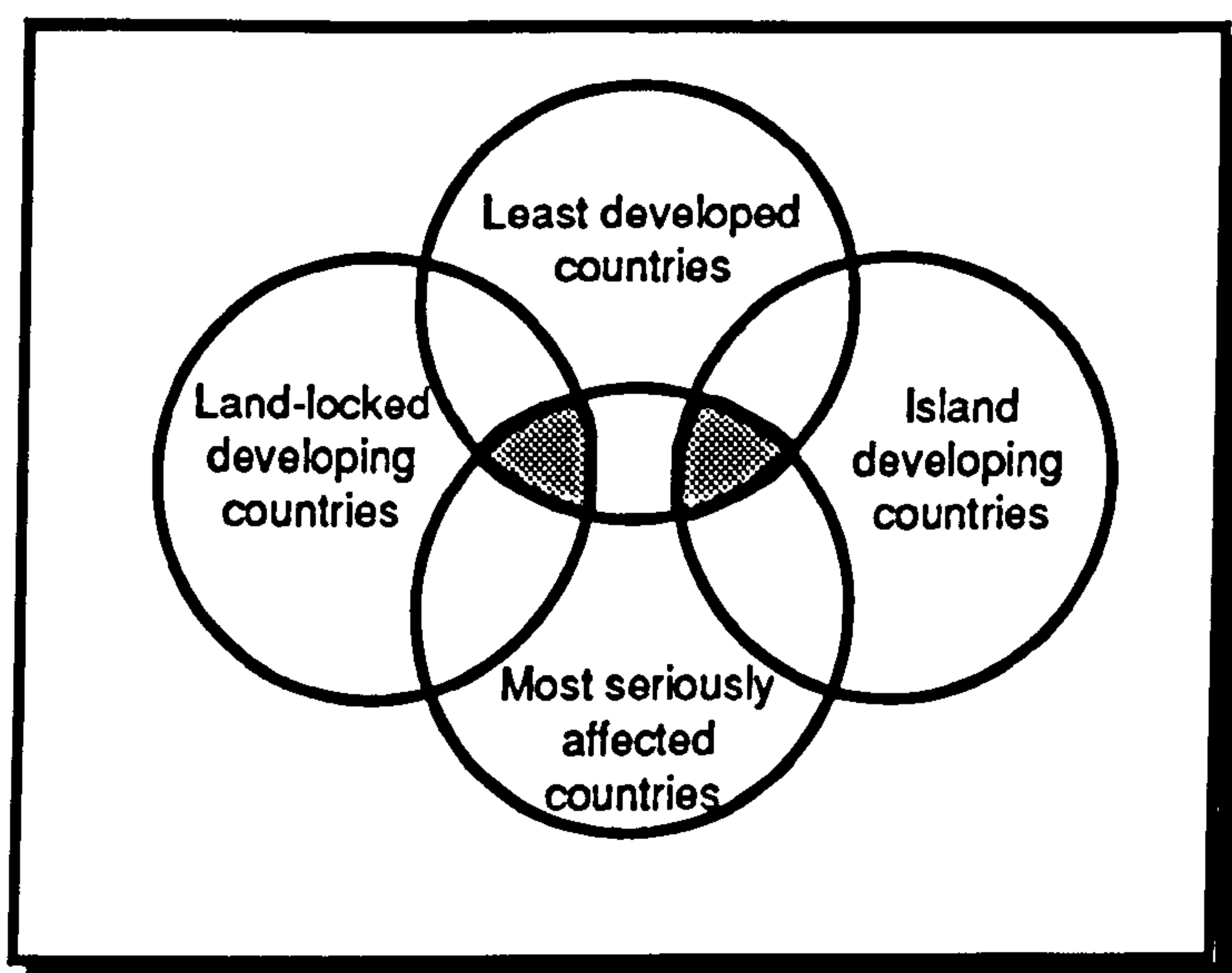
Some writers argue that development and underdevelopment are not different stages or states of a productive system. Instead, they are functions or positions that coexist within an international system of production and distribution (Cardoso, 1972). Sunkel (1971) echoes similar views by stating that development and underdevelopment are two faces of the same universal process. Frank views development and underdevelopment as parts of a deformed and lop-sided economic structure in which the same historical process of the expansion and development of capitalism throughout the world has generated and continues to generate both economic development in the one world and structural underdevelopment in the other.

The basic belief of the neo-classical approach lie in the ability of market mechanisms to generate growth, the benefits of which became spread through diffusion. It is from this notion that Browett (1980) describes such an approach as a *diffusionist paradigm of development*. The proponents of the *diffusionist paradigm* believe they adopt an ideologically free approach to development; they also believe that as a result of this position, they are able to provide an objective and value-free transition from *traditionalism* to *modernity*. The reality of such an argument is far from true. This approach has often exacerbated income inequality, with the periphery and between the periphery and the core, and subsequent spatial development has also been lop-sided, often leading to a proliferation of other social, political and development problems.

The Third World has been and continues to be (though not exclusively) the focus of development problems. After over three decades of addressing the development constraints with varying degrees of successes and failures, the Third World is undergoing a process of differentiation (within it). Some countries will not be underdeveloped, others will find themselves in new forms and structures of dependency and others will continue to be even more underdeveloped. Hettne (1990) argues that theorists who hold on to the centre-periphery model refer to 'semi-peripheral' or 'subimperialist' states, but this is not a homogenous category. What he terms as the 'new influentials' (e.g. NICs of South East Asia, Mexico, Brazil, Argentina, Saudi Arabia, India, South Africa etc.,) base their status on strategic natural resources, others on successful industrialisation, while a third category continues with one or both with geopolitical power in the context of their own regions.



This differentiation of the Third World is also reflected in the efforts to identify new problem categories in the periphery, e.g., the Fourth World, The Least-Developed Countries, the Most Seriously Affected Countries, Land-Locked Countries and Island Developing Countries (see figure 2.1). The concept of the Fourth World has varying meanings, but the others have been operationally defined for the purposes of classification within the UN system and constitute distinct, although partly overlapping categories (the shaded areas in figure 2.1). The shaded areas indicate a particularly problematic situation, and a more systematic categorisation of the Third World is required (Hettne, 1990). In this respect, Korany (1986) suggests that the hierarchy within the South is in search of a theory. The position of this study recognises and agrees with these arguments and hence the focus is on the problems of one of the categories that appear in the diagram (figure 2.1), that is the developing small island states.



Source: After Hettne 1990:248

**Figure 2.1 Differentiation of the Third World showing the 'new' peripheries**

#### **2.4 The Modernisation-Diffusionist Paradigm**

The diffusionist theory has three dominant branches which can be identified (Browett, 1980). The first is that of *spatial differentiation*. This branch concentrates on the comparative analyses of patterns of development, and assumes that development in less developed areas can be achieved through eliminating the basic characteristic of underdevelopment. The second concerns itself with single regions or *nation stage models*, (Rostow, 1960). The last branch is concerned with the *spatial diffusion of development*, that is, the spread of the attributes and benefits of growth through space and across sectors. Classical statements within this idiom include Perroux (1955) and Hirshmann (1958) which also form part of the *centre-down paradigm*.



Several major criticisms have been directed at the diffusionist paradigm. As development is seen in purely economic terms, there is the erroneous assumption that it can be measured exclusively in terms of economic variables. Other dimensions are neglected. Aggregate statistical measures are used to reflect levels of development as well as to provide causal explanations of the often backward levels of development.

The diffusionist paradigm neglects intra-areal distributions and the inequalities that exist within national units. Spatial inequalities are a consequence of one of the weaknesses of the free market system. As mentioned earlier, the measures and criteria used in the paradigm are adopted from a *Eurocentric* perspective. This approach presupposes that *modern* or *western* is superior and what development should be. What is *traditional* is deemed to be undesirable and even inferior (Foster-Carter, 1976).

The assumption that all societies begin from a common baseline of *traditional underdevelopment*, that is that today's less developed countries are at an earlier 'natural' stage of development, is one of the unjustified assumptions of this paradigm. Here, Clark's sectoral theory and Rostow's (five) stages of economic growth are both of relevance.<sup>1</sup> However such theories negate the unique historical development of developing countries beside being historically deterministic. Frank (1967:37) stresses that Rostow's theory attributes a history to the developed countries but denies all history to the underdeveloped countries. In so doing, Rostow neglects the past of the underdeveloped countries but posits a future for them similar to that of the wealthy nations. He fails to recognise that the history of the underdeveloped countries in the last five centuries is, in large, part the history of the consequence of European expansion and this is why it is important to understand it, as this whole process led to the rapid expansion and development of the Western dominated global economy (Griffin, 1969). Rostow chooses to ignore colonialism and certainly pre-colonial economic and social systems and perceives development from a Eurocentric point of view.

The division of the developed and underdeveloped countries as separate systems of spatial organisation is yet another fault of the diffusionist paradigm. On the one hand the developed economies were assumed to have experienced development through initial advantages at critical stages of change. The less developed economies, on the other hand, were seen as being trapped in *vicious circles of poverty*, where low levels of output generate low incomes which in turn sustain low levels of demand and savings which are inadequate to sustain new investment and thus increase the level of output. The development problem is then seen as how to break out of this cycle of self-perpetuating poverty particularly where such problems are of their own making (Smith, 1979;

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<sup>1</sup> That is beginning with (i) primitive society, to (ii) precondition to take off, to (iii) take off, to (iv) drive to maturity, and finally to (v) high mass consumption.



Browett, 1980). The lack of linkage between the two worlds permits the proposition of the existence of isolated dual economies. The reality is quite the contrary and empirical evidence as presented by the dependencia school has discredited this proposition. The world capitalist and non-capitalist blocs are substantially dependent upon one another for materials, technology and markets, though it is equally obvious that the benefits generated tend to flow in the direction of the metropolises.

The assumption that the spread and filtering of growth impulses from developed to less developed areas is automatic have been criticised as inaccurate by Stöhr and Taylor (1981). It was deemed highly unlikely that reduction of inequalities would be achieved by higher functional integration at the national and international scales, so as to create an efficient mechanism for the spread of development from above. Hansen (1981) echoes this criticism and emphasises that growth rates vary from sector to sector, and therefore a balanced approach to economic growth would be very difficult to achieve.

As far back as 1957, Myrdal in his work on the concept of *cumulative causation* was convinced that unbalanced growth strategies would serve only to increase inequalities. The belief that the centre would spread wealth to the periphery was explicitly rejected by Myrdal (1957); instead he perceived the centre as enhancing its own growth at the expense of the periphery. This approach what Myrdal called, *cumulative causation*, was to be very influential on subsequent work in which a basic argument came to be that core nations are dependent upon the continuous drain of the periphery for their continued prosperity.

Particular criticism has been aimed at the diffusionist paradigm due to its attitude towards the role of the state. As mentioned earlier, the apolitical or non-ideological approach is naive and unrealistic. It wrongly assumed that the state is neutral. In doing so, it dismissed the existence of conflicts and frictions between countries or states (externally) and classes (internally). The state is not neutral as it tends to serve particular classes and interests as represented by various power groups. Despite this, many of the development programmes of developing countries, have been and continue to be based on the assumptions of the diffusionist paradigm. They have often been conceived by consultancies in developed countries and supported by governments of developed countries.

Seers (1963) and Brookfield (1975) were critical of conventional development theory's inability to deal effectively with the numerous constraints facing development in most LDCs. It has erroneously assumed the existence of a dynamic, wealthy and healthy economy as a base for development. This however, has not quite been the case. Weaver (1981) notes that important or strategic factors such as natural resources endowment, location, political allegiances, boundaries, racial, religious, linguistic differences, land



tenure, land availability, capital and entrepreneurial activity are not considered. It is only the two primal economic forces of production and consumption that are relevant, and these are balanced off in locational terms.

There are also inherent weaknesses in the use of aggregate measures and indices. Apart from being rough estimations of economic growth, they evade issues of distribution. The statistical base for the plans are weak and frequently manipulated (Seers, 1982). Where large portions of production are marketed outside the formal economic or marketing system, as is often the case in many developing countries, the official statistics are based on estimation, proving that the diffusionist paradigm suffers from a serious problem in its inability of dealing with complex internal structures of national and regional economies.

By the 1970s a substantial transfer of income from the poor to the rich countries had occurred. Levitt (1970) and Browett (1980), amongst others, observe that the diffusionist development paradigm has induced very limited economic growth and development in less developed areas. If anything the situation has been worsened with the ever increasing dependence of the LDCs on the developed metropolitan economies through food aid, grants and loans. The recipient countries became 'clientelist' states of the 'benevolent' partner. Implicitly the foreign and other policies and even development programmes of the recipient country become an extension of the centre. Meanwhile very little genuine development takes place.

From this analysis it appears that orthodox development theory, represented by the diffusionist paradigm, has been of limited use to most LDCs in the critical sense of resulting in balanced development. If anything, it has continued to serve the interests of the developed countries and at the expense of the LDCs. Economic, social, cultural and political conditions of many LDCs have worsened in recent years, particularly in Africa deepening underdevelopment. The extraction of resources has accelerated to alarming proportions, often leading to severe imbalances in many local ecosystems. There is little doubt that profit motivation has continued to be paramount, even leading to the transfer of the production and services processes away from the core to some peripheries.<sup>1</sup> These developments have culminated into an urgent need to seek an appropriate approach which can address in a more concrete manner the development constraints of LDCs and produce some practical solutions to their problems of development.

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<sup>1</sup> The transfer of many US based manufacturing/assembly work to Mexican border towns, or European subcontracted manufacturing work in the Newly Industrialising Countries (NICs) of South East Asia, or financial services to the numerous off-shore banking and insurance functions, is evidence to this.



Although it may be argued that some 'development', whether economic or otherwise, has taken place in certain areas of the periphery, apart from the fact much of this is not sustainable and has been at the expense of large scale exploitation of the natural environment, it has led to an increased degree of dependency. Utilising any measures of development, the pace between developed and developing countries has been disparate to the extent that the 'development gap' has actually increased over time and with current trends any hope of bridging or reducing the gap seems to be a mere pipe dream. The implications of this for world political stability and social justice are serious as evidence in Latin America and Africa show (Smith, 1979). This leads to pressure for increased population movements away from the extreme poverty in the periphery and movements aimed at the removal of indigenous bourgeois elites, which in turn lead to violence and instability, further perpetuating impoverishment of the majority.

### **2.5 Alternative approaches.**

In the last two decades there have been efforts to seek and attempt alternative strategies for development. Some were to give stronger preference to rural development along with increasing the national growth rate and engendering structural change in the economies of underdeveloped countries. Poverty, employment and self-reliance were key issues incorporated into development planning. Policies aimed at raising the productivity and incomes of the poor within LDCs. Following on this road, in the early 1980s the World Bank and ILO advocated strategies dealing directly with employment-oriented development and redistribution with growth respectively. Development strategies and policies increasingly concerned themselves with promoting and preserving equality and community, fostering the evolution of small scale enterprise, promoting peasant agriculture, engaging the people in the development process, and removing the bias towards big cities, large scale industries and centralised forms of organisation (Gore, 1984:149).<sup>1</sup>

In the light of the failures of most development strategies and programmes, several alternative attempts aimed at bringing about the elusive goals of development have appeared. *Self-reliance* has become a key word featuring prominently in many post-colonial and post-independence policies and specifically, in the philosophies of some of the newly emerging states. However, three decades later, the results have been far from satisfactory and as a consequence a variety of alternative approaches have been suggested.

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<sup>1</sup> By and large all the strategies extended from an alternative approach to development argued for by Seers (1969) in a paper in which emphasis is placed on the elimination of poverty, unemployment and increasing self-reliance. See Seers (1969) "The Meaning of Development".



A number of such strategies and policies advocating slightly differing angles to the general approach have appeared. These include, *urbanisation for rural development*, *development from below* (Stöhr and Taylor, 1981), *agropolitan development* and others. These are referred to as populist and neo-populist development strategies.

Alternative strategies have been developed in the form of policies and programmes aimed at the interests of rural populations and those who are least empowered in the development process (Friedmann, 1992). These attempts or approaches have been referred to generally as *development from below* (Stöhr and Tödtling, 1977; Stöhr and Taylor, 1981). Stöhr and Tödtling (1977) perceived through a need to increase the resilience of spatial systems by controlling the negative economic, social and political *backwash effects*. By and large these are seen as efforts aimed at reversing the trends towards functional and spatial integration which tends to favour the prosperous centres at the expense of the periphery. In general this approach aims at spatial egalitarianism. However, there are prerequisites to evening out patterns of development. The concept of spatial development needs to be expanded from the purely economic to embrace social and political processes. Distance friction, which hitherto had been perceived as a negative aspect, needs to be considered as a positive factor in decision making, as this is one advantage of decentralisation. Non-market and non-institutional based activities in the informal sectors have to be given greater attention, and a shift in the decision making process, away from the vertical or functional scale to the horizontal or territorial units at various levels. The intentions are to benefit the population in the disadvantaged regions by empowering them with respect to their own development. In doing so, dynamic impulses are created which may require selective spatial closure to avert unacceptable transfers to and from the selected areas.

Amongst neo-populist strategies appearing within the last two decades are those proposing to transform market towns as rural growth centres, i.e., basically what was being proposed is that alternative urban centres be developed. The process of urbanisation itself was perceived as not wholly negative, the main issue was the spatial and hierarchical distribution of the urban population. It was thought that the creation of small market towns would act as agro-urban communities and which would also link the 'ubiquitous' villages and the 'parasitic' great cities. However, critics saw this approach as further enhancing the possibilities of draining surplus from the rural areas to the urban centres.

In the 1970s the United States Agency for International Development (USAID) devised the Integrated Regional Development Strategies which aimed to be a spatial policy for



equitable growth.<sup>1</sup> Proponents of this strategy include Rondinelli (1978). It bore some similarities to Johnston's proposed strategy, and adopted a 'transformation approach' in which the objective was to create an 'integrated' system of production and exchange within a national economy, but linked to the world economy. This was to be achieved through promoting a variety of spatial linkages between the rural areas and between the rural and urban areas. Basically this was another attempt based on the diffusionist paradigm, aiming to eliminate the symptoms of acute underdevelopment occurring within the rural economies and the lower echelons of the urban populace. Needless to say, it focused on the symptoms rather than the cause, and hence achieved limited successes. Ironically, the funding for such projects often emanated from loans, which have subsequently exacerbated the economic problems of many a developing economy.

Another strategy aimed at achieving spatial equity promotes 'selective spatial closure' through the devolution of power to local and regional communities. Basically it is a form of decentralisation. This approach is advocated by Stöhr and Tödtling (1979) and is based on the idea that local and regional development may be promoted through selective spatial closure. The strategy is based on the anti-thesis of the dependent position poor countries have within the world economy. They also suggested the '*development from below*' alternative which rests on the 'bottom-up, periphery-inward' development paradigm where development is defined as an integral process of widening opportunities for individuals, social groups and communities organised on a territorial basis at small and intermediate scale, and mobilising the full range of their capabilities and resources for the common benefit in social, economic and political terms (Stöhr, 1981:39-40). Development from below strategies are essentially basic-needs oriented, labour intensive, small scale, regional-resource-based, rural centred, and argue for the use of 'appropriate' rather than high technology. Here again, their very existence is symptomatic of the inherent weaknesses and failure of orthodox development economics.

One strategy which is concerned with the integrated mobilisation of human and natural resources of specific historically defined regions is *Territorial Regional Planning*. It is seen as an endogenous activity conducted within the regions where its decisions take effect. Friedmann and Weaver (1979) point out that territorial planning engages the people in that region within the planning process, which is also a political process, emphasising equity outcomes through seeking the general improvement in the quality of life for all the people in the denoted area. Included here is the precondition of a shift of the decision making process from a functional to a territorial orientation. Emphasis is

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<sup>1</sup> Also known as RIDEPS - Regional Integrated Development Programmes and sometimes Rural Integrated Development Programmes.



paid to the informal sector and the whole concept of economic development is broadened to encompass economic, social and political processes. Development from below seeks to achieve overall even development and is thus more egalitarian in its nature.

*Agropolitan Development* is a spatial policy, initially was used as a strategy for accelerated rural development and later a *basic-needs strategy* of territorial development (Friedmann and Weaver, 1979). While initially formulated for the rural areas of Asia, some areas in Africa have similar characteristics. The changes involved in this transformation highlight the shift in thinking from 'functional' to 'territorial' regional planning. Functional ties are based on and concerned with mutual self-interest, whereas territorial relationships, though characterised by inequalities of power, are tempered by the mutual rights and obligations of a territorial group (Friedmann and Weaver, 1979). Stöhr (1988) points out that when people react in this way, they challenge the crisis of the world economy by taking their local space as their point of departure. However, they will need to make a planned transition towards a more sustainable development.

By and large the aim of such efforts has been to reverse the trends towards functional and spatial integration which has otherwise favoured the larger centres. They have been applied in a number of countries, Tanzania and China being amongst the better known and documented cases. Under Nyerere, Tanzania adopted a variety of approaches based on neopopulist policies and strategies. The objective behind these attempts were to eliminate inequalities, modernise agriculture and raise the material standards of living of the people. Emphasis was on agricultural and rural development. Urbanism was discouraged. The implementation of these policies under Nyerere's African version of Socialism, *Ujamaa*, was not without its difficulties. Nyerere underestimated the difficulties that were to be encountered (Pratt, 1979; 1980; Hyden, 1980; Kitching, 1980). One commentator noted that:

the decision to try to implement *Ujamaa* quickly and universally..., the decentralisation policies, the comparative neglect of the cities and urban areas, and especially Dar-es-Salaam, as well as the attempts to enforce a rigid-*Leadership Code* - all these policies reflect President Nyerere's determination... that Tanzania's development should not lead to widening inequalities between Tanzanians, but rather should be accompanied by narrowing differentials between town and country, between regions, between peasants and workers, between government officials and the rest of the population (Kitching, 1982:120-21).

China has had some success with rural-oriented policies which has been hailed by many who were sympathetic to populist ideas as a demonstration of what such strategies could achieve, even though it is disputed whether China's development model is not populist *per se* (Kitching, 1982:103). The relevance to populist strategy lies in the



use of Schumacherian 'intermediate and appropriate' technologies, 'rural and small scale' industries and an emphasis on agriculture to provide employment to the masses, reduce rural-urban migration and increase self-reliance. True, absolute poverty has been eliminated but China has also developed a significant industrial sector producing industrial raw materials and industrial machinery. Agriculture does not form the backbone of its economy, the much of its GDP stemming from the industrial and services sectors. Moreover agriculture is being increasingly mechanised and increasingly policies have been systematically aimed at accelerating the industrialisation process. Kitching (1982:135) comments that China's overall development strategy "is simply a conventional communist industrialisation strategy modified in subtle and imaginative ways to cope with its particular circumstances, and especially with a massive agricultural population crowded on to a small cultivated area."

Such rural development strategies are aimed at breaking out of the mould of the orthodox diffusionist approach. Their success has been limited, and this is explained by the influence of the indigenous elite, often acting on the behalf of the core or wishing to replace or emulate the harsh inequalities of the core. The limited success also shows that the economy is out of necessity interdependent, so that de-linking is difficult. In Tanzania's case, although a form of selective closure was attempted, the national economy remained part of the global capitalist economy and firmly linked with the metropolises, engaged in primary production, extraction of a few minerals and a limited range of manufactured goods (Hyden, 1980).

These observations have considerable relevance to Zanzibar, for amongst the causes of the 1964 Revolution were the extreme disparities along class and racial divisions, with the indigenous bourgeoisie classes in direct control of the state and economy. Internally, there existed pronounced spatial differentiation between urban and rural areas and between the agriculturally more productive areas and the marginal ones, and between the sister islands of Unguja and Pemba. After the Revolution, a form of 'selective closure' was attempted, between itself (Zanzibar) as a 'region' and the outside world, basically seeking self-sufficiency and de-linking from the world capitalist system. However, this was partial since it remained a primary producer and in the mould of the diffusionist paradigm - basically a traditional plantation economy dependent on the comparative advantages of clove and copra production.

The Revolutionary Government in Zanzibar recognised the vulnerability of the island economy with its considerable dependence on primary production for export and the import of food and sources of energy. Erratic fluctuations in the world market for its main exports directly affect its earning ability, while the small internal market, and the limitations in expertise in government and other important aspects in the economy. The logical (and fashionable) solution was to establish a centrally planned economy to



guide development and make optimum use of the scarce resources which the country possessed and to do this under the umbrella of increased self-reliance and reduced dependency. In fact during the first eight years (*the First Phase*), Zanzibar's selective closure became autarky, a programme aimed at de-linking from the capitalist dominated economy. This was also in response to the dependence paradigm which had become popular with self reliance being the antithesis to dependence.

This approach did not resolve Zanzibar's problems, if anything, they became exacerbated. Contrary to the recommendations of the neoclassical school which advocated comparative advantage, the mainstay crops were losing value in the world market, while what was historically advantageous, its location with respect to the East and Central African hinterland on the one hand and the Middle East and Asia on the other, were no longer important or relevant. Moreover, internal political developments, including its instability, were a disincentive to capitalist investment, whether indigenous or otherwise. These observations are supported by a study commissioned by the colonial government just prior to independence of Zanzibar protectorate. On the economic potential of Zanzibar, it suggested that the level of economic viability for industrial investment was very low (Selwyn and Watson, 1962).

The conditions of severe underdevelopment for the majority of the island's population was blamed on colonial relations and the local ruling class and the relations of production, exchange and distribution. This perception fits into the mould of traditional dependency theory and some of the early prescriptions towards the expansion and development of the national economy included attempts aimed at diversification and import substitution industrialisation (ISI).

Zanzibar continues to seek the elusive objectives of diversification and of increased self-reliance, particularly within recent years. Such policies may contradict those suggested by the 'law of comparative advantage' in primary production, ideas relating to the diffusionist paradigm. Zanzibar remains underdeveloped and continues to occupy a position at the extreme periphery, both in an economic and a geographical sense. The island's economic position is increasingly precarious with a possible catastrophe threatening its main export crop and in which its external relations have been governed by Cold War politics and its complex association with the mainland. More recently it has been affected by the aftermath of the Cold War and further disequilibrium in the world economy as Western countries have become increasingly introverted.

Zanzibar's allegiance with the Mainland was based on security and political considerations, but more recently it has increasingly become economic. In the post-Cold War its geopolitical and geostrategic potential has become defunct, although this also has the positive effect of reducing external threats. Meanwhile, as in other



developing SIS, its dependence has persisted. By the 1980s development policies were influenced by the realisation of the failure in de-linking, and the recommendations of the *dependencia* approach has been abandoned in favour of neoliberal market economics, increasing its dependence.

Before exploring further the case of Zanzibar, it is necessary to examine dependency theory, its various facets and relevance to peripheral developing small island economies. Contrary to the belief that the day of the dependency paradigm is over, it is argued that it still has relevance to the crisis in development and development theory, especially once some of its traditional weaknesses are addressed and its relevance to SIS is noted.

## 2.6 Dependency Theory

Dependency theory owes its origins to the writings of Marx and to subsequent literature forming the Marxist tradition (e.g., Lenin, Trotsky, Bukharin and Luxemburg and others). These works provided the background for dependency theory by implying that capitalism leads to the domination and control of backward regions by imperialist powers. They introduced the first compelling analyses of the geographically differentiated character of capitalist advancement focusing on the uneven penetration and impact of capitalism in countries, nationality groups and geographic areas (Palma, 1981; Edel *et. al.*). The integration of those regions into the world economy, international capital movements and the international division of labour resulted in the restriction of backward economies in primary production and exploitation of mineral resources.

The dependency school emerged from several theoretical strands of Marxism (classical Marxism, Marxism-Leninism, neo-Marxism) and from the Latin American school within CEPAL.<sup>1</sup> Neo-Marxism reflects a transformation of traditional Marxist thinking (Foster Carter, 1974). It sees imperialism from the periphery's perspective in contrast to Marxism, which views it from the centre. The classical Marxist analyses of classes is based on European experiences emphasising on freeing the industrial proletariat, whereas neo-Marxists accept the revolutionary potential of other groups e.g., the peasantry. Classical Marxists analysis emphasises on objective conditions, whereas neo-Marxists view the possibilities of starting a revolution and emphasise subjective factors. While Marxists maintain nineteenth century 'development optimism', and consider scarcity to be a bourgeois invention for the purpose of legitimising economic inequality, neo-Marxists integrate the growing ecological consciousness with its view of development.

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<sup>1</sup> CEPAL is the Spanish acronym for *the Economic Commission for Latin America and the Caribbean*, (ECLA).



Despite the Eurocentric bias of classical Marxism, it has become increasingly relevant for understanding the social reality in underdeveloped economies (Hettne, 1990). Entrenched in classical Marxism is the thought that capitalist development was to take place everywhere in generally similar ways, and that in the Third World this was through colonialism (and imperialism). The post war Marxist literature on underdevelopment saw it more as a process, as opposed to an original state that could be overcome with development, and capitalist penetration was identified as the initiator of underdevelopment (Baran, 1957). The development of capitalism in such 'backward areas' influenced dependency theorists such as Cardoso. Hettne (1990) suggests that Baran completed the revisions in theorising about imperialism with regard to its historical progress, and could be seen as the founder of neo-Marxism, and to some extent the dependency school.

Andre Gunder Frank (1966) brought this neo-Marxist line of thought to its logical conclusion in his thesis on 'the development of underdevelopment'. Thus within a broader Marxist framework, imperialism has been a promoter of imperialism and creator of underdevelopment. However, Frank is a reluctant and short lived *dependentista*, and uses the word dependence temporarily in that it has become equally acceptable to the reformist bourgeoisie and to revolutionary Marxists (Kay, 1990). By 1972 he pronounced dependence as dead, "at least in the Latin America that it gave birth" (Frank, 1977:357). Kay (1990) argues that although Frank's prolific and polemic writings helped popularise the dependency vision, in retrospect, it would be a mistake to consider Frank as the dependency writer *par excellence*. At best, his writings can be considered as belonging to the *world-system perspective* to which Samir Amin (1980) and Immanuel Wallerstein (1976, 1979, 1980) belong.

The economic crisis of the 1930s and consequently the depression exposed the magnitude of Latin American dependence. This initiated thorough methodical economic research and discussions in various Latin American countries under the umbrella of a Latin American Economic Commission (CEPAL). However, even before the establishment of CEPAL, there were debates which can be said to be the foundation of the "Latin American school of development and underdevelopment" (Kay, 1990). The Latin American school has two major strands, the structuralist-reformist and the Marxist-revolutionary. They both argue against neoclassical and modernisation theory and define underdevelopment as being the outcome of a process of world capitalist accumulation which reproduces both poles of the world system. They also dismiss the ability of neoclassical and modernisation theory to understand the peculiarities of underdeveloped countries. Moreover, policies derived from these theories do not address the fundamental problem of underdevelopment, and actually aggravate it.



The structuralists believe that by reforming the international and national capitalist systems it is possible to overcome underdevelopment. The Marxists however, think that only world socialism can ultimately overcome underdevelopment and the inequalities existing in the world capitalist system.

Raúl Prebisch's ideas were pivotal in the launching of the structuralist centre-periphery paradigm. The perspective is both holistic and historical, and stresses the world dimension in all economic processes. The proposition is that development and underdevelopment is a single process and international trade reproduces the disparities between centre and periphery, so that the development problems of the periphery are located within the context of the world economy. In tracing the origins of the integration of the Latin American economies, which were primary producers, into the dominant capitalist system gives it historical perspective. This pattern of development in the periphery is termed by CEPAL as the 'primary export model' or the outwards-oriented development model'. The solution to this problem lay in switching to an 'inward-directed' development process. i.e., the *cepalista* school advocated import substitution industrialisation (ISI) as an alternative strategy.

The structuralist-reformist school is characterised by the writings of Cardoso, Sunkel, Furtado, Ferrer, Pinto and others. Their ideas are a further development of the structuralist school and an attempt to reformulate CEPAL's position in the light of the crisis of ISI. The Marxist or rather neo-Marxist dependency group is characterised by the works of Marini, Dos Santos, Frank, Bamberra, and others.

There are different schools of thought within the reformist approach to dependency and this emerges in the emphases of the different aspects of dependency. For example, Sunkel's (1973) analysis focuses on the way in which transnational capitalism creates a new international division of labour leading to national disintegration in Latin America. Transnational corporations (TNC) take over the economy, driving a wedge into society. A minority of the population is integrated into the TNC system and receives some spoils, but at the cost of national disintegration. This he sees as 'national disintegration'. He also sees the possibility of development without dependence and marginalisation, by reforming the lop-sided nature of the world capitalist system through hard bargaining and pragmatic negotiations (Kay, 1990).

Furtado (1972) sees the control of technical progress and imposition of consumption patterns from the centre as the key factors that explain the perpetuation of underdevelopment and dependence on the periphery. Hence his focus on 'dependent patterns of consumption'. The high-income groups in the periphery also account for diversified industrial consumer goods production patterns with the technology coming



from the centre (through multinationals) and this capital-intensive technology perpetuates the concentration of income and the surplus of labour, reproducing the vicious circle of underdevelopment and dependence.

Cardoso and Faletto (1979) analyse the changing relationship between internal and external factors determining the development process in Latin America from the early 'outward expansion' of newly independent nations to the present period of internationalisation of the market and the 'new dependence'. They utilise a social and political analysis and their originality lies in the manner in which they analyse the changing relationship between economic, social and political forces in post-colonial Latin America, and the manner in which they relate the changing internal relationships to external forces. They attempt to shed some light on how internal developments link to external changes and how the world system impinges differently upon the various Latin American countries. Cardoso does not regard dependency as being contradictory to development and so utilises the term 'associated-dependent development'. Thus he disagrees with Frank's assertion that when dependency links are intensified, growth falters and when they are loosened, domestic growth is enhanced. In the views of Cardoso and Faletto (1979) the transition to socialism in Latin America is remote, given that some form of associated-dependent capitalist development exists.

The varied and complex intellectual origins of dependency has resulted in several conceptualisations. These differ in style, emphases, disciplinary orientation and ideological preference, but share the basic idea of development and underdevelopment being interrelated processes, which represent a clear break with the modernisation paradigm (Hettne, 1990). This break is highlighted by Dos Santos' (1970) definition of dependency in which he sees it as *a conditioning situation* in which the economies of one group of countries are conditioned by the development and expansion of others. The relationship of *interdependence* between several economies, or between the economies and the world trading system becomes a dependent relationship when some countries can expand through self impulsion while others can only expand as a reflection of the expansion of the dominant countries, which may have either *positive* or *negative* effects on their immediate development. It is on this general basis that the various approaches of dependency are based upon.

Four broad schools of dependency theorists can be identified. These range from the *stagnationist* group, the *obstacles to development* group, those accepting *the possibility of capitalist development in the periphery* group and finally the *empiricists*, who believe that dependency theory is most useful when used as a framework for the analysis of concrete situations of dependence (Palma, 1981; Kay, 1989, 1991). The latter approach is useful in that it focuses on the concrete situation through an empirical data base, and is useful for analytical work revolving around the understanding and measurement



of dependency relations.

Several forms of dependence have been identified, the main ones being those based on trade and export (colonial-neo-colonial dependence), external capital (financial-capital-multinational dependence), and technological-industrial (technological monopoly-dependence). There continues to exist the undeniable evidence that the same industrial and financial systems of capitalism in developing countries give rise to unequal productive structures, a high concentration of incomes, the intensive exploitation of existing markets (urban) and foster existing rural-urban imbalances. The economic and technological structures of the peripheral economies continue to respond to the needs and requirements of external interests than the internal needs of the developing countries.

Much of dependency literature tends to produce a chronology of the effects caused by the development of capitalism, especially in Latin America. This historical-chronological approach is quite common and this perhaps emanates from both the Marxist historical tradition as well as the fact that it is logical and more valid than purely ahistorical spatial or international comparative analyses. Another advantage of the dynamic approach is that it sees what is perceived as the causes of underdevelopment as the symptoms or consequences of the normal functioning of the total system and that underdevelopment, with all its characteristics, is a normal part of the process of the global capitalist development.

The *dependencia* approach generally stressed on the external factors (exogenism). It also presented a formidable challenge to the Eurocentric concepts and theories of development and initiated some self-criticism among modernisation theorists. Moreover, although it contained different lines of thought, it also expressed a number of common ideas.

## 2.7 A Critique of Dependency Theory

To summarise a critique of the *dependentistas* is complex. There are a wide variety of theorists and strands in the *dependencia* school who rarely express identical views and often have critical arguments within themselves. However, a summary, is useful for the purposes of this research.

By the 1970s dependency theory had come under severe criticism. It tended to have a sweeping and general character and suffered from theoretical repetition and stagnation, there still existed problems which the theory could not solve and there was an evident lack of practical impact (Leys, 1977). Leys points out that, the meaning of development is obscure and it fails to identify whether, it is the underdeveloped countries or the



masses in these countries that sufferer from exploitation. Concepts like centre and periphery are merely polemical inversions of the simplistic pairings of development theory, e.g. modern-traditional etc., and the theory tends to be overly economic in the sense that social classes, the state, politics and ideology get little attention. Apart from the thesis that underdevelopment originates from the centre, the ultimate causes of underdevelopment are not identified.

Lall (1975) argues that from a methodological point of view, the concept of dependency had circular reasoning and limited explanatory value and that problems arose when trying to distinguish between dependent and non-dependent countries. Circular arguments creep in when it premised that dependent countries are those which lack the capacity for autonomous growth and that this is simply because their structures are weak and dependent. A further weakness is that it suffers from an inability to provide a robust measure of dependence, leaving the theory open to accusations of vague statements and value judgement. This, according to Lall (1975:803), makes it impossible to draw the line between dependence and non-dependence without falling into the basic error of defining underdevelopment to constitute dependence. Hettne (1990:93-94) states that, "In reality almost all countries...do import technology, are dependent on exports, have a tendency to emulate consumption patterns in other countries, contain marginalised groups and regions within their territory, and so on". So where does the boundary between a dependent and not so dependent economy lie?

Since the early 1970s there has been a substantial rise in world manufactured output as exemplified by the new economic 'tigers' of the Far East: Taiwan, South Korea, Hong Kong, Indonesia and Malaysia. These *newly industrialising countries* (NICs) are 'living proof' for the proponents of the diffusionist paradigm that if sustained for long enough the benefits of dependent growth can be spread. They have acted as strong attractions of capital investment from the traditional metropolises and, in combination with Japan, they effectively represent another 'emerging metropole'. The development of the NICs has been used to refute the main case of dependency theory. Moreover, countries trying to de-link and attempting self-reliance have not been so successful and these examples question the validity of dependency theory.

However, according to one critic, these fast developers, whether in South East Asia, Latin America or Southern Europe (*transnational enclaves*), are still indeed dependent on the metropolitan countries, but in different ways (Lamb, 1981). They are still dependent on the world capitalist system in terms of technology, markets and political allegiance. There is much that can be learned from the individual NICs, but they are not necessarily models to imitate, or models that can be imitated (Hettne, 1990). They all experienced different types of economic transformation. The transition in Taiwan and South Korea is based on their Confucian work ethic, radical land reforms



(exogenous), proximity to Japan, their geopolitical and geostrategic importance and the world-economy context for their take off - a phenomenon which is unlikely to be repeated or replicated elsewhere. It must be remembered that these 'miracles' were encouraged and positively supported by the capitalist world order, while countries pursuing self-reliance strategies were discouraged or even destabilised (e.g., Cuba, Nicaragua and a host of others). The NICs accept and fortify the old economic order and all they need to do now is to change their place within it.

Hettne (1990) argues that the common denominator of the NICs is that their success was a matter of correct timing in switching from one development strategy to another, and that the strategies were consistent and based on a certain degree of national cohesion, taking into account both internal and external constraints and opportunities. This is difficult to replicate and so according to Hettne, the remaining Third World countries will have to face the despondent orthodox strategy incorporating stabilisation, readjustment or restructuring, imposing strains on their political regimes, threatening and eroding their legitimacy. What a despondent but realistic alternative!

Other common denominators to these 'enclaves' (NICs) include regimented societies, diminishing political freedom and freedom of expression. They also exhibit similar tendencies to the local elite in other peripheral economies, only that ideologically, there is a high degree of nationalism. Amin (1974) argues that their economic systems are disarticulated as they lack linkages, and they suffer from external domination, in terms of links related to the Cold War era.

It is a reality that some dependent countries are relatively prosperous whilst others are poor. Dependency theory mainly focused on the poorer countries in the world but still has relevance in explaining the dependency relationships which exist within and between developed or rapidly developing countries. Movement of major investments of multinational and transnational corporations are manifestations of a new mercantilism of corporate empires which cut across national economies and even undermine the national sovereignty of the hinterland countries in which their subsidiaries and branch plants are located (Levitt, 1970). This also contributes to the lack of indigenous entrepreneurship and the dependence of imported technology, precipitating technological backwardness.

Dependency analysis should be able to show the negative effects of the course and patterns of development of dependent countries, if it is to serve any useful purpose (Lall, 1975). However, logic and experience have shown that there are cases in which dependence may have had positive effects. Examples such as the French 'overseas departments', (the DOMS and TOMS), and the island states of Barbados, Mauritius and Malta and indeed even the NICs have shown that there has perhaps been some positive



contributions in the dependent economic and implicitly political, relationships. These are all cases in which dependency relationships between developing countries and a metropolitan power have not been necessarily entirely to the detriment of the poorer country. In fact, many have prospered relatively when compared to countries seeking autarkic development strategies.

Thus dependency theory can aid in identifying areas where negative effects occur. Here again examples abound, and especially so in Latin America. There is little doubt that the theory has assisted in comprehending major constraints and problems facing peripheral economies. In contrast to neo-classical economics, dependency theory at least asks relevant questions, even if it has yet to provide all the answers (Seers, 1981). Perhaps most importantly is the fact that the theory itself represents a point of view from the developing countries, and has established the ideological nature of development and underdevelopment.

Gore (1984:198) notes that the main problem with dependency theory and of spatial dependency analysis arises out of the logic of the core-periphery model and the assumptions made, that the effects of the centre's expansion on the periphery is necessarily negative. Other problems and limitations which are noted by Gore, include the crude application of the dependency perspective which focuses upon the spatial transfer of surplus as a cause of polarised development. The empirical identification of surplus flows is difficult, and such an analysis requires a conception of surplus which may be separate from the production process. He points out that "the fundamental weakness of attempts to relate the spatial transfer of surplus to patterns of polarised development is that the spatial relationship of transfer surplus is abstracted from the social process which determine both the relationship and the development implications" (Gore, 1984:199). In his criticism of the *dependencia* approach and spatial dependency analysis, Gore identifies 'the structuring of the theory in a way which separates space from social processes as *spatial separatism*. This is also a major weakness of most of the alternative approaches and points out the 'the logical problems of the theory are at the same time ideological opportunities' for those wielding power (*ibid.* :263).

Dependency and spatial analysis of underdevelopment are unable to generate viable solutions to the problems of dependence in developing countries, and indeed even in developed countries. A paradox arises when a country with relatively higher levels of dependence also exhibit widespread and substantial improvements in quality of life, egalitarianism and positive economic growth (compare and contrast Zanzibar and Mauritius, or even Seychelles). Dependency theory has also failed to prove that dependence is universally an undesirable and debilitating condition.



The over generalisation of traditional dependency theory and its focus on macro-spatial arguments has meant that it has ignored some important factors, some of which have also been overlooked by mainstream economics. These are important factors governing dependence and include a country's location, size, resource base (human and physical) ethnic composition and differences, structure and characteristics of the economy. These geographical, political and demographic factors constrain how a country shapes, its economic policies.

Kay (1990) agrees that unequal exchange and the transfer of the periphery's surplus to the centre diminishes the periphery's capacity for capital accumulation and growth, but he also argues that a country's development has much to do with its ability to generate, as to retain its surplus, and this is largely determined by its internal mode of production. Traditional *dependencia* located exploitation solely at the level between nations and such an analysis ignores that exploitation is a class phenomenon, a country's socio-economic formation is the outcome of complex interaction between economic, social, political and cultural factors in which class struggle assumes considerable importance.

Contrary to the traditional thesis, recent historical research shows that the development of the centre is due to the internal creation, appropriation and use of surplus, and less to do with the pillage or exploitation of the peripheral countries. This exploitation came later in the development of core economies and with colonialism in the late 19th century. The successes of advanced countries lie in the particular economic, social, political and cultural framework which they created and which are amenable to capital accumulation and innovation. Kay (1990) stresses that development and underdevelopment are primarily rooted in social relations of production and not in relations of exchange. Despite their overwhelming importance, internal obstacles to development were neglected. Kay also argues that, "participation in the international division of labour can lead to development, while autarkic development strategy does not ensure development (*op. cit.* :23).

The *Cepalistas* idealised the developmentalist state (in the hands of the industrial bourgeoisie, staffed by technocrats and professionals) as a liberating, equalising, and modernising force in society, and it would implement development programmes whose fruits would be distributed widely in a welfare system.<sup>1</sup> Exploitation and poverty would be abolished, a self-reliant and self-sustaining development process would be achieved and underdevelopment and foreign exploitation would be finally overcome. There have been numerous failures in this respect, so it is important to recognise the state's ability

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<sup>1</sup> i.e., those of the CEPAL school



and limitations in overcoming underdevelopment and dependence. Kay (1990:24) stresses that, "attention needs to be given to the manifold relationships between state interventions and market mechanisms as in today's more complex world the dichotomy state-market is an increasingly simplistic vision".

There are also issues which the *dependencia* and structuralist school have to address in its reformulation. For example, the growth and spread of alternative organisations and social groups, such as non-governmental organisations, anti-authoritarian, religious, ethnic, feminist, regional, anti-institutional, and ecological movements are a testimony of the crisis of the state and an expression of society's desire for alternative forms of institutional representation. These are aspects which *dependencia* need to recognise and assist to strengthen the social participation of the weak, oppressed, voiceless and poor. Cultural and ideological elements in the mobilisation of society for development and institutionalisation of change and the achievement of social cohesion and integration also need to be highlighted.

There are varied processes of class formation and exploitation, which have sensitive ethnic, gender, and cultural dimensions and affected by local forms of domination and political control, such as patron-client relationships. Amongst others, the problems of exploitation and suppression of minority groups and women need to be confronted. The ecological dimension also has to be explored and given further importance in the light of the impending ecological crisis and lack of sustainable development. The ecological dimension is of particular relevance to SS and SIS. Ecodevelopment or sustainable development is an issue related to resource scarcity, and it is a concern which does not fit well with the orthodox paradigm. The reality of immediate physical limits to growth is evident in small vulnerable SIS, even though anti-environmental deterministic doctrines would disagree, mainly because they simply assume away the constraints with the misplaced assumption that technology is capable of confronting the problems and is widely available. Timberlake and Tinker (1984) bring to attention the role of diminishing natural resources in violent human conflict between and within states, and this contributes to rural unrest and migration in search of better land and alternative economic opportunities, leading to rural-urban and international migration, and even entailing political and religious issues.

The shift of emphasis from external to internal problems need to go further and analyses have to be undertaken at the smaller, micro units of a country, and these have to be linked to macro national and international theories. One of the weaknesses of dependency theory has been to neglect the particular in the attempt to justify generalisation, and in so doing, many small and important experiences are not analysed. Kay (1990) points out that it is often the distinct and unassuming small events that give diversity and richness to a theory making it less prone to dogmatic and



unidimensional tendencies.

As Lall (1975) and Kay (1990) note, *dependencia* has to move away from simplistic dichotomies such as capitalism-socialism, outward or inward looking development, import substitution or export promotion industrialisation etc., and consider the possibility and feasibility of a variety of styles and paths of development in today's highly interlinked and complex world.

The main conflict between dependency theorists and the diffusionists is their different perceptions about external linkages. Whilst *dependentistas* suggest that external linkages are largely responsible for the obstruction of development, diffusionists subscribe that external linkages are a prerequisite to inducing development. Perhaps the analysis of dependency links in the context of island economies can be useful in the challenge of the diffusionist paradigm as well as influence the views of traditional dependency theorists that apart from external linkages, other vital geographical and strategic factors have to be taken into consideration, and that perhaps not all external linkages are necessarily negative.

Insofar as island economies are concerned, it is possible to identify the main areas and the degree in which their economies are dependent. Further, it is also possible to identify how disarticulated their economies are as a result of dependency.

Zanzibar has undergone several phases in its post-Revolutionary (1964) development. First an autarkic strategy was attempted. The results were discouraging and in practice it was difficult to disengage from the global economy. 'De-linking' has merely cultivated alternative dependent relations or has condemned the population to a lower standard of living and quality of life. By the mid-1970s Zanzibar increasingly adopted strategies in line with the modernisation paradigm, and in the 1990s it has adopted neoliberal free market, liberalisation policies associated more with Thatcherism and Reaganomics (neoliberalism). As it shall be shown in chapters nine and ten this has more to do with its position of being extremely dependent on the metropolises and having its path and rate of development (and underdevelopment) being dictated from that direction through its main donors rather than a coherent internally originating development option.

The applicability of dependency theory in analysing the spatial and other aspects of development should not be rejected on the basis of the weaknesses discussed above. For example, Slater's (1975) *spatial dependency analysis* bears much relevance in explaining the existing spatial structure and relations of many LDCs. Incorporating the social, cultural and political and historical aspects in attempting to utilise *dependencia* as a method of analysis should be more fruitful. It is important not to lose sight of the political, social and economic dimensions within the spatial processes and *vice versa*.



There is a belief that dependency theory is reformist and often historically rooted. It attempts to explain the position of the contemporary Third World formations through core-periphery relations. Marxists criticise this approach as based on rather narrow nationalistic beliefs. In their view, what is really required is an analysis of material social relations, that is the relations of production and consumption. A materialist dialectical approach is seen as essential by the Marxists. However, Palma's (1981) approach concentrating on the concrete situation promises to overcome the problems facing the *dependencia* school, and more importantly help understand and explain the situation facing most developing countries.

Seers (1981) suggested that dependency should be examined in terms of the consequences of de-linking. Obviously, such a strategy cannot be fully implemented and entails a range of reactions from reduction of output, exports, technological inputs, employment levels and net outflow of capital. It has often lead to a crippling loss of confidence in the economy and in turn lead to a loss a of investment, the recall of loans, restrictions on new loans, the decline of tourism and tourism revenues, reduced emigrant's remittances (at least through formal channels) and a foreign exchange crisis (loss of value leading to devaluation and reduced earning capability). Inevitably, governments adopting such strategies are obliged to seek assistance from the international development agencies, the International Monetary Fund (IMF) and the World Bank. Ironically, the same institutions prescribe as a precondition orthodox development strategies related to the diffusionist paradigm.

Recent history has shown that the number of countries that attempted self-reliance and to 'de-link' have been forced to succumb either to economic or political-strategic pressures. Most have ended by negotiating with world financial institutions and have been put under pressure to curtail their de-linking strategies and associated development policies (e.g. Tanzania, Ghana, Jamaica and Nicaragua).<sup>1</sup> Compared to most other sub-Saharan economies, Tanzania's, strategy worked fairly well until the early 1970s (Bienefeld, 1972). The problems of foreign exchange constraints due to sluggish growth of primary exports and expensive imports opposed the self-reliance strategies.

In the Caribbean, Jamaica under Manley embraced policies aimed at self-reliance and the distribution of economic benefits to the population, and a realignment with the Third World - (the Cuban model). This policy differed from the pre-1970s "Puerto-Rican model" (open, export-oriented economy, encouraging foreign investment and foreign policy oriented towards the US). Thus both its development and foreign policy were

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<sup>1</sup> See Bienefeld (1972), Hetme (1983, 1985).



perceived as hostile to the US, and economic and political destabilisation ensued. Needless to say, Manley's policies and strategies did not succeed. More recently Jamaica has adopted neo-classical based strategies which belong to the diffusionist paradigm, the benefits of which have so far proved to be elusive.

In Central America, Nicaragua was perceived as a threat by providing an example of an alternative development strategy. There the choice of development strategy had political implications both internally and externally. Attempts at breaking away from the links with the North American market and sphere of influence and reducing dependency on food imports etc. required structural changes challenging both internal and external interests. The reaction came in the form of covert and economic destabilisation, exacerbating social problems which in turn became ideological.

The failure of self-reliance strategies are not merely a result of economic realism. They often challenge superpower hegemony in strategically sensitive areas. Internally they also challenge the interests of certain power groups. This is not to underestimate the problems of internal mismanagement, isolation and even repression. Together, these forces highlight the extreme difficulty of breaking away from dependency. Hettne (1990:144) is correct in stating that "the relevance of self-reliance (as a strategy rather than a national ideology), implied in the dependency approach, should not be judged only by the setbacks of this strategy in the 1970s. Rather they should be seen as learning experiences".

## **2.8 Relevance of the *dependencia* approach in contemporary analysis**

The predicament of development in the Third World continues to exist, and both the modernisation and the *dependencia* paradigms have fallen short of providing an adequate understanding of their development problems and prospects. Yet a reformulated *dependencia* (structuralist) approach as a method of analysis, a framework and as a series of propositions rather than fully fledged theories is still relevant (Kay, 1990).

Before embarking on such a framework, one other issue of particular relevance to SS and SIS development needs to be discussed, the question of size. The problem of size in economic development has been neglected somewhat in both liberal and socialist development theory. Orthodox liberal theory was abstracted from the reality of national boundaries, and presupposed a free flow of factors of production. Socialist theory often linked itself to the single experience of the Soviet Union, assuming that it could be replicated elsewhere. Both are oblivious of the direct bearing of size on the resource base for development. Both advocated specialisation and the benefits of comparative advantages and economies of scale or advocate national autarky through establishing



heavy industries, making the maximum use of the national market and domestic resources. Applying such approaches to, say, the SIS of the Caribbean with all the market constraints and problems of access shows how irrelevant they are.

Given their geographical experiences (remoteness, isolation, fragmentation and peripheralness) it is perhaps no surprise that the discussion on size and self-reliance has been a theoretical field of special concern for Caribbean economists. Demas, (1965) saw structural transformation (e.g. reduction of dualism, between the productivity of different sectors, elimination of subsistence production, establishment of a national market etc.) as the essential ingredient of self-sustained economic growth. Realising that such a transformation is difficult to achieve, Demas advanced the notion of regional integration in a common market (e.g. Caribbean Free Trade Association). However, this and subsequent attempts at integration have failed, largely through problems related to dependence (Girvan, 1973).

Regional integration under capitalism was rejected by Thomas (1974). The alternative was to try to develop a strategy for a planned transition to socialism with special reference to small dependent economies. The fundamental objective of a self-reliance strategy was to achieve a convergence of domestic resource use and domestic demand the 'first iron law of transformation'. It also requires the establishment of a worker and peasant alliance. Thomas's 'second iron law of transformation' requires the convergence of needs with demand. Due to inequalities of income distribution and low levels of absolute income per capita, there is an acute divergence between the basic needs of the population and consumption expenditure in underdeveloped economies.

Radical economists doubt the feasibility of Soviet style industrialisation in small underdeveloped economies. Thomas (1974) argues that a comprehensive planning strategy requires the domestic production of the basic materials needed as primary inputs for the manufacture of the basic goods of a community, and it is necessary that these basic materials are derived from domestic resources. This implies also the necessary conditions for the growth of an indigenous technology. Also economies of scale should be judged from the point of view of a critical minimum as opposed to an idealised optimum level.

Thomas (1974) acknowledged that the difficulty of achieving this is not entirely due to exogenous factors, the lack of confidence of political leaders in Third World countries in the capacity of the people to master the environment is one of the consequence of underdevelopment and dependence and notes that; "As we have come to see ourselves only as others (i.e. European and American views) see us, so we have moved further from our freedom" (*op. cit.* :305). He addresses the class issue and the possibility of external hostility, bringing to the fore the extreme difficulty of achieving self-reliance in



a small economy. This is another aspect which a reformulated *dependencia* approach it will be necessary to consider.

Kay (1990) suggests that the *dependencia approach* as a method of analysis is still relevant once its shortcomings are identified and addressed. For example, the crisis of the terms of trade between North and South has once again come into the lime light, and especially the drastic deterioration and negative consequences. This is also connected to problems of debt and foreign exchange constraints. As a consequence a considerable number of South countries are dependent on aid and loans, not only for development, but increasingly as a means of subsistence, through means such as 'import support'. Thus the structuralists and *dependentistas* analysis of the terms of trade and unequal exchange retains some validity here.

Through debt and aid the South's financial dependence has been considerably aggravated and so reveals the limited options open to debtor countries due to their technological and other dependence. The rise in debt servicing, limited foreign exchange generating capacity, leading to cuts in imports, especially of capital goods, further aggravating the crisis and constraining appropriate structural transformation. Again some important aspects of dependency analysis are vindicated.

Monetarist solutions to the problems of inflation and debt, many appearing in the form of IMF intervention in internal economic policies, have yet to achieve acceptable results. This has led to a renewed structuralist-monetarist debate on the IMF's adjustment and stabilisation programmes. Seers (1981) argues that there are still relevant lessons for economists in developing countries in the structuralist-monetarist debate.

Differences in productivity between and within sectors have become more acute and such disparities have led to increased intra- and inter-sectoral imbalances, to widening income differentials, to limit the spread of technological progress, all of which reflects a continuing, if not growing, marginalisation. New investment and technologies go to the most productive enterprises within each sector. Labour continues to be marginalised from and by modern technology, and consumption patterns are 'internationalised'. The stabilisation programmes of the neo-conservatives have increased the mass of the structurally unemployed, causing them to devise survival strategies varying from petty to informal sector activities, to emigrating.

The rise of ethnic regionalism and the national question, including ethnic and regional autonomist movements reflects the persistence and gravity of these problems. One of the least understood aspects of mainstream development process is the ethnic phenomenon. There is some correlation between growth and stagnation, and ethnic conflict. Even this is perhaps rather simplistic given the manner in which ethnic



conflicts and movements relate to development. It is more complex and differs in each area and influenced by historical factors. The conflicts bring about the concept of *ethnopolitics*.<sup>1</sup> In Fiji for example, this phenomenon exists between the indigenous Fijians and the Indian population while in Sri Lanka the economic relations between the Sinhalese and the Tamils are also complex, leaving the country in a prolonged civil war and stagnating the development process. From a class analysis perspective, it is possible to distinguish between subgroups within these communities, but these lose priority when the interests of the whole group are threatened. Stavenhagen (1986:77) pointed out that "the neglect of the ethnic question is not an oversight, but a paradigmatic blind spot". Hettne (1990) notes that *ethnopolitics* is related to conflicts over access and control over natural resources, major infrastructural projects affecting development, employment and local ecological systems, and conflicts stemming from impersonal and secular, but uneven trends such as commodification, proletarianisation, and urbanisation. It also affects the contents of national development strategies and conflicts of state-controlled redistribution.

These issues are related to the concept of 'internal colonialism', occurring within some Third World countries (as opposed to external colonialism which occurs between countries). The former is endogenous and the latter exogenous. The past colonial relations of domination still exist within countries, albeit in newer forms that focus on class and ethnic dimensions, while exploiting the links between class and ethnicity. Kay (1990) argues that rural-urban and class relations cannot be fully understood without reference to internal colonialism. Relations of internal colonialism have a different historical origin and are based on discrimination; they cut across class lines. Indeed, by maintaining ethnic divisions, internal colonialism impedes the development of class relations since ethnic consciousness may override class consciousness, affecting the rate and path of development. This is of particular relevance to many SIS (e.g. Sri Lanka, Comoros, Seychelles, Fiji, Mauritius and even Zanzibar).

The role of the state, and of government intervention, is of direct relevance. Neoclassical economists advocate free-market policies, all the more so because of the so called successes of the South East Asian NICs. However, even in the NICs a degree of government intervention (albeit selective and responsive) has been the norm and continues to take place. The oppressive nature of regimes in most NICs are swept under the carpet of success and the alliance with the core. Kay (1990) suggests that a combination of varying degrees and types of protectionism, export promotion and state

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<sup>1</sup> *Ethnopolitics* is defined as "ethnic identity activated and used for the purpose of political mobilisation" (Hettne, 1990:190). He notes that as a phenomenon it is not new, what is new is the sudden and dramatic wave of ethnic conflicts sweeping not only the Third World, but also the other worlds, e.g. Yugoslavia, the former Soviet Republics, Asia, Europe, etc. this signifies the rise of *ethnonationalism*, a factor which cannot be ignored anymore.



intervention according to changing circumstances is relevant, as suggested by some structuralists.

## 2.9 Double dependency

Geographers have contributed to the study of development and underdevelopment deriving concepts such as 'core-periphery', 'growth pole', 'spread and trickle down effects' and others (Reitsma, 1980). Indeed, most empirical studies are economic in nature, focusing on 'unequal exchange', 'foreign investment', 'surplus extraction', and 'integration into the world capitalist system'. Insofar as dependency relations are concerned, these tend to be more between LDCs and the developed capitalist countries. Little attention is paid to dependency relations between LDCs, e.g., between Bolivia and Brazil, Nepal and India, Uganda and Kenya, Southern African countries and South Africa and others. According to Reitsma (1980), to conceptualise dependency relations simply between core and periphery and then particularly from the point of view of economic relations alone is partial.

Geography itself may compound *dependency* into *double dependency* by virtue of the constraints which are imposed on development through spatial considerations.<sup>1</sup> This is evident in the case of land-locked countries (LLCs) whose location compounds their dependency. The argument was developed by Reitsma (1980) for the case of Swaziland, though the constraints of LLCs have been discussed more generally by Cervenka (1973). Trade in Africa, as is the case in most developing SIS is largely external, the main links being with Britain, France, USA, Japan and Germany, although more recently there have been growing links with the NICs. The bulk of international trade is transported by sea, so access to the sea is synonymous with access to the world markets. A number of LLCs are geographically remote to sea ports, e.g. Chad is about 2050 Kms. away (Cervenka, 1973).

Although both CSs and LLCs share similar economic and other problems of underdevelopment, "the Land-locked situation adds another dimension of difficulty to economic development of the countries concerned" (Cervenka, 1973:18). If this argument is true, and it has certainly been proven so, it also applies in a slightly different manner to SIS. The importance of the *double dependency* line of reasoning is that similar arguments can be basically made in the case of SIS - that geography compounds dependency and the problems of development and self-reliance. How the argument needs to be modified in the case of SIS is introduced in this section and taken

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<sup>1</sup> What I mean by geography is how Africa was carved up during the colonial era - to leave over a dozen LLCs - mattered less during the colonial period (in the case of islands, their strategic significance to colonisers played the analogous role). In both cases independence meant that the newly independent country had to overcome a problem (their location), which was not really an issue before independence.



up again in chapter three where the literature survey underscores the problems of location, distance and fragmentation (and hence transport) in SIS.

This section seeks to explore the dependency relations occurring *within* the periphery and will attempt to extend this from the context of dependency analysis. Most LLCs, particularly those in Africa, can be expected to face more difficult development problems than coastal states (CSs). This is due to their relative inaccessibility, which tends to make them less attractive for investment, with the exception of resource rich countries.<sup>1</sup> Following this argument, land locked countries (LLCs) should have experienced less capitalist penetration and be less integrated into the world capitalist economy. According to the logic of traditional dependency theory. LLCs should be less dependent and less exploited than coastal states (CSs), i.e. there should be less poverty, less and spatial inequality (or polarisation) in LLCs than in CSs. However, this is not quite the case; while in some cases there may be less inequality, there is no evidence of less poverty or less underdevelopment (Reitsma, 1980).

*Dependencia* models such as those expounded by Frank are unable to account for the particular problems of the LLCs in the Third World. An alternative explanation has to be sought (*ibid.*). Reitsma (1980) attempts to do this by looking into the geographical positions occupied by the LLCs and the relations that LLCs have with the CSs. Focus is on the level of peripheral relations.

LLCs by definition lack ports, the importance of which is critical in (colonial and neo-colonial) development. Port locations are well suited for industrial development due to accessibility, lower transport costs, agglomeration economies, and other factors. For LLCs, the distance factor is a considerable handicap, entailing high costs of transportation. Production for export faces intense competition from more favourably placed CSs. This situation inhibits industrial development, raises overheads, and retards infrastructural developments. A poor infrastructure in turn slows down industrial and indeed other types of development, the net effect being to discourage investments.<sup>2</sup>

Thus CSs tend to be more industrialised compared to LLCs, manufactured goods are more likely to flow from CSs to LLCs and the opposite for raw materials. Thus a peripheral relationship exists between CSs and LLCs, the latter experiencing the negative more effects. The LLCs become '*hinterland economies*' supplying relatively

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<sup>1</sup> Such as Zambia, Rwanda and Burundi amongst many others.

<sup>2</sup> The existing transport systems and even urban centres have been largely developed as a result of colonial penetration, exploitation and expropriation of surplus to the metropolises and continue to serve the same purposes (Slater, 1975). The same applies to island economies, where sea and air transport constrain access to the global economy and restrict their participation in it.



cheap agricultural raw materials and labour to the more industrialised CSs. Effectively they are located at the *'periphery of the periphery'*,

As a result of low wages and limited employment opportunities in LLCs, labour tends to migrate to the more dynamic CSs in search of better economic opportunities. LLCs perform not only hinterland functions but are also reservoirs of cheap labour.

This situation is identified by Blaikie (1981) as a *'double dependent periphery'*, occupying a subordinate and dependent position both with regard to one or more neighbouring CSs and in turn to the world's capitalist core area. Reitsma (1980) points out that some countries such as Chad, Burundi, Rwanda, Zambia and Botswana can be said to perform *'triple dependent periphery'* functions.<sup>1</sup> Third World LLCs find themselves in a weak and vulnerable position *vis-a-vis* the CSs, something which the latter can take some advantage of. For example, the CSs can impose certain restrictions unfavourable to LLCs, e.g. increased tariffs, fees, storage and freight rates and so on. It is in this context that the barrier function separating sovereign states manifests itself clearly (Reitsma, 1980). Thus LLCs are at a double disadvantage, and these problems influence not only economic development, but also political and security concerns. In effect, they are vulnerable, a problem which is further compounded when the LLC is also small in size.

Ideological, political and security issues which affect CSs tend to reflect themselves adversely in LLCs.<sup>2</sup> This creates a situation of uncertainty, vulnerability and dependency. The results of any negative actions can be detrimental or even catastrophic on the economies of the LLCs.

Reitsma (1980:138) argues that one of the main consequences of being a *'double dependent periphery'* is having severely limited development possibilities. Any substantial economic growth in an LLC is likely to result in increased dependence due to expanded shipments to and from overseas countries. This is also observed and supported by others, e.g., Szentes (1973), Hveem (1973) and Glassner (1978). Indeed LLCs find it difficult to raise themselves above the development level of neighbouring CSs. The doubly dependent predicament of LLCs offer little hope for rapid and sustainable economic development and should they experience considerable economic growth, the CSs may well attempt to benefit from this (Reitsma, 1980). Above all so long as LLCs and CSs do not improve their socio-economic and political relations and cooperate more positively, the position of CSs will continue to be worse off.

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<sup>1</sup> Presumably he implies that a second intermediate country is involved in between the core and the extreme periphery.

<sup>2</sup> For example the effects of the Tanzania-Uganda War on Rwanda and Burundi, and South Africa's influence on Lesotho, Swaziland, Botswana, Zimbabwe and Malawi.



In view of this discussion and observations by various experts, it has been suggested that the distinction between (dependent) LLCs and (dominant) CSs offers possibilities for amending and refining existing core-periphery models and dependency theories by making them more geographically relevant and at the same time by bringing them more closely in line with the harsh facts of reality (*ibid.*).

Parallels can be drawn between the experiences of land-locked states and the debilitating experiences of developing small states and small island states. What is being suggested here is that the phenomenon of *double dependency* is also applicable to some SIS, highlighting the geographical constraints facing them. It can also be used to explore the relationships (political and economic) that exist within the periphery. The relationships and flows with the core are depicted in the model developed and based on Slater's (1975) *spatial dependency analysis* (figure 2.2). The figure shows the situations representing the special position of small states and SIS. There are the direct linkages between the core and peripheral island economies, alongside which there are indirect linkages which are usually mainland countries to peripheral small island countries and small countries.

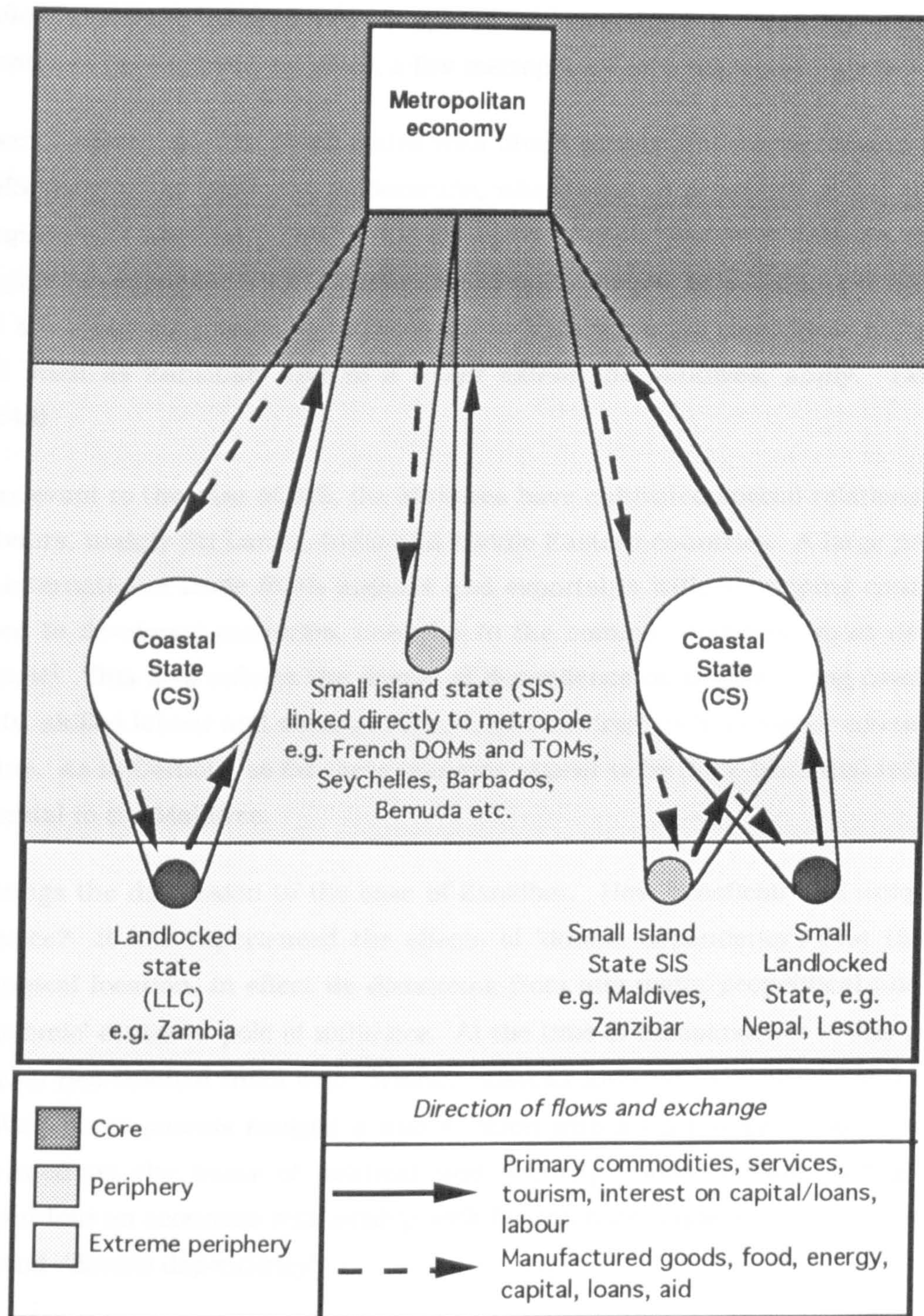
Though many SIS are located geographically, economically and politically at considerable distances from the core, they are affected considerably by decisions taken at the centre. Doumenge (1989) refers to this as isolation from the great geopolitical centres. He notes that life in small islands is conditioned by the network of relations established from a few important centres holding the power of decision and which maintain their domination by controlling the exchange of merchandise, passenger transport, financial flows, economic decision in the market, and the political orientation of a zone of influence.<sup>1</sup>

This is perhaps relevant to the situation facing peripheral island economies which find themselves in a double dependent situation. The model shown in figure 2.2 was developed to depict the situation facing many developing SS and SIS in what is termed as the 'extreme periphery' both physically (or geographically) and economically (and politically). It represents the manner in which they are integrated into the global economy. Internal socio-economic policies and problems compound the situation so that the prospects for development diminish and poverty prevails.

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<sup>1</sup> Doumenge (1989) identifies three main 'great geopolitical' centres or 'poles', these being: London, Paris, Lisbon, Madrid and Rotterdam, for Western Europe; Los Angeles, San Francisco, New York, Montreal and Miami, for North America; Sydney, Auckland, Cape Town, Tokyo, Singapore and Honolulu, for what he terms as the 'peripheral dynamic centres'.





**Figure 2.2 Spatial model of core-periphery relations and double dependency.**

Not all double dependent relations are necessarily negative, as Hughes (1983, 1987) has demonstrated in the case of the Gambia where British colonial hegemony did not develop into a 'full neo-colonial dependency'. There Senegal has emerged as the Gambia's military patron. Although the Gambia is an enclave rather than a LLC, it suffers from similar constraints. It has had to 'accept' a confederal union with Senegal, even though it benefits little economically from its neighbour, as Senegal is itself too poor to assist. Meanwhile the Gambia has developed a diversified multilateral dependency as a matter of policy. The Gambia lacks strong direct links with any



specific metropole, instead it has spread or diversified its dependency between international development agencies, a few metropolises and a neighbouring CS.

Of special interest are the small states with direct access and connections to the core, e.g. SIS such as the Bahamas or Bermuda, where relative prosperity is not purely the consequence of internal policies, but also part of direct external linkages to nearby metropolitan economies (US). Equally important is the situation facing the SS and SIS which are detached, physically or politically or both, from the core. Here the examples of SIS such as Zanzibar, and to a lesser extent the Maldives, apply. Doumenge (1989:49)

More relevant to the case of SIS, the Maldives have cultivated special relations with its neighbours, mainly Sri Lanka, India and Middle Eastern countries. A large proportion of its international trade (both imports and exports) is with developing countries as opposed to developed countries, contrary to the common trend for most developing countries!<sup>1</sup> This also reflects the degree of dependence on neighbouring countries for markets, skilled labour and access to specialised services such as higher education and medicine. As in Gambia, so far these relations appear to be more beneficial rather than detrimental to the Maldives.

This brings the discussion to the case of Zanzibar. How beneficial and unique is its experience? It has experienced the effects of 'double dependency', first through its geographical location, in effect its distancing from any major geopolitical and indeed 'geoeconomic' centre or pole of influence. At the time of independence it was prepared to develop neo-colonial links with Britain. Instead internal (Revolution) and external (Cold War) developments nudged it into a Union with a CS (Tanganyika). The Union was formed on the basis of political and security considerations and gradually developed into an economic relationship with far reaching implications, which make up the second 'double dependency'.

Zanzibar emerged from independence a peripheral colonial economy. With the 1964 Revolution it attempted to break away from dependent relations with Britain, establishing alternative economic and political links with sections of the Eastern bloc and Mainland Tanzania. Despite this its internal policies were autarkic. However, Zanzibar's links with the Mainland gradually exhibited characteristics of 'double dependency, as its economic position deteriorated and as it surrendered some autonomy in crucial matters to the Union (e.g. foreign relations, defence, finance and monetary matters etc.). The details of Zanzibar's contemporary development

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<sup>1</sup> More recently, it has developed a substantial tourist industry, and this has shifted its links towards the metropolises as increasing amounts of foreign exchange earnings are derived from this sector.



experiences are analysed in detail in chapters seven to ten. They shed light on the relevance of peripheral economic and political relations and their implications to development in a case of double dependency.

### **2.10 Conclusions**

It follows from the preceding discussions and critiques that despite the shortcomings of *dependencia* analysis, it can be still of significant importance and relevance in the understanding of the development problems of developing SIS. The discussion recognises the inherent difficulties associated with orthodox dependency theory, and attempts to ameliorate these. Once reformulated, dependency analysis is capable of providing a sound background for the understanding of the problems of LDCs and suggest some solutions. Such a framework is essential so as to identify both the internal and external problems of development, which include the social, political, cultural and economic dimensions. In addition, other important factors, such as small size, being islands and their respective geoeconomic and geopolitical position in the global economy are given special attention. In doing this the concept of *double dependency* is 'borrowed' and adopted from the analysis of land-locked countries (LLCs) and applied to developing SIS to emphasise amongst others, the geographical and political dimensions of dependency, and the profundity of the problems related to it.

At this juncture, the study will proceed to make a survey of the relevant literature and discussions about the development problems and prospects of SS and SIS since decolonisation. The following chapter provides a review of the issues relating to this and a background for subsequent analyses.



## CHAPTER THREE

### **3.0 Small States and Small Island States and their development constraints; a review of the literature and the issues.**

#### **3.1 Introduction**

This chapter will attempt to identify and discuss the problems and constraints underlying development which confront states and particularly those which arise from small size. The issue has been widely discussed amongst social scientists, although from a diversity of perspectives. What is relevant here is to identify and relate the development problems of size, bearing in mind that it does not act on just one particular sector; rather its effects are multiplicative between socio-economic, political and cultural factors, compounding the individual constraints.

First an acceptable definition of small size or 'smallness' is required following from which there is debate as to whether small islands, which accounts for many small states (SS) should be regarded as a separate category i.e. that the problems of small non-island states are perhaps distinctively different from small island states (SIS). The chapter will trace how the various issues relating to size within developing countries have been discussed, what are the main constraints and their relevance. The implications and cross-effects of smallness will be identified and discussed with the help of a model. Finally some of the dominant contemporary economic, social and political characteristics of developing small and small island states (SIS) will be discussed in detail so as to isolate the issues relevant to the research problem. Although many of these issues are recognised by planners and others working in the development field, rarely are they incorporated adequately in the formulation and implementation of development plans and strategies.

#### **3.2 Small size - problems of definition**

Discussions of 'smallness' have been plagued by the problem of definition. To date there is no single, universally accepted definition of what constitutes a small country. To further complicate matters, small countries are often subdivided into small and micro-states. An important landmark was made in 1957 by the International Economic Association in a conference on *The Economic Consequences of the Size of Nations*.<sup>1</sup> 'Smallness' began with a population of 15 million downwards. The main reasoning underlying such a figure was the size of the internal market beyond which economies of

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<sup>1</sup> The proceedings are in Robinson, E.A.G. (1960) *Economic Consequences of the Size of Nations*, Macmillan, London.



scale would begin to apply. Focusing purely on market size, one weakness of such a definition assumes production and distribution to be mainly within an economy, whereas the reality is that states trade with one another so that market size is frequently increased. Moreover, it also assumed a relatively affluent market, whereas many developing countries have large populations but low levels of consumer demand and purchasing power.<sup>1</sup>

Nor have statistical studies on the economic effects of size been unequivocal. Chenery (1960) showed size to be a significant determinant of patterns of industrial development. However, others reporting out of the same conference showed that there were no significant relationships between economic size and other key variables such as output per head (Robinson, 1960), or as Chenery and Taylor (1968) and Kuznets (1971) showed later in international trade. What is important here is that, as most analysts of the 1960s argued, industrialisation was the key or engine to economic growth; the economies of SS in the developing world, on the other hand, were based on primary production. However the fact that there was no significant relationship between economic size and international trade does indicate that access to international trade through sales of goods and services is an important and viable potential for many economies and including small ones.<sup>2</sup>

The 1960s saw the process of decolonisation speeded up. Again the issue of country size was to emerge, this time this time within the context of developing countries. By the end of the 1960s the economic, together with the demographic, sociological and political implications of size and development had been examined (Benedict, 1967). Several major conferences had been held focusing on the effects of smallness on developing countries (Selwyn, 1975a, Lewis, 1976). However, there still was no firm definition of 'smallness', though it was clear that size affected many other aspects of development apart from the economic.

The Commonwealth Secretariat, which includes within its membership SS, also concerned itself with the issue. Although the organisation recognised other measures of smallness, it often tended to focus on population as the simplest and most accessible indicator in defining the SS, as when it launched its special programme for small and other specially disadvantaged states in 1979, setting an upper limit of around 1 million (Commonwealth Secretariat, 1985).

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<sup>1</sup> It is noted that the focus on small size and its implications to an economy did not start with LDCs. As it can be seen from the preceding paragraph, attention was on developed small countries and as the issues and arguments are brought up in this chapter, many of the implications of size have differing implications for economies in LDCs and DCs.

<sup>2</sup> In recent year the examples of Mauritius, Botswana, Singapore, Macao and St. Lucia apply.



With virtually all the newly independent countries joining the United Nations, that organisation too became aware of, and interested in, the problems of small countries in development and international affairs. The United Nations Institute for Training and Research (UNITAR) and the United Nations Conference on Trade and Development (UNCTAD) both concerned themselves with the problems of small countries, both land-locked and island states. UNITAR commissioned a study which registered 96 small states and territories with populations of less than a million, half of which comprised a population of less than 100,000 (UNITAR, 1971). Virtually all of the countries were small in population, geographical size and in the size of their economy. In the UNCTAD (1973) study only 15 of the 52 small countries and territories had less than 10,000 sq. km. in land area and 75% of these had populations of less than 1 million and about 52% had populations of less than 250,000 (1970). From these reports the threshold for defining a small country was a population of a million and less, and some notion (vague) of a small land area (physical size). The latter aspect was included in the observation that the general trend, though not exclusively, was that a small physical size also implied a higher probability of a lack of physical resources, the exceptions being resource rich countries such as the Gulf States and Brunei.

More recently this cut off point has been revised upwards. The Commonwealth Secretariat routinely collects and publishes international reports for 82 countries with populations of less than 5 million, and 50 of these have *per capita* incomes of less than US \$ 2,000.<sup>1</sup> The report incorporates most small countries regardless of their economic and development status. It uses World bank definitions, placing them into low, middle and high income countries and OPEC and OECD countries. Their average population has increased from 1.5 million in 1979 to 1.56 million in 1988. Their average land area is about 138,000 sq. km. Small countries are thus defined from some composite measure incorporating area, income and population and can be further categorised according to development status such as developing or developed countries.

The 1979 conference hosted by the Australian National University (ANU) focused on development issues of the island states of the Pacific and Indian Oceans. It attempted a definition of smallness based on the particularity of the problems of SIS, the most relevant indicators here being the size of population, geographical size, and gross domestic product (Shand, 1980:7). Thus smallness in human resources is an attribute of the size of the population, while physical area can be used to denote smallness in natural resources availability. GDP can be used as a crude measure of the size of the internal market. The report by no means pretends that these measures are universal,

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<sup>1</sup> It is published annually since 1979 and is entitled; *Basic Statistical Data on Selected Countries (with populations of less than 5 million)* Commonwealth Secretariat, Marlborough House, London.



but it does provide a close indication of the actual situation affecting most small territories although the levels at which smallness in each of the criteria becomes effective was not determined. The levels were set arbitrarily. It is noted though, that according to Erbo and Schiavo-Campo (1969:187) that "with notable exceptions the several possible criteria based on size yield the same broad groupings of countries. A territorially small country usually has also a small population, a limited resource base, a small supply of savings, as a result, a small absolute national income". It is interesting that in broad terms, their observations still hold for the majority of small territories.

As economists, Lall and Ghosh (1982:144-5) take the view that it may be more meaningful to consider population size and incomes (GDP) for defining small countries. They reject surface area as a significant factor in classification and point out that the development problems of resource-scarce, poor economies with small populations but large surface areas, are hardly different from those of similar poor countries but with small land areas. Basic problems, such as the lack of shelter, nutrition, education and employment that characterise geographically large but poor countries are quite often characteristic of small ones. However, they do acknowledge that insofar as economies of scale are concerned (especially with respect to manufacturing), the options to large and small countries are bound to be different. While a large country may practically do everything that a small country can, the opposite is not necessarily true. Thus smallness is seen more of a constraint rather than a positive factor in development.

Taking an economic view point, Kaminarides (1989: xvi) suggests that in theoretical terms a "small country" is one that is small enough so that the quantity of goods and services it produces is too small to affect their prices in the world market, implying that it will remain a "price taker" - forced to accept what the market will dictate for its goods. It appears that Kaminarides had in mind the SS that produces a narrow range of goods that are already produced widely elsewhere and hence a glut in the market. He goes on to note that the classical criteria of smallness are population, area and the size of the economy measured by the GDP and accepts these, but does not suggest the limits of these measures.

As many of the indicators used are not static (e.g. population and GDP), states close to the threshold fluctuate as to whether they are defined 'in' or 'out'. For example a decade ago Mauritius had a population of under a million and a *per capita* income of less than US \$ 1,000. These are now over 1.1 million and US \$ 1,950 respectively (1989), while its resource base has remained nearly constant. With a population ceiling of 1 million and a *per capita* income of US \$ 2,000 (which may be approached soon) being used as cut off points, technically Mauritius ceases to become a small country. Such a rigid application of threshold points has obvious problems. Mauritius has the



similar degrees of vulnerability that SS continually face. Achievements which have taken decades to realise can be eroded in a very short time, here again witness the concern that Mauritius, and the banana producing Caribbean countries and indeed others have with the deadlock and outcome of the 1992/93 General Agreements on Tariffs and Trade talks (GATT). An outcome which restricts access to the Northern markets, will have serious consequences on their economies.

Population size remains a persistently used indicator. In their study of vulnerability of SS by the Commonwealth Secretariat (1985) population size was used as the key indicator of smallness, basing this on an earlier study by UNITAR (1971). The Secretariat concedes that this is perhaps too narrow a conception. It also points out that the 1 million cut off point appears to have gained wide currency for the pragmatic reason that almost all states within this limit tend to experience the special problems particularly associated with small size (Commonwealth Secretariat, 1985:9). However, this is a bit of a circular argument and the same caution of using a dynamic variable applies, and it can also be argued that there are countries with larger populations facing very similar problems. It goes on to note that there is evidence that severely restricted human resources can be a crucial constraint on a country's overall development capacity. It does recognise that cut-off points are arbitrary and can seem unfair to those just outside the limit thus each case should be taken by merit.

Although there have been numerous other attempts to define small, mini and microstates, all have been fraught with problems (Dommen, 1985; Hein, 1989, Selwyn, 1978; Selwyn, 1980) and even the most extensive discussion have been largely inconclusive (Bray, 1987; Connell, 1988b, 1988b). What is clear though, is that smallness is taken as a relevant factor and that it is a relative concept. Hein (1989) states that it is generally agreed that the use of a single variable for this purpose is inadequate and that some other appropriate variables are needed. There are also other effects on the development of small countries which do not necessarily arise out of size alone and it may be difficult "to disentangle the effects of smallness from those of remoteness or peripheralness - or from those of newness" (Davies, 1985:248).

One of the problems of the analysis is that small developing countries have much in common with larger developing countries. However, as is discussed later, amongst other factors, small size often serves to exacerbates the problems of such territories. Thus, although many Third World countries with much larger populations tend to confront a similar range of difficulties as small countries, there is little doubt that these difficulties become noticeably "more acute when the population falls below the one million mark" (Commonwealth Secretariat, 1985:9).



In spite of its shortcomings most studies have resorted to using population as a measure of size. In the absence of a widely accepted definition of small size, and recognising the difficulties which lie in defining smallness, this study adopts a composite measure based on the observations and experiences of other studies. It also recognises the need to assess the specific needs or experiences of each country and region and this is also why in the methodological approach a variety of different approaches have been adopted as a form of 'triangulation' to pin-point the specificity of the regional dimension and the case study. Basically it recognises that other factors come into play and it is important to identify and analyse these (chapter five).

The region being studied consists of small island developing countries. Based on the average size of small countries, they are small in both physical and in population terms. (less than 5 million) and have very a limited resource base. Although there are significant variations in economic indicators, they are all vulnerable to a whole score of economic, political and strategic factors.

Zanzibar is even smaller in economic terms with a GDP *per capita* of less than US \$ 200. Moreover, it is constrained by its physical and human resource base and exhibits other factors typical of SIS such as a concentration of its agricultural production. This definition and approach has been suggested and applied by other scholars and has become widely accepted (Dolman, 1985a; 1985b; Connell, 1988a; Beller *et. al.*; 1990).

With such a broad definition of 'smallness' it is pertinent to discuss in depth why small size becomes important and what are the implications of smallness to small developing countries, islands or otherwise. The relevance of and distinction between landlocked and island small countries will also be discussed.

### **3.3 Islandness and Small Size**

Since the 1960s the literature on small states and their problems has grown significantly. Focusing initially on the question of economic problems of small countries in the developed world, later there emerged a growing appreciation of other categories including developing small and micro states, and developing small island and small non-island developing countries. The reasons for such categories are based in the specific problems that each such country faces.

From the contributions made of the problems and experiences of small developing countries there has developed what Brookfield (1990) refers to as an 'island literature', and an 'anti-island' literature. Brookfield (*op. cit.* :24) states that; "After 20 years of island literature, the utility of looking at islands as a specific political and economic case is in need of some re-thinking". He does however, stress that there are aspects



which compound the problems faced by small islands, suggesting that the common ground for the basis of 'islandness' are *scale and location*, and *the dependence of islands on sea and air links to other places, including other islands within a group*. He also stresses that scale and location are not constant variables as they can change with technology or with the success or failures of competition.

There has been some debate about the validity of islands as a separate category in terms of their social and economic analysis. In the analyses of small islands, Selwyn (1978) suggested the concept of the 'disadvantageous geographical location'. However, Brookfield (1990:25) argues that "Selwyn's (1978) concept of a 'geographically disadvantaged location' needs to be allied to that of small size", if it is to have any analytical value. So the issues of location which include remoteness, fragmentation and proximity are compounded by size (and vice-versa).

Several aspects help to define the character of SIS, their relative size, resource endowment, degree of isolation and fragmentation, economic and political links, and geopolitical and geostrategic locations. In a number of respects the opposite of the SIS, the small land-locked states also have similar problems. Being land-locked entails high transport costs and LLCs are often obliged to have 'friendly' political and economic relations with the countries through which most of their imports and exports pass through (e.g. Lesotho and Swaziland with South Africa or Nepal with India). This, in a way parallels the transport and remoteness constraints of SIS. Some analysts have suggested that the problems of small land-locked and island states are similar and there may be value in comparing them (Selwyn, 1978, Shaw, 1982, Clarke and Payne, 1987, Connell, 1988b).

It is recognised that many of the development problems of developing SIS are similar to LDCs in general. Indeed, Connell (1988b:1) notes and argues that island microstates (IMS) "do not monopolise the more serious development problems". Sub-Saharan African states, including some of the island states around the continent, have more substantial problems. However, it can also be argued that many SIS have developing country, Third World or Least Developed Country status anyway (e.g., Comoros, Zanzibar, Sao Tomé and Príncipe, Cape Verde, the Maldives etc. etc.). Similarly in the case of the French DOMs and TOMs (e.g., Reunion and Martinique), were the economic support to be removed, they would likely be plunged into a similar situation to SIS elsewhere in the developing world. Brookfield (1988) observes that what happens in many of these islands is different in degree, but not in kind from changing rural societies elsewhere in the world and policies and strategies that are required to stimulate development in SS and SIS are just as likely to be different from one state to another just as in larger countries.



Three factors appear to be of special importance to the development problems of SIS, *scale, location and transport problems* (UNCTAD, 1982; Connell, 1988b; Brookfield, 1988, 1990). Unlike the land-locked SS (e.g., Lesotho, Swaziland and Nepal) that are single geographical unit, SIS often comprise of a few to hundreds of outlying islands - as is the case of the Comoros, Seychelles or Maldives. Moreover, in addition to marine or air transport constraints, many have road transport problems too. Land-locked states are surrounded by other countries and despite the specific problems that they face, external contact is easier compared to the remote SIS, which are surrounded by vast oceans and located considerable distances from any other country. This, of course, entails problems of transport which are reflected by means of transport, frequency, reliability, distance and costs. The Seychelles, for example, has to air freight fresh fruit and vegetables and dairy products from Kenya frequently to sustain the tourist industry. Most of the problems facing SIS are related to scale and then compounded by distance and transport problems, location, fragmentation, and indeed others which are of a historical, cultural, political and economic nature. This study takes the position that scale is but one of the fundamentals problems of SIS development.

### **3.4 The relevance of Small Size**

The debate on size and its implications has dominated the literature on small states, including small island states (SIS). Though less attention was paid initially to the LDCs, at this stage the full effects of decolonisation had not occurred (1950s). By the early 1960s, and following the rapid spread of decolonisation, there was growing concern about the number of emerging small countries and whether their very existence was economically and politically viable. In 1962 a seminar was held in London discussing *The Problems of Smaller Territories*.<sup>1</sup> This was amongst the first of many attempts that addressed the problems of SS and SIS. Over the next three decades the literature on development of SS and SIS expanded significantly and now a whole body of knowledge on the problems of SS and SIS is emerging.

From the literature and meetings that have since occurred, there is agreement over several issues, the most basic of which is that small size is seen as a hindrance to development in SS and SIS, compounding problems that already exist and narrows the scope for action in various ways. Insofar as SIS are concerned, the 'tyranny of distance' (remoteness), isolation and fragmentation compound these problems. The discussions point out various pitfalls that are related to small size, which are not necessarily universal, but have occurred in various SIS and SS and can occur in others. First, it is concluded that so far there is only a relative definition of small size and that any

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<sup>1</sup> Its proceedings are in Benedict, B (ed.) 1967, *Problems of Smaller Territories*, Athlone Press, London.



definition made has to be within the working context of a particular issue or problem. The generally accepted working definition focusing on development issues of SS such as in the Commonwealth covers populations of 5 million and less. Second, there is a consensus that being a SS, and indeed a SIS, entails different and more profound sets of difficulties in confronting the challenges of sustainable development and attempting to achieve self-sufficiency and self-reliance than is the case for LDCs in general.

At this juncture it is helpful to list the types of economic problems that most SS, and especially SIS face (Dolman, 1984, 1985a, 1985b; Commonwealth Secretariat, 1985; Lestrade, 1989; Jacobs, 1989):

- ❑ They suffer from diseconomies of scale, and these effects tend to increase exponentially as a function of insularity, dispersion and isolation.
- ❑ They depend on a very narrow range of produce (often agricultural) for exports, and have no influence on the terms of trade. This results in pressure to produce more for less, entailing increasing pressure on the limited resources and environment. Many of the least developed SS hardly exhibit sustainable economies.
- ❑ Some of their current problems arise from comparative advantages enjoyed in the past, which have now been reversed. Distance to and from markets, high external and even internal transport costs and the need for transshipment of goods entail considerable costs, low frequencies of movement and much time.
- ❑ Most have serious balance of payment problems emanating from stagnating or falling export performance and earnings, while at the same time imports of foods, energy, and consumer goods are growing. Self-reliance appears to be more of an illusory objective.
- ❑ They are restricted by a very narrow range of skills and experience available, resulting in critical shortages of human resources. This problem is compounded with matching skills to available jobs and an increasing reliance on expatriates. They also lack the training facilities and cannot afford to train them
- ❑ Many have severe limitations in natural resource endowments in terms of commercially exploitable minerals. Human resources (skilled) are scarce too. In low, atoll islands shortages include even basic resources such as soil, water and vegetation. They generally suffer from narrow resources bases.



- They tend to have extensive government administrative and state sectors which are disproportionate to the size of the economy, entailing substantial operational costs whilst yielding less than is expected. There are broad diseconomies of scale in the administration of SS. Most inherited administrations from the departing colonial powers and there have been little changes since. Colonial administrations were less concerned with administrative costs, however, the new administrations have continued to grow as a result of social, political and development pressures.
- Some small economies are dependent on the operations of a few, often foreign owned, companies which often tend to be the linchpin of economic activities (e.g. mining, tourism, financial services etc.), and which wield considerable influence on governments and operate on highly privileged terms. In some situation the companies even encroach on the sovereignty of the SS.
- Those which are island states and lie in cyclone, hurricane and typhoon zones are prone to natural disasters. However, even those outside these areas tend to suffer more from other disasters such as crop diseases, which if devastated can have long lasting effects on their economies and food security.
- Because populations are relatively small, the public service clientele is also small. This means that specialist services, such as higher education, health or certain repairs and maintenance cannot be justified or afforded.
- There tends to be a high degree of 'intimacy', so that the rewards offered by the state are visible e.g., problems arise when governments attempt to staff the public services, or send people for training based on merit.
- Related to the above, individuals can influence small administrations in a manner less likely in larger states, through the greater influence on and access to highly placed civil servants and to political leaders. Politicians tend to oversee administrative details which elsewhere would be left to administrative discretion. This is the so-called *interference* phenomenon which is quite common in many SS.
- Although the administrations are large by small country standards, in comparison to larger countries they are still small and this often also means spare capacity and in small and socially closely knitted societies has important training implications. They have less opportunities for a life-time career, a situation which is exacerbated by, *inter alia*, the common profusion of cadres.



- Sovereign SS tend to have higher external assistance *per capita*. This situation partly arises from the fact that for donor countries, the gross amounts are very small, but there are also important geopolitical, geostrategic and economic reasons or benefits for the donors. The SS that have deliberately sought to exploit this potential have done quite well (e.g. Guam, Bermuda and Mauritius).

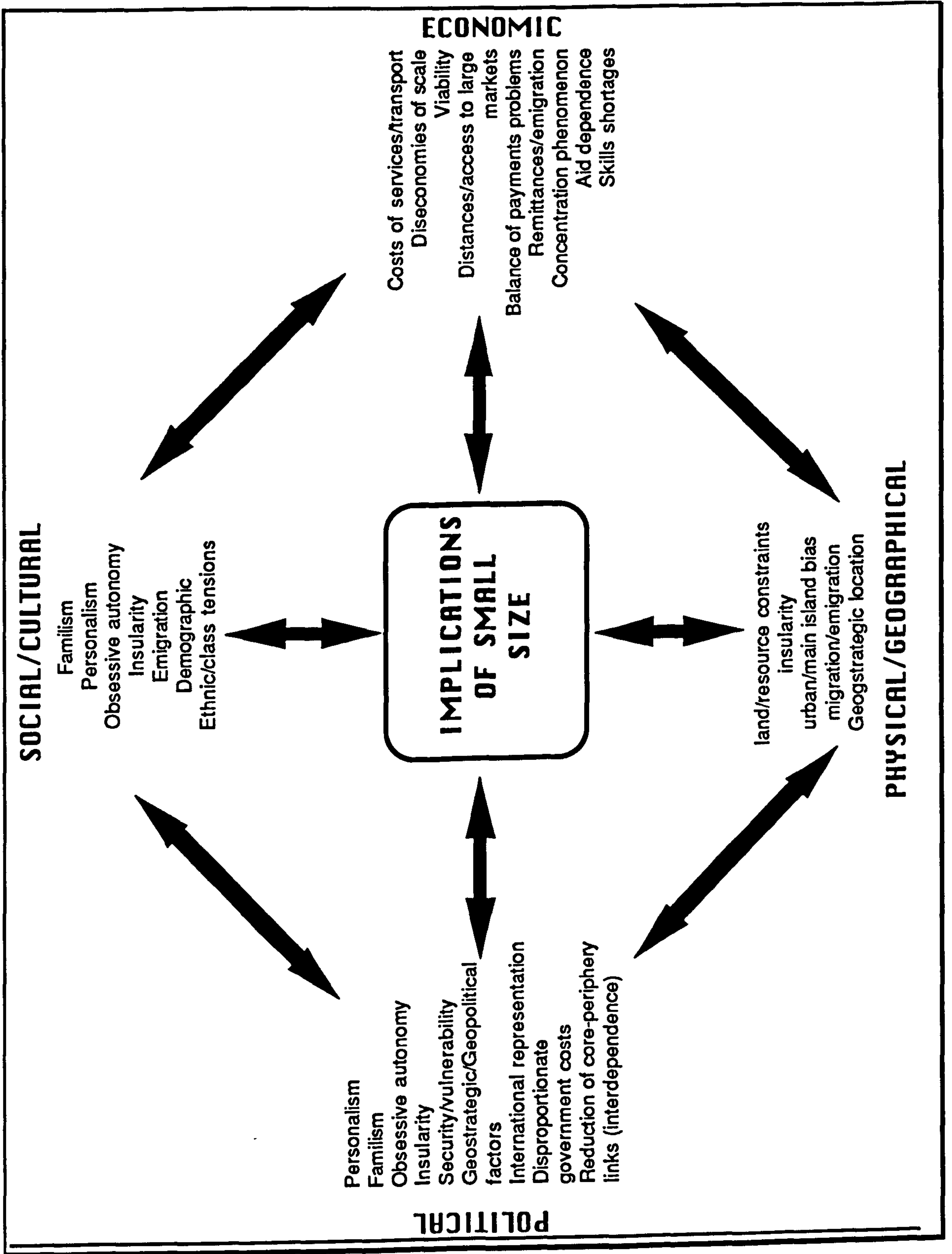
### **3.5 The implications and interrelationships of problems of Small Size**

The implications of small size have been introduced and discussed. However, they rarely act alone since they are inter-connected and intertwined in a complex manner. For example, fragmented SIS such as the Maldives, Comoros and Seychelles entail higher transport and communications costs, which in turn constrain the establishment of manufacturing, other economic activities and provision of social services. This means that investment priorities are concentrated in a few urban areas, enticing movement of populations (rural-urban) towards them and leading to demographic and social implications.

This process does not end there. The agricultural and fisheries sectors are deprived of the younger population leading to shortages of labour in rural areas, eroding the subsistence safety net by decreasing domestic food production. Falling cash crop production reduces the capacity of the SIS to import essential goods and services and attempt capital investments. There are several knock on effects, such that the physical implications of smallness lead to economic ones, which have social and cultural implications and so on. In the final analysis leading to serious political implications and vulnerability.

Social interrelationships are important in small communities. For example, Lowenthal (1987) notes that political and economic behaviour is subsumed within social structures, and along with environmental circumstances both ensue from and shape social and cultural traits and these aspects of small-state life are inseparable. Economic, political, religious, kinship, and other cleavages in SS tend to overlap; people expect every social act to have economic and political consequences, and *vice versa* (Benedict, 1967). This situation is central to the understanding of the problems and prospects of development in SS. A model of these functions and their effects is constructed and shown in figure 3.2. It shows these interrelationships as they operate in SIS and SS. The model represents the various interrelationships (cause and effect) and their broad implications. For example an economic decision has political, social and cultural and physical/geographical implications which are amplified by smallness. The following discussions expand on the various parts the model.





**Figure 3.2 A model of the interrelationship between aspects of development in SIS and SS.**



### 3.5.1 Social and Cultural implications

*Insularity* is one unequivocal geopolitical feature of most developing small and small island communities/states.<sup>1</sup> More recently developing SS have had to increase their external ties and this often implies the arrival of foreign expatriate workers and investors, and where tourism has been encouraged the mass arrival of foreigners exhibiting strange dress, beliefs, and behaviour. This can be a cause of tensions.

*Conservatism and adherence to tradition* often feature high in SS with the maintenance of continuity often being regarded as important. Lowenthal (1987:35) suggests that this stems from a caution born of long experience with resources whose exploitation is severely limited by scale, isolation, physical and economic hazards beyond their own control. The inhabitants of small-states are aware of the fragility of their economic and social fabric and are therefore conscious that any change may entail the risk of cataclysmic loss. The enormity of losses are relative to the local scale and limited alternatives. Innovations are thus viewed with suspicion and any major decision is dealt with from a conservative stand point. They are even willing to forego pecuniary gains and nurture traditional ways. Progress or development often threatens to upset the traditional equilibrium underwriting community interdependency.

The small size of their social world together with an awareness of their ecological and social fragility foster what Lowenthal (1987:39) terms as 'the management of intimacy'. Inhabitants learn to get along with one another, though not necessarily always in harmony. The focus of life is stability and compromise. It is partly because of the awareness that within the small space they are contained in and the damaging consequences of factional differences, that they often go to greater lengths to conceal or mute hostilities.

Although smallness promotes social cohesion (Boissevian, 1974), it is also a cause of intense factionalism in other small communities which can be detrimental to 'good government' and development (Benedict, 1967:49). Lowenthal (1987:40) also notes that; "Two opposing ethnic groups of equivalent size or power especially aggravate such tensions, as Cyprus, Guyana, and Sri Lanka variously illustrate." The long term effects are that a substantial amount of scarce resources are absorbed in such conflicts and tensions, much to the detriment of overall development objectives. In other areas considerable amounts of the limited resources available are absorbed in appeasing or

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<sup>1</sup> Insularity is defined as or refers to being separated or isolated, being remote, detached or aloof, illiberal, closed or inward looking. It is an attitude which is quite suspicious and distrustful of outsiders or those who do not belong. Considering the histories of many island communities this is hardly surprising. The interests of local power groups are also included.



coercing groups or areas which are in opposition to the government of the day, thus constraining the development process elsewhere.

Societies in small countries, often numerically small, are tight-knitted and there is a tendency to use informal means of communications and this is quite normal. However this entails some negative effects. For example, some of the repercussions include the failure to record decisions and the reasoning on which they were based upon. The resulting discontinuities are inimical to efficient and reliable administration yet this is because most people tend to know one another or are related. Administrative problems also arise which adversely affect recruitment and promotion based on merit. May and Tupouniua (1980:420) note that "the size of a community affects the quality of the relationships between its members, and in turn its political institutions." Lowenthal (1987:40) points out that bonds of family underpin small-state intimacies and where everyone is related personal involvement in public affairs is inevitable and nepotism unavoidable. Family or kin favouritism becomes a fact of life and this is what Lowenthal (1987:40) terms as *familism*, which is generally unacceptable elsewhere but is a fact of normal life in small communities.

Another dimension of the same problem is manifested in *personalism*, or what Sutton (1987:15) terms as '*exaggerated personalism*'. The role of the individual assumes greater importance and he or she is more susceptible to pressure internally and externally. Patron-client relations are common, and the combination of *familism* and *personalism* have implications in both a political and an economic sense. For example, a high ranking government official is also often a party official and can also be a group and religious leader as well and the line separating these functions is very thin. So the leader of an ethnic group is also a religious elder and a senior government official and will defend local or group interests, thus influencing socio-economic development to that group or area.

*Emigration* has become a common feature of life in most SIS, particularly since independence. Its effects have negative and positive impacts. Migration takes away the younger, energetic, more skilled and innovative individuals, reducing rural bargaining power and business potential (Connell, 1980, 1982, 1983, 1987). It is not the poorest who migrate first, it is the most educated, so contributing to the brain and skills drain, for example, most qualified Comorians seek employment abroad and tend not to return to the poverty and lack of prospects in the islands (Newitt, 1984:91). In compensation, remittances and other unrequited transfers such as food, consumer and capital goods cushion their departure. In many SIS, remittances are the largest single source of foreign exchange, sometimes greater than exports or aid and in the Caribbean, for example, this pattern has been long established (Rubenstein, 1983; Connell, 1980, 1983). In Cape Verde remittances accounted for about 48% of the GDP in 1980



(UNCTAD, 1985). Making reference to Western Samoa, Shankman (1976:28) stated that migrants have been "the most valuable export". The compensations of remittances are not necessarily always adequate, and may in fact encourage further depopulation of the rural areas of the young leaving behind an aged and less capable population.

Emigration and return can become an established routine becoming a normal part of the cycle of life. Although the amount and regularity of remittances tends to fall over time, the decline affects more rural-urban migration than international migration, where the probability of return migration is considered to be higher (Connell, 1983, 1988b). The periodic return of the absent contributes to continuity and community participation. Successful emigrants may be followed by other members of their families. Emigrants also often return home to reshape society with their investments, their metropolitan or continental contacts and modern concepts, and their cosmopolitan energy and dynamism (Connell, 1980; Doumenge, 1985).

There is a tendency towards *autonomism* in many states, large or small. In small states however the demand for autonomy assumes particular importance stemming from the desire to protect their statehood. Doumenge (1985) points out that islanders often tend to assert their difference from their neighbours. This partly explains the "ritual emphasis on endemic parliamentary and other institutions and their exaggerated claims to cultural unanimity" (Lowenthal, 1987:44). There is often suspicion of external interference and hence: "Little wonder that small states sometimes seem paranoid about external subversion" (Lowenthal, 1987: *loc. cit.*). Thus anything external can easily be interpreted as interference, including external assistance which impinge on many important issues. Keeping outsiders at a distance through immigration regulations and from owning local land and other resources is quite common.

The quest for autonomy is safeguarded vigorously and the attempts to uphold and enhance it can lead to bloated government infrastructures. Self-government is expensive and the smaller the government the higher the *per capita* costs as SS and SIS duplicate the range of services offered in larger states (Commonwealth Secretariat, 1985; Sutton, 1987; Lowenthal, 1987). Sutton (1987) argues that it is not size *per se* that contributes to this situation; the colonial heritage of SS plays a part as well. Although there is scope for the reduction in the bloated size of governments, the existing *governmental pervasiveness* of most SS restricts any such possibility. This 'obsession' helps to explain the difficulties that SS tend to have when attempting to establish regional co-operation, since none is willing to surrender any aspect of their autonomy.



### 3.5.2 Economic implications

*A small domestic market* is a consequence of both a small population and a small income generating capacity. This militates against establishing manufacturing leaving small scale manufacturing or EPZs as among the only possibility. There are also problems on the supply side in terms of employment and investment. Bhaduri *et. al.* (1982:60) postulate the hypothesis that there is a critical minimum size of economies in terms of employment (population) and investment (income levels), below which it is not feasible to maintain a positive growth rate in labour productivity in manufacturing. So manufacturing is not a feasible alternative for many SS and SIS, therefore limiting employment and income generating possibilities. Unemployment and underemployment narrows governments' tax base which in turn restricts development potentials.

The '*concentration phenomenon*', in which the lion's share of national output is derived from one or two sectors, makes SIS and SS extremely vulnerable to economic shocks (Lloyd and Sundrum, 1982). Domestic production is small and imports encompass a very wide range of goods and services, especially food, energy, and most consumer goods. There is a high degree of dependence on imports and Shaw (1982:98) argues that this is responsible for the greater economic instability common in SS. Small countries are subject to greater pressures from external sources because they are closely integrated into external markets for goods, capital and labour, their transactions with the international economy are subject to greater fluctuations and they have a narrow range of trading partners (Garnaut, 1980:314).

Contributing more from the point of view of dependency analysis, Ward (1975:129) concluded that small countries face these problems because of the distortions and rigidities built into their economies as a result of their integration into a world market. They are subjected to external political influence through trading and service links, and increasingly through aid and security assistance. Economic aspects have considerable political implications through dependency, international relations, geopolitical and geostrategic interests (Espindola, 1987; Hughes, 1987; Lemon, 1987; Thorndike, 1987).

*Aid* has become a prominent feature for most SS and SIS. It is an essential input for both their development efforts and import capacity. Indeed, it has become an essential form of subsidy to SS and SIS economies. Persaud (1985:21) expresses concern about the future of SS and especially with the evolution of policies governing resource transfers, in that many have become so dependent on resource transfers from developed countries such that events in the metropolises influence the situation in the periphery. Such developments reflect the weak political position of SS rather than the extent of



their needs (Persaud, *loc. cit.*).

### 3.5.3 Geographical/Physical implications

The geographical structure of many SS and SIS and the manner in which the population is distributed affects their development in a number of ways. Population may be unevenly distributed through a large number of islands, often at considerable distance from the main administrative centres. In the Maldives the provision of health and other services to outlying areas is problematic. Isolation makes communication difficult and costly for higher social and economic costs and few SIS governments have the resources to do this.

The global location of the SIS is also frequently of importance. Those in the Caribbean region, for example, which are relatively close to the US but historically have been under the economic influence or patronage of the UK, France and the Netherlands have been affected by economic interests emerging from their both their geographic and economic-political closeness. The same applies to the SIS with proximity to Australia and New Zealand. In contrast, those with close proximity to the relatively less developed African continent have fared far worse (e.g. Comoros, Cape Verde, Sao Tomé and Príncipe and Zanzibar). Clearly, for the SIS proximity to the economic metropolises has generated higher incomes for them.

Remoteness entails difficulties in transport and communications. It is difficult and slow to transport equipment and development projects tend to be stalled or even abandoned as a result of rising costs and delays. The infrequency of movement also restricts economic and social activities, creating a periphery within the periphery, in turn fuelling secessionist movements.

### 3.5.4 Political and Security implications

A large proportion of the newly emerging SS were part of the British Commonwealth, and at independence adopted governmental structures based on the Westminster/Whitehall model (Jacobs, 1975:135). Thereafter a variety of other governmental systems ranging from single to multi-party political systems appeared, but generally the civil service structure remained the same even though their requirements were different from those of the colonies, protectorates and dependencies.

Their development needs of economic growth, diversification, self-reliance and the provision of basic needs have resulted in the expansion of agencies, departments and functions. This in turn has caused a high staff turnover which in the light of departing expatriate workers required rapid promotions, low degrees of specialisation and experience, eventually resulting in bloated administrative structures. In SIS the state



has become the largest and most important employer despite the financial costs to the economy.

There are significant political, social and economic implications resulting from this. For some being in power (government) gave them virtually absolute control and often led to abuse of the state for personal gains, as occurred in Grenada under Gairy. What is important is that significant employment was also created regardless of the economic justifications often as a means of placating a large part of the population and maintaining patronage. However, as noted earlier, this also means the concentration of a large part of public investment in urban areas and further urbanisation, at the expense of rural development.

On the functional side, the shortage of skilled personnel means that less qualified workers are employed and even promoted into responsible decision making positions. This has an impact on the provision and quality of services and development programmes. Some have adopted decentralised local government systems which have resulted in problems in co-ordination between central and local governments, but which have accounted for large budgetary outlays. Worse, at the end of the day, despite such expenditures, there is little to show in terms of development achievements.

The effects of *personalism, familism and kinship* are particularly strong in many SS. Personal relations and kinship are important and an accepted way of life in the social and political life of many SIS in a manner which may be viewed with apprehension in larger states. There is a tendency for the traditional elite to exercise their influence in electoral politics in favour of candidates based on aspects other than ideology. For example, in the Pacific island states and the Maldives formal political party based systems have not emerged and this is attributable partly to traditional systems based on *personalism, familism and kinship*. In the Comoros, the influence of the local elites have corrupted and set back the political and economic development of the country.

A particularly sensitive area is the tendency for relations to develop between the legislature and the executive. Whilst this can contribute to flexibility, it is also open to nepotism and corruption. Individuals tend to assume multiple roles within government, the traditional social structures, religious institutions and other indigenous and non-indigenous social organisations, in business and economic spheres.

Political instability - coups, uprisings and invasions each being relatively commonplace - have profound effects on SS and SIS drastically reducing their economic viability. At worst their people become subordinate to cliques or external powers and this often implies use of scarce resources to suppress dissidence. It has been noted that legitimacy of the political process as a security resource is crucial for small state



stability (Clarke and Payne, 1987:227). All these factors in various combinations and under different historical experiences and economic systems make up different variations of SS and SIS but they are essentially the product of smallness.

### **3.6 Size, Self-reliance, Dependence, and Interdependence**

While following independence many of the new states attempted to be more self-reliant, it would be more accurate to say that they became more interdependent within the global political and economic structure. The Cold War struggle between the US and former USSR for securing strategic locations around the world had economic and political implications to SIS, which is the first feature of interdependence. This was followed by 'development and aid' programmes as a means of maintaining 'spheres' of influence of the core powers, so that SIS became 'theatres' for superpower rivalries (e.g. Caribbean, Indian Ocean and Pacific SIS). Some (such as the micro-SIS of Guam in the Pacific) have benefited significantly in terms of their 'rentier' status through leasing their strategic locations in exchange for preferences in aid, trade, security and contractual work associated with military and research installations although this renders them to a situation of subordination to the metropolises (Daly and Connell, 1987, Connell, 1988).

Post-independence development strategies have been evolutionary, often stressing self-reliance through the development and exploitation of domestic resources such as agriculture, fisheries and minerals, depending on the individual circumstances. Forty years later domestic development in most SIS has stagnated, and emphasis has shifted to tertiary sector activities such as tourism and international financial services. Within a few SIS Export Processing Zones (EPZs) have been implemented, but even these have limited benefits. Pressures on limited resources have meant that policies aimed at diversification have been sought over-ambitiously. The global economic problems of the 1980s and the early 1990s have had greater impacts on SS and SIS dependent on primary export earnings and services, concessional capital flows and overseas remittances and in response they have encouraged policies striving for economic diversification and even 'diversification of dependency'.<sup>1</sup>

The central problem confronting SIS is how to break away from conventional trajectories of dependent development and achieve self-reliance. External links, aid and remittances have created 'illusionary needs' that are impossible to satisfy with the resources available in most small and small island states (Mientel, 1983). Meanwhile many still strive to achieve modernity and what it entails (Petersen, 1979). The opposite

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<sup>1</sup> e.g. recent development strategies in the Maldives, Comoros, Mauritius and Zanzibar.



direction would be to select autarkic policies, though this often implies imposing lower standards of living (Payne 1987), as the examples of Sao Tomé and early post-Revolution Zanzibar demonstrate. There is no straightforward alternative and the most obvious one is paradoxical. Connell (1988b:15-16) sums up the situation by pointing out that;

Not surprisingly then the self-sufficiency and economic nationalism, that continues to be widely recommended as a solution to dependence or even 'collective self-reliance', is steadily being eroded. At the same time the alternative, a more adequate interdependence (for example through better terms of trade for Third World produce or employment opportunities in the rich world), is no more likely.

Parallels can be drawn here between Zanzibar and Sao Tomé; both have consistently sought self-reliance and yet are highly oriented to external markets.<sup>1</sup> Both are dependent on crops which have crashed in the world market. In such circumstances, the only practical approach appears to be to use dependency to achieve self-sufficiency, strange as this may sound. This implies pursuing greater integration into the global economic system through increasing dependency links such as aid and loans. SS and SIS have become profoundly dependent on the external environment for capital including aid, loans, remittances, private investment, expertise, technology, commodities, and even cultural change. This is noted in Micronesia (Tokelau and the Cook Islands) by Peoples (1985) and Connell (1987). Here the subsistence economy has been rapidly eroded and the paucity of resources may have theoretically and perhaps even effectively affected the criterion of independence (Harden, 1985). Growing dependency has also meant erosion of autonomy and self-reliance, even if there has been a 'negotiated dependence' albeit on unequal terms (Townsend, 1980; Connell, 1980b:80).

A commitment to self-reliance programmes continues to exist at various levels. Kiribati follows this closely by ending budgetary aid, restricting government expenditure and committing local funds to projects which prioritise resource development (Pollard, 1987:19). However, this is more the exception and it is only achieving greater self-reliance through the sacrifices made by its population. Its strengths lie in cultural cohesion, social organisation, political stability and a subsistence sector, a combination which is not available in other SIS. Elsewhere such policies are lacking and practice is deficient, making movement towards self-reliance difficult. Overall, the prospects for greater self-reliance for many SS and SIS are small and it has remained a nominal political objective featuring prominently in development plans, but not a genuine economic objective. One expert argues that recent experience would suggest that any

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<sup>1</sup> Cocoa realises 80% of Sao Tomé's export earnings, and cloves account for 97% of Zanzibar's export earnings from international trade, excluding trade with Mainland Tanzania.



discussion of increased self-reliance is an exercise of self-deception (Dolman, 1990:100).

Connell (1988b:16) argues that it is improbable that most island micro-states can ever achieve a significant degree of self reliance (unless they discover new sources of oil or mineral wealth), yet all are capable of moving away from the massive dependence on aid and all have some room for manoeuvre should they wish to do so. However, this involves major economic restructuring and policy shifts as well as political will. Thus, self-reliance means reducing dependence on imported 'necessities' including food, oil products, capital equipment and expertise. This requires changing consumption patterns and increasing local productive capacity. However, islanders demand 'academic' education, wage-employment and the material benefits of modern industrial type of development and these 'demands' often contradict the national aspirations for self-reliance. Moreover island economies are increasingly open and subsistence agriculture has disintegrated (Marshall, 1982). It appears that strengths of external ties in aid, trade, tourism, financial services, and diversity of links are the greatest contributors to current growth and development (Marshall, 1982; Fairburn, 1985). Increasingly dependence on foreign aid seems to be necessary if living conditions are to be maintained at tolerable levels. Thus in Fairburn's (1985:57) view, in the longer term the only meaningful course against the threat of low-level poverty calls for further population control and measures to restrain material aspirations to levels that can be sustained without undue dependency on international charity.

Under these circumstances it would appear then that the future of SS and SIS is increasingly one of interdependence within the global economy. The comment that: "Though self-reliance will continue to be emphasised in development plans, and is an important strategy for food production in many IMS, the key elements to domestic economic growth are increasingly to be found outside the IMS", remains valid (Connell, 1988b:17). The desperate situation is reflected in Fairburn's (1985:97) comment, that "hopes of achieving a level of economic development capable of producing cumulative growth seems nothing more than a pipe dream". Indeed the prospects seem to be so dismal that official development assistance to many small and small island states are deemed necessary to enable them to simply sustain basic standards. It is improbable that aid, especially in most of its current forms, will be able to stimulate economic growth at a rate that will meet local demands for income and employment. Thus emigration is likely to remain an important option.

More recently fears for falling aid commitments have stemmed from a variety of global changes. The implications of a single European market, the world-wide recession and the 'peace dividend' appear to have resulted in loss of jobs in the developed world consequently restricting resource flows to developing countries. Traditional recipient areas for emigration are rejecting migrants as immigration policies are being tightened



up with major implication for those islanders who have tended to head for European and American destinations (e.g., Haitians to the US). However, Connell (1988a) argues that fears about declining aid commitments in the future are unlikely for island micro-states because of their strategic significance and because the actual volume of aid is quite small. But the global strategic situation is not static, and nor do all islands retain strategic significance, partly due to technological developments in the military sphere and also because of the changing significance of different location. It appears that regional powers will gradually step in to fill the vacuum, though not necessarily with the same benefits.

In the analysis of the literature it is evident that there are common characteristics shared by many of the poorer developing SIS. Zanzibar no doubt is one of them, and yet its social and economic characteristics have not been fully identified nor understood. The study will attempt to do this basing the analysis on the experiences of other SIS, comparing the similarities and differences. For example, many SIS are characterised by high **Migration** (internal and international) which acts as a pressure valve for internal socio-economic problems. Migration entails **Remittances** which help sustain the local and often urban economy. They are dependent on external **Aid** for development and to sustain the economy, and these in combination sustain the **Bureaucracy**. Bertram and Watters (1985, 1986) called economies exhibiting these characteristics **MIRAB** economies. Such characteristics lead to an urban bias working against agriculture and fisheries, which for many SIS are the most productive sectors and form the core of their economies, and **MURAB** is suggested as a better acronym (Connell, 1988b:81).

Brookfield (1990) suggests that since it is **Government Employment** that predominates in the Bureaucracy, such economies might best be perceived as a **MIRAGE** (Migration, Remittances, Aid which sustains Government Employment), that is a scarcely sustainable economy at all. These characteristics have been observed by other experts (Tisdell and Fairburn, 1984; Bertram and Watters, 1985). One implication of **Mirage** economies is that despite the physical areas being small, and even if the degree of fragmentation or isolation is small, uneven spatial development occurs and becomes exaggerated. This is accentuated by urban primacy, with concentration of production and service activities and sectoral bias in the allocation of resources, contributing to rural-urban differentiation, stagnation of the rural sector, weakening of the economic base and increasing dependence on the external environment.



Such economies cannot be expected to bring about sustainable development and in the light of their circumstances this is a disturbing phenomena. Bertram (1986:809) however, offers an alternative insight by arguing that "aid, philately and migrant remittances are not merely supplements to local incomes, they are the foundation of the modern economy" (my emphases). Insofar as he is concerned, the thrust of development planning in many developing SIS has focused on production, and in the light of the existing situation, this is misplaced. Little wonder then, that SIS have increased their ties with metropolitan economies and moved from productive towards rentier status and metropolitan governments have colluded, by being willing to construct a new form of bureaucratic dependency (Connell, 1988b:82).

Under these circumstances it is clear that bold measures and greater political will are required. Self empowerment is important including the need to attempt untried alternatives - choosing to do what has not been tried. This situation is described by Galtung (1980) as a mental state of independence. Clearly there is an urgent need to critically assess development thinking and strategy that has become so orthodox that it is no longer questioned despite not fulfilling the objectives set out. Dolman (1990) states that at present there are few signs in the world's islands regions, (or indeed in many others) to suggest that governments are ready to declare intellectual and psychological independence or to critically evaluate the development strategies that have been used so far to guide national development. But this too may be more difficult than imagined as evidence from many SIS shows that people are not dependant upon themselves and those around them, but increasingly upon the state (internally) and the benevolence of other states (externally), and yet - to quote Dolman (1990:100); - "Self-reliance is becoming reliance on others". The current global circumstances are not very optimistic and the signs are bleak and so SS and SIS may be compelled to take measures aimed at greater self-reliance by sheer force of circumstances and the failure of existing development strategies (Dolman, 1990).

### **3.7 Is there room to manoeuvre?**

Is the situation then really so dire for SS and SIS? The overwhelming evidence seems to suggest this but there are examples of bold manoeuvres that have shown some signs of success. Grenada under the People's Revolutionary Government (PRG) between 1979 and 1983 achieved sustained economic growth during the difficult global economic period and reduced (a little) dependent development, increased levels of self-reliance and some diversification of the economy. Social and economic development programmes were successful and it even achieved a degree of decentralisation of decision-making (O'Keefe *et. al.*, 1984; Thorndike, 1985.). Credit was extended to farmers, food imports were reduced, inflation slowed, land reform implemented , and



the importation of certain basic goods, including basic foods such as sugar, rice and flour, and fertilisers was carefully controlled (Brierley, 1985; Sunshine, 1985; Thompson, 1985). However, pluralism and dissent were not tolerated (Clarke, 1987) and the social and economic achievements were marred by the repression that followed the PRG revolution. Despite this, it is argued that in the Caribbean region, perhaps no other small island state has advanced so rapidly in a variety of social and economic issues than Grenada did under Maurice Bishop and the PRG (Brierley, 1985:51).

Its undoing is that it also presented a geopolitical problem in the United States 'back yard' with its solidarity with Cuba and the East a situation which was unlikely to be tolerated. The PRG government was forcibly removed by the US military and the New National Party installed. It was supported by US but could not confront Grenada's problems of dependence and social inequality, rooted as they are in smallness (Clarke, 1987:94). The case of Grenada typically demonstrates the difficulties of breaking away from the conventional trajectories of dependent development, achieving self-reliance and maintaining sovereignty.

The Seychelles has achieved some success in restructuring its economy from one based on agriculture and limited fisheries to one which is based on high class tourism and industrial fisheries. It has spread the benefits of the wealth created, although some observers argue that rapidly rising expectations have nurtured equally high demands and that while the conditions of the people have improved in absolute terms, in relative terms they have not i.e., the majority of the people have not prospered (Benedict and Benedict, 1982). In this case it appears that the yardstick applied in measuring development is the same as that in the metropole, in which case then development in the Seychelles is still a far cry.

In the enclave of Gambia, political manoeuvring has provided it with security, through the protection of its larger neighbour, Senegal. Through this and the democratisation of the political process, it has created an atmosphere of stability, and has been attractive to development and aid agencies. Consequently Gambia has cultivated a culture of 'multilateral dependency' which according to Hughes (1987:155), seems "to be the most the country can expect under present circumstances". However, through this it has managed to develop a tourist industry as well as consolidate its agricultural sector and reduce the dangers of bilateral dependency.

At independence the economy of Mauritius was based on sugar production and export. It was locked into the world system of commodity control which determines both the price and profitability of sugar. The ownership and control of capital was mostly indigenous. The local "sugar barons" had the propensity to invest the profits locally, contributing to a modest level of diversification, industrialisation (import substitution



and export processing) and international trade. The island has enjoyed a series of pragmatic governments which have been sensitive to the needs of the population in the recognition of the importance of political and economic stability as a prerequisite for further development and economic growth. However, class forces are emerging and this may have other consequences in the near future.

Mauritius has also exploited its strategic location by forfeiting its sovereignty over the islands of Diego Garcia and accepting the negative (political and moral) and positive (financial and trade) consequences of that decision. The island has also benefited from French patronage linked to France's regional, economic, cultural, political and strategic interests. These factors are responsible for French and indeed European concessions for Mauritian sugar and other exports favourable access to European markets. In some ways as Minogue (1987:139) points out in this case, the "core-periphery relationship is not, in this instance, a one-way exploitation". To restate this more accurately, the balance of the core-periphery relations has a more positive (or less negative) degree or leaning of interdependence in Mauritius' favour.

### **3.8 Summary and Conclusions**

Much of the literature has appeared quite recently and the various experiences have yet to be disseminated to other SS and SIS. The discussions generally echo Benedict's (1967:8) conclusion that there is no overall formula or single conclusion on their development problems and prospects or future development strategies. The growing complexity of the global economy and of the SS and SIS themselves make this conclusion even more appropriate (Connell, 1988b:79).

Clearly small size is an additional constraint to SS and SIS development and serves to exacerbate their existing problems though it is not necessarily a problem itself. Smallness is neither intrinsically ugly nor beautiful; "It simply represents an additional set of factors which have to be considered" (Clarke and Payne, 1987:228). There are a few economic advantages attached to smallness as the review testifies. It merely imposes a complex weave of influences on various sectors of a small economy amplifying development constraints. Yet, as Jalan (1982a:2) noted, there has not emerged a plausible theory of small size as an independent factor in development, perhaps this is so because, small size in itself may not be a problem as much as a catalyst. Noting the complexities of the issue involved in attempting to establish a theory of small size, Sutton (1987:23) stated that, "It is clear that we are not going to develop a theory of the small state in politics equivalent to the theory of the firm in economics". Payne (1987:61) suggests that a more realistic approach is required stating that:



what is needed, as we proceed, is not so much the further refinement of economics of smallness, but the emergence of a genuine political economy of small size, a body of analysis that is more closely in touch with the realities of the world in which small states have to exist and survive.

Where there has been success in economic development, this has been due to the quality of economic management and the application of unique approaches. The converse leads to situations such as in Antigua and Barbuda (Thorndike, 1987), where there is a lack of innovation, or in Swaziland where a choice was made of economic growth under reinforced dependency on South Africa (Lemon, 1987). Grenada and Gambia have shown that it is possible to pursue a path of multilateralism (multilateral dependency) which has the advantage of reduced external control by a single organisation or state. The cases of Fiji, Malta and Mauritius (Sutherland, 1987; Craig, 1987; Minogue, 1987), show that geopolitical location backed by skilful bargaining can extract financial support from a regional or superpower patron. These are some of the few choices available, but are far from adequate in eliminating the immense disadvantages that they face.

Generalisations about SS and SIS are only partially applicable and have limited value. It is essential to go into the historical, regional, economic, cultural and geopolitical context of each case to obtain an adequate understanding of its workings and problems. This approach has been suggested by others too (Clarke and Payne, 1987:227).

Finally, it has been suggested that perhaps it is time to review conventional development theories and strategies. Shaw (1982:97) called for the "need for more thorough empirical basis for existing theories in relation to small states, as well as a careful assessment of existing theories and their relevance. "Many SS and SIS have undertaken strategies such as EPZs, tax-havens, tourism, migration, strategic bases, flags of convenience, overseas investment, all of which are against the prescriptions of the apologists of self-reliant, grass-roots development (Dommen and Hein, 1985:180; Dommen, 1990). Unconventional approaches such as diversification of dependency, greater integration with the metropolises, negotiated dependency, aid with dignity, multilateral dependency, greater interdependence, need to be studied and assessed. Also how these can be applied will vary according to each case and to a multiplicity of other factors other than size (Clarke and Payne, 1987:228; Connell, 1988a; Dommen, 1990). This may be the only solution whilst the major economic powers continue to resist the fundamental changes required in the global economic system.



## CHAPTER FOUR

### 4.0 Research methodology

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#### 4.1 Introduction

This chapter discusses the research methodologies employed in the execution of this study. As mentioned in chapter one, the nature of the research is multidisciplinary in approach. A continuing problem in LDC research is the paucity of reliable information required for testing the hypotheses and hence for making an adequate analysis of the development status of Zanzibar.

Both *qualitative* and *quantitative* methods are employed. The former is used extensively in the assessment of the policies adopted by successive administrations in Zanzibar. The latter is utilised to supplement and complement the qualitative analyses. In the socio-economic survey and in the attempt to arrive at a typology of small developing SIS, quantitative methods are applied extensively and then supplemented and complemented by qualitative analyses.

This chapter comprises two parts, the first introduces and discusses the *qualitative methods* employed how and why they are employed, their strengths, weaknesses, and relevance to the study. The second discusses the *quantitative methods*. Each method is discussed in the order in which they are introduced in the research.

The qualitative methods include *comparative analysis*, a technique which has been extensively used in social research, particularly in sociological and anthropological studies. In this case it used to attempt comparisons between a number of SIS within the Western Indian Ocean region. It is followed by an *historical approach* in analysing the contemporary development problems of Zanzibar.

The *quantitative methods* include the use of an exploratory statistical method: *cluster analysis*, in the search for a typology of developing SIS, and particularly those which are in the Western Indian Ocean region. A questionnaire survey is carried out to collect socio-economic data about households in rural and urban areas and in the two sister islands of Unguja and Pemba. The data is used to verify discussions and observations made in chapters 10 and 11 and support some of the hypotheses. The analyses of the micro-level socio-economic data collected by the survey is carried out with descriptive statistics, cross-tabulations and measures of association.



## 4.2 Research Design

The research design is based on the premise that the development problems of Zanzibar are in part those common to other SIS and in part unique to the island itself. The development problems have a variety of implications, both immediate and long term and these need to be identified. There are also implications to development theory and the research seeks to address these too. In the final analysis the research seeks to provide some answers to the issues raised. The research design (flow) is depicted in figure 4.1.

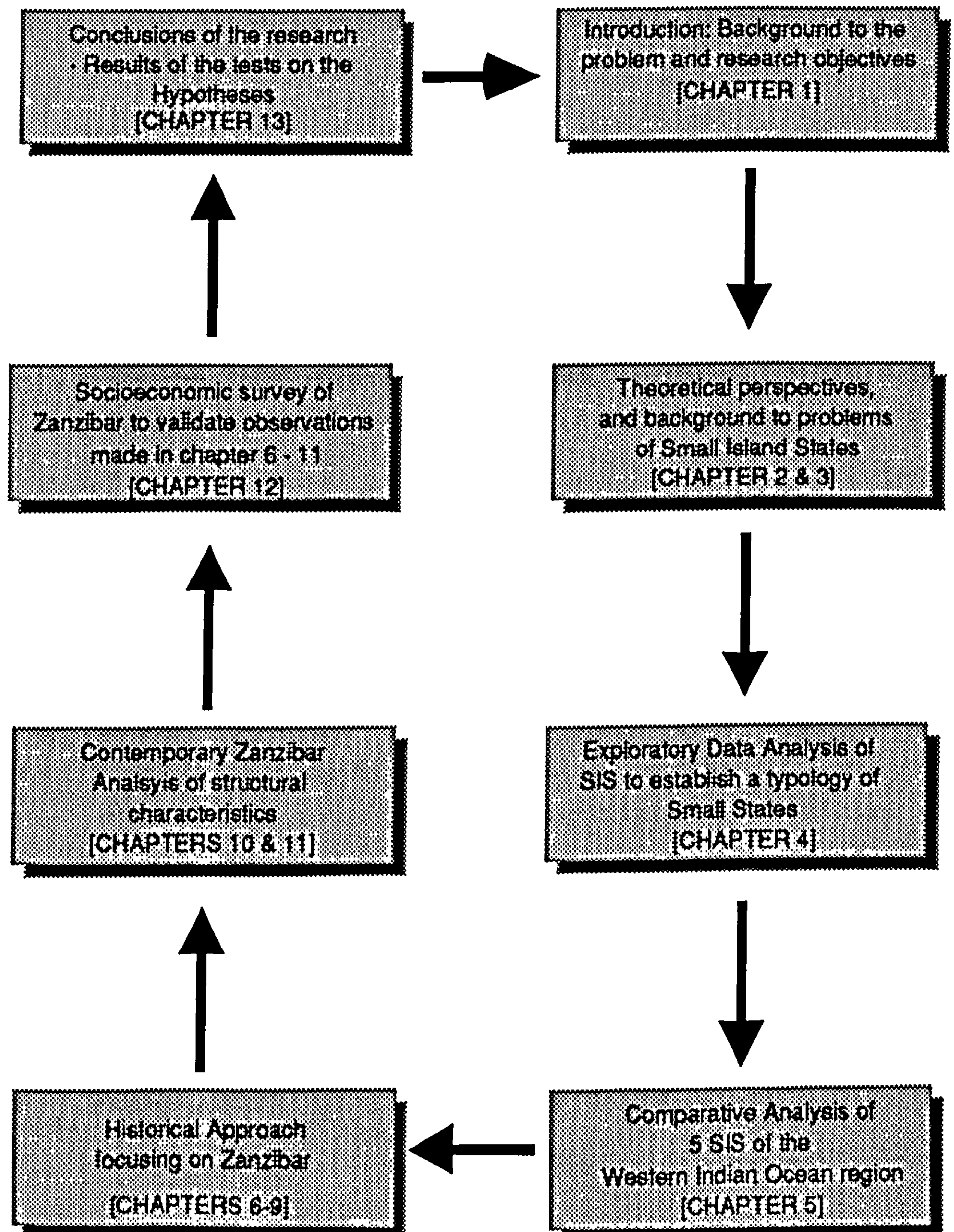


Figure 4.1 Research design



### 4.3 Qualitative Methods

#### 4.3.1 Comparative Analysis

Comparative analysis is utilised to assist in providing explanations for certain phenomena which exist in some SIS and not in others. It also assists to explain why some SIS are less developed than others and *vice versa*. This method has frequently been used by sociologists and anthropologists, (though less by geographers) mainly in recognition of the power that it holds in social and behavioural research.<sup>1</sup> As a method, *Comparative analysis* is quite similar to statistical and experimental methods all of which, to some degree, use the logic of comparison. One of its strengths is that it can be employed to social units of varying scale, e.g., the firm, nations, institutions and even regions of the world. In applying it to spatially different units the advantage of the method lies in being able to say not only that area **a** is different from areas **b**, **c**, **d**, but rather in helping to pin-point in an area a feature which might otherwise have not been identified. However, there are areas in which it is difficult to attempt this approach because of the unique conditions characterising each area direct comparison - for example direct transfer of policies is often inappropriate. However, in terms of their basic context, in this case their common identity as SIS, the strengths of comparative analysis lies in being able to identify factors which might otherwise have gone unheeded.

There are several purposes for making use of comparative analysis in social science research, and some of these apply to this study. Most of the existing theories of development and underdevelopment and indeed even alternative development approaches have been based on larger countries, and often continental ones. Though their essentials apply to SS and SIS, how this is apparent is often overlooked in the case of the special problems of developing SS and SIS. Comparative analysis can be used to test the validity of the generalisations implicit within development arguments. For example it is argued, that simply because of distance, mid-oceanic developing SIS have greater development constraints compared to those whose geographical position places them in closer proximity to continents. In this case factual evidence is used to validate this statement and to check whether such an argument is correct. If it is not, then it may help in suggesting explanations for this, and in doing so it may generate a concept from the fact. In the long term this may assist in generating or modifying existing theory.

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<sup>1</sup> Comparative Analysis has its origins in sociology and social anthropology and was developed and used by Weber, Durkheim and Mannheim.



Comparative studies can be used to establish the generality of a theory. According to Glaser and Strauss (1968:24) the generation of theory subsumes the establishment of empirical generalisations, for the generalisations not only help delimit a grounded theory's boundaries of applicability, but more importantly, they help researchers broaden the theory so that it is more generally applicable and has greater exploratory and predictive power.

The verification of theory is another use of comparative analysis. In doing so collection of evidence is important and is used to test the hypotheses postulated and the relevance of categories. Comparative data provides the best test for this. Focus is on verifying theory, and if any theory is generated, it is only in the service of modifying the original theory as a result of the tests and most of the work is done with existing theories.<sup>1</sup> By comparing the similarities and differences between the facts, researchers can generate properties of categories that increase the categories' generality and exploratory power. If this study highlights areas of difference or similarities with existing theories a measure of success would have been achieved in terms of modifying existing theories.

Another value of comparative analysis stems from the specification of the concepts being analysed. This is usually a detailed and painstaking process. A unit of analysis (e.g. an area or size) for a case study is specified and the unit is compared with others. In doing so, it is possible to establish the 'deviant' case study. One advantage is that no ambiguity of similarity is permitted between them. This is particularly useful in the comparison of the selected SIS. They have numerous underlying factors in common, such as small size, occur in the same region, obtained independence and aspired for similar development objectives and so on and yet about three decades later achieved diverging achievements. Focus is therefore on the deviations between them and this may yield some interesting explanations.

In this thesis a comparative analysis of development experiences of the SIS of the Western Indian Ocean is made. These consist of the main study area; Zanzibar, and Seychelles, Comoros, Mauritius and the Maldives as a group. The similarities are that these SIS are in the same region, attained their independence during the 1960s, share broadly similar development objectives, such as seeking economic growth, diversifying their economies, improving the quality of life of their populations and reducing dependency. Despite similar development objectives after independence, currently substantial development gaps have occurred between them. It is anticipated that through comparative analysis additional explanations for this phenomena will be identified. More importantly, there may be a contribution to development theory with

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<sup>1</sup> An example of this is such as in Blauner's work with Marxian Theory. Blauner, R. (1964) *Alienation and Freedom*. Chicago, University of Chicago Press.



respect to the situation of developing SS and especially SIS.

#### 4.3.2 Historical Approach

The research is a study of the development process in SIS in the developing world, and implicitly it is concerned with change over space and time. It also involves cultural, political, social and economic transformations and thus there is a need to provide, analyse and understand the necessary background to current development problems.

An historical approach is relevant for two reasons. First, where the theoretical framework is based on dependency analysis and confronts the research problem from a world system approach, both utilise an historical appreciation of development. Second, it is important to be able to trace the various stages in Zanzibar's contemporary development processes. Changing policies and strategies are in response to changing internal and external conditions influencing the development processes (and crises) in the SIS and it is the understanding of the causes, effects and alternatives allied to such processes over time that this study is interested in.<sup>1</sup>

#### 4.3.3 Field research

The scantiness of information related to the subject matter necessitated the use of other qualitative techniques. This was partly to fill in the gaps and partly to check on and seek elaboration on other data/information, particularly quantitative ones.

Qualitative techniques were used extensively in the field work. Both observation and participatory research methods were used in the field and data was unobtrusively and systematically collected. The strengths and limitations of the different field work approaches were studied and the appropriate techniques selected and applied (Punch, 1986; Pons, 1988). An overt approach was adopted and both unstructured and structured interviewing techniques were applied - the former in personal interviews and in discussions, and the latter in the collection of household information. Where possible the information was recorded in note form, tape recordings were not used because of their sensitivity. On occasions, note taking itself was not possible as some interviewees appeared to be nervous or unhappy about it. Thus appropriate field tactics were employed to probe for information that was difficult to obtain. As a matter of research ethics, and where it was requested, anonymity has been kept.

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<sup>1</sup> In this respect Hetme (1990:8) quotes Marc Bloc - "Just as the progress of a disease shows a doctor the secret life of a body, so to the historian the progress of a great calamity yields valuable information about the nature of the society so stricken."



## 4.4 Quantitative methods

### 4.4.1 Cluster Analysis

Classification is a commonly sought objective in social science research. Comparing the development experiences of SS and SIS the problem is that there is a considerable variety. It is desirable that this 'noise' is reduced to identify certain patterns and trends, hence the relevance of classification analysis. In this case Cluster Analysis is deemed to be an ideal method of exploratory analysis and is therefore applied.

As a form of numerical taxonomy *Cluster Analysis* is a method that is ideally suited for researchers seeking to structure samples in terms of homogeneous sub-groups. The general robustness of the method has already been demonstrated in a wide variety of situations including tribal classifications of Australian aborigines, rural poverty patterns in townships, storm cycles and beach erosion, wild plant communities and corporate decision strategies using social preferences etc. Wishart (1978) defines *Cluster Analysis* as an *exploratory method* designed to help solve classification problems; its use is appropriate when little or nothing is known about the category structure in a body of data. For example, data about a particular group can be obtained while little is known about the component parts or the number of categories that exist in the group.

Cluster analysis is basically a tool of discovery. The method sorts a sample of cases, such as specimens, into groups such that the degree of association is high between members of the same group and low between members of different groups. Once generated, the groups or clusters need to be characterised as would any other group. More importantly is the need to validate the classifications, as they can be highly sample or method dependent. However, care and caution in ascertaining the precise objective of the analysis will usually indicate whether the pattern sought is not in the variables, but in the cases.

Generally, classifications based on a single characteristic such as GNP or GDP are of limited value. When additional variables or measures are introduced, the number of possible combinations increases exponentially. Cluster analysis enables entities to be classified on the basis of a large number of measures. Early applications of this method tended to feature prominently in biological problems where taxonomy has always featured prominently. More recently, the method has been extended to social research where the complexity of the domain of relevant variables is suited to it.



Several attempts have been made aimed at classifying small states and these range from very simple general types, such as simple tabular classifications based on 3 or 4 variables to complex ones that include composite indices. These have been for a variety of purposes including groupings based on development problems and potential (Auty, 1979; Ward, 1975; Jalan, 1982c; Doumenge, 1989; Nissan and Cveny, 1989).

There exists a variety of cluster classification techniques. Despite the various procedures that exist, it has been cautioned that if care is not exercised, arriving at a correct analysis can be something of a hit-and-miss affair (Youngman, 1979). Power and Campbell (1992) caution that there is an inherent danger that the groups thus defined may be as much a product of the particular clustering technique used as of any intrinsic grouping within the data, and so much hinges upon the proximity measures in the definition of the inter-case differences since it is these that form the primary input for most clustering techniques. They also note that different clustering techniques define group membership in different ways and are sensitive to different types and shapes of pattern within the data.

The quality of any solution provided by cluster analysis is only as good as the appropriateness of the techniques applied and procedures followed. It is important that at least more than one clustering techniques should be used since it is only by comparison of the results that the consistency of the solutions may be evaluated and the areas of common ground identified and defined. Power and Campbell (1992:229) note that; "Where consistent results emerge from different methods it is plausible to assume that they are less a statistical artefact than a product of genuine configurations within the data". They also note that no two techniques will yield identical classifications, but they can provide a valuable guide to the optimum number of groups present and focus attention on the characteristics of 'core' cases common to all solutions. In this manner the most typical groups are identified. In reality the situation is much more optimistic, since the differences between procedures often have little effect on the final results and interpretation (Youngman, 1979:126). Using more than one technique is mainly for validating the results.

In the study, two straight forward methods are selected, which are ideal for the type of data that is available. The data that is selected represents as much as possible the basic social and economic development criteria affecting small countries. However, with only 26 countries, the sample size is small, but both clustering techniques are suited for sample sizes which are less than 40 (Wishart, 1978) Another factor which contributed to the small sample is the availability of comparable and reliable data.



The strengths of an exploratory data analysis method such as *Cluster Analysis* lies in its ability to assist in generating ideas and explanations for the hypotheses since it starts with fewer preconditions about the expected findings. It is particularly useful in geography because quite often the theory used in direct geographical enquiry can be weak and the empirical expectations imprecise. Moreover it is still valid even if the data sets used were not explicitly collected for testing the hypotheses under 'laboratory' conditions, as it has happened in this case. The data sets may reveal very little as it stands, but exploratory data analysis, with emphasis on graphical and tabular display, allows the penetration of the data sets and appreciate their peculiarities and draw conclusions which are not constrained by prior expectations and the limitations of inferential statistical techniques. The results also permit further tests to assess and validate the findings.

#### 4.4.2 Descriptive Statistics: Cross-tabulations and measures of association

It has long been recognised that amongst the major weaknesses of planning, and indeed research, in developing SIS, is the lack of adequate, relevant and reliable data. Much of the data is usually collected, collated and presented for the objectives of governments and can often be biased in terms of collation and presentation. In spite of the size of the SIS the need for spatially disaggregated data is real. It emerged that there is a need to generate original primary data through a socio-economic survey to provide a more accurate profile of the dominant features of the island economy. Apart from filling in gaps due to the dearth of relevant information, counter-checking secondary sources and official sources, it also seeks to provide a more updated socio-economic profile of the Zanzibari economy. In the final analysis it validates the arguments, hypotheses and findings of the study.

A substantial amount of data was generated by the questionnaire-based socio-economic survey (Appendix 2). A total of 306 households were interviewed and specific information was sought about the head of household and the household as a whole.<sup>1</sup> The information ranged from profile data (of interviewees) and their household, their main socio-economic activities to opinions on developments around their society. The selection of the sample population represented a cross-section of the islands' population, rural and urban, those residing in coral and non-coral areas and those engaged in agriculture, fishing and urban activities such as commerce and services.

The reason for using such a sample design was to avoid making the common error of assuming that because islands and SIS are small, that the structure and characteristics

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<sup>1</sup> The 306 households approximate to a population coverage of 1433.



of the population is fairly homogeneous. In Zanzibar, the reality is far from this, there is a substantial degree of variations within and between the two main islands. The sample populations generally correspond to the proportions of the island populations, that is about 60% in Unguja and 40% in Pemba.

The analysis of the data makes use of parametric statistics, mainly contingency analysis. The intention is to compare the two main populations representing the sister islands of Unguja and Pemba, looking for differences in their basic socio-economic characteristics and to aid in explaining them and their consequences. Cross-tabulations are made for the main variables which provide a profile of the island populations, and *chi-square* ( $\chi^2$ ) statistics are generated to test the degree of association between the populations representing the sister islands of Unguja and Pemba. The scaled responses from the questionnaire survey are predominantly categorical. These are tabulated into contingency tables and where relevant the responses are also depicted graphically.

The  $\chi^2$  test is the most useful for categorical data and has therefore been selected.  $\chi^2$  is a measure of the amount of deviation from random expectation in a table, and should the obtained value be sufficiently high for the null hypothesis to be rejected, it would follow that the data exhibited tendencies for certain joint responses to predominate. The size of  $\chi^2$  cannot be interpreted as an indication of the degree of association, instead it shows that a relationship exists. The strength of association can be assessed by comparing the responses through the Contingency Coefficient C or Cramer's V.

The Continuity Coefficient is given as:

$$C = \sqrt{\frac{\chi^2}{\chi^2 + N}}$$

(N = Number of cases)

The coefficient ranges from 0 to 1. High values indicate strong relationships. C can never achieve the value of 1 for a given table and the maximum possible value is given as:

$$C_{max} = \sqrt{1 - \frac{1}{n}}$$



Cramer's  $V$  overcomes the limitation of  $C$  and it ranges from 0 to 1 regardless of table size. Cramer's  $C$  is given as:

$$V = C = \sqrt{\frac{\chi^2}{N \times m}}$$

where:  $m$  is the smaller of  $(NR - 1)$  OR  $(NC-1)$ .

The contingency tables provide a useful summary of the responses and these can be compared directly through row and column percentages, but in order to arrive at fairly accurate comparisons, the  $\chi^2$  statistic provides acceptably accurate measures of association between the responses of the populations being compared. The column variables are the two sister islands, Unguja and Pemba, and the rows are occupied by the variables selected to compare the socio-economic status of the two populations, and the island population as a whole.

One other advantage of the use of  $\chi^2$  is that few restrictions apply to the test. The data need not be normally distributed, which is the case in many of the tests here. Efforts were made to reduce cell sizes and thus many responses were collapsed as a result of this. This follows a general recommendation that no more than 20% of the cells should have expected frequencies of less than 5 and none less than 1 (Seigal, 1956). However, this has occurred a number of times, and particularly in 2 X 2 tables, *Yate's Correction for Continuity* was calculated.

Because of the nature of the responses and the sensitivity of social science research, it was felt that the *alpha level* (significance level) for the tests would be determined at .05. This is the rejection level for the null hypotheses ( $H_0$ ). The general  $H_0$  is that there is no difference between the socio-economic variables between the two population representing the islands of Unguja and Pemba. This is then broken down further for each of the variables to determine where similarities and differences occur and they are then subsequently analysed and discussed in detail. The overall result should determine whether there do exist significant spatial disparities between the two islands. In the final analysis the implications of the analysis are discussed with reference to the islands' current and prospective socio-economic, cultural and political development.

Where relevant, data and information from other surveys such as the *1990 Household Budget Survey for Zanzibar* are incorporated to assess the degree of representation of the survey and to support the findings of the primary data.<sup>1</sup> This is particularly useful, since the sample size of the survey though sufficient, is not large. Finally, the results of

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<sup>1</sup> The 1990 Household Budget Survey is conducted and published by the Government of Zanzibar.



the socio-economic survey complement to a large degree the survey using secondary sources and personal interviews, thereby providing an in depth understanding of the situation in Zanzibar.

#### **4.5 Sampling**

The sampling design needed certain information about the selected households in the major geographical areas existing in Zanzibar. This is because of the need to establish the degree of spatial variability in household characteristics and activities between different areas. The results should highlight the existence of spatial differentiation which in turn reflects the underlying development problems of different areas, for example between Unguja and Pemba islands and between rural and urban areas. This also aids in explaining the motivations and directions of migration and emigration, while at the same time identifying the inherent problems existing in different areas and linking these with observations and evidence seen at the macro level. There are some distinct spatial characteristics existing in the Isles that partly explain the nature of economic activities taking place in different areas - for example cash crop production in soil rich areas and root crop production in soil poor areas. So in selecting the study areas the sampling framework took such factors into account and so a systematic and random sampling technique was used.

Both islands are generally divided between a 'coral rag' area and a 'fertile' area. Unguja island has a larger tract of the 'coral rag' compared to Pemba. This also explains the spatial variation of agricultural (and economic) activities. So in the first instance the sampling areas were selected to represent the major 'gocioeconomic' areas, e.g. the 'coral rag' and 'fertile' areas in both islands. The third category is the urban, and so one urban area was selected for each island. The areas, which were 'wards' were randomly selected. To the rural areas, another dimension was added, and this was an area that was engaged in both agriculture and fishing. In the final analysis seven sample areas were selected (further elaborations are in chapter 12).

The sampling unit is the household and the household is defined as the family (and extended members) unit, or even one individual. Thus there can be more than one household in one house. Not all the population needed to be interviewed as one member could provide the necessary information regarding a household. To obtain acceptable quality of results for each area, about 30% of the ward household population was selected.<sup>1</sup> The households were selected randomly, and if an interview was not possible, then the interviewers proceeded to the next house.

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<sup>1</sup> A 30% sample size as a 'rule of thumb' is considered acceptable and valid for most social statistical analyses.



#### **4.6 Limitations**

The research had to make extensive use of secondary sources of data and information available, both in the cases of the comparative analysis and cluster analysis and in the case study of Zanzibar. Quite often, obtaining recent and reliable information sufficient for comparing across countries at similar time scale has been difficult. Also, although government departments generate data pertaining to development planning and evaluation of various plans and programmes, much of this information has a very limited circulation and in many instances access to them is restricted. The situation is further complicated when there exist gaps at certain time periods, as this makes historical and time series analyses difficult. Considerable time and effort was spent tracing and obtaining access to important documents a problem characteristic to much research conducted in LDCs.

Apart from official documents, contact was made with other researchers conducting a variety of socio-economic surveys. Information was also sought from multilateral and other development organisations operating in the islands. To fill in gaps and obtain an in-depth understanding of the past and current problems and prospects several interviews, formal and informal, were conducted with officials and experts working in the various fields of development in the islands. Many of these were useful and complemented the other primary and secondary data sources. However, such interview approaches are 'open' to a considerable degree of subjectivity where much depends on the interviewees' personal perceptions and positions on the issues and topics. This approach required a certain degree of tact in interviewing to avoid 'official bias' in providing explanations. Thus the question of objectivity had to be kept in mind. The researcher can not pretend that the study is wholly objective, though considerable efforts were made in that direction.

Cross cultural research is difficult, and what may be perceived as obvious may not be so. Zanzibar is predominantly Islamic, and the influences of Arab and Islamic culture touch on many aspects and conduct of people's lives, and is therefore also inherent in the country's development. The cultural background was taken into account when conducting the research, and efforts were made to understand the local norms and values. For example, both male and female interviewers were used in case the respondents would object to be interviewed by a someone of the opposite sex. In case of any potential clashes, interviewers were instructed to proceed to the next household.

Given the geographical spread of the sample areas and the difficulties of transport communications, the researcher could not be with the field interviewers all of the time. Thus there does arise the possibility, no matter how small, that some responses may



have not been recorded accurately. However, the degree of error is reduced by a training session which was held for the interviewers, each of them was experienced having already worked in various census surveys (e.g. household budget survey and population census). Being Zanzibaris they compensated for the researcher's 'alien' status.



## CHAPTER FIVE

### **5.0 Cluster and Comparative analyses of five small island states in the Western Indian Ocean region**

#### **5.1 Introduction**

This chapter has two aims. The first section (5.2) uses *cluster analysis* in an attempt to classify small states and to support the contention that some of the islands discussed share similar characteristics and yet have others that are unique. The second objective (section 5.3) is to present a detailed discussion and comparative analysis of the development perspectives of five SIS in the Western Indian Ocean region. The intention is to highlight some relevant and specific features of the islands under discussion as well as to assess their similarities and differences.

#### **5.2 Exploring island characteristics with Cluster Analysis**

##### **5.2.1 Data selection and Input**

*Cluster analysis* techniques are valuable tools in exploratory data analysis. The aim of an exploratory technique such as *cluster analysis* is to provide information-rich summaries of the data that can be used to explain why they share certain similarities and differences (Sibson, 1972). In this study the aim is to identify, describe and explain a distinct structure in a complex mass of multivariate data. Subgroups or clusters of similar cases or individuals are then distinguished. Twenty-six small states (SS) and small island states (SIS) were selected randomly from the most recent data source available (Commonwealth Secretariat, 1991) to determine through clustering techniques how the individual cases fall into distinct groups and what comprises their membership. The countries selected comprise small countries at various stages of development as defined by standard economic measures. Nineteen variables were selected to describe and represent each of the 26 countries (table 5.1).

The criteria for selecting the countries are small size (population), and the availability of data that allows cross comparison and is also representative and reliable. The type of data that is used reflects the limitations of size, development policies and strategies, and the dominant as well as weak sectors in their economies and should provide a number of distinct clusters.

The 26 countries comprise of both DCs and LDCs. There are three reasons why both DCs and LDCs are included in the sample. First, it highlights the differences that exist due to their respective positions in the global economic system, i.e. those that are close



to or form part of the core, e.g. Ireland and New Zealand versus Comoros or Maldives. The second reason is related to the availability of data for SS and SIS that allows for the cluster Analysis to take place. The selected countries are: 1) St. Vincent and Grenadines (St. Vin and Gren.), 2) St. Lucia, 3) The Bahamas, 4) Qatar, 5) The United Arab Emirates (UAE), 6) Kuwait, 7) Oman, 8) Malta, 9) Iceland, 10) Ireland, 11) New Zealand, 12) Costa Rica, 13) Fiji, 14) Mauritius, 15) Jamaica, 16) Grenada, 17) Seychelles, 18) Cyprus, 19) Barbados, 20) Zanzibar, 21) Comoros, 22) Solomon Islands, 23) Papua New Guinea (PNG), 24) Western Samoa, 25) Kiribati and 26) the Maldives.

The variables represent demographic characteristics, basic needs fulfilment, economic and dominant dependency characteristics. The data is in ratios and percentages to allow more accurate cross comparisons. The variables are:

Demographic: (1988)

- 1) Crude Birth Rates (CBR)
- 2) Crude Death Rates (CDR)
- 3) Total Fertility Rate (TFR)
- 4) Infant Mortality Rate (IMR);
- 5) Life Expectancy (Lifex)
- 6) Percent of urban population (PcUrb)

Basic Needs: (1988)

- 7) Percentage population with access to safe water (PcWat)
- 8) Population per '000 per Physician (PcDoc)
- 9) Percentage of age group in primary education (PcPriEd)
- 10) Percentage of age group in secondary education (PcSecEd)

Economic:(1988)

- 11) Percentage contribution of agriculture to GDP (PcAgric)
- 12) Percentage contribution of industry to GDP (PcInd)
- 13) Percentage contribution of services to GDP (PcSer)
- 14) Tourist earnings as a percentage of total export earnings (PcTour)
- 15) Merchandise Exports as percentage of GDP (PcExp)
- 16) Merchandise Imports as percentage of GDP (PcImp)

Import Dependency: (1988)

- 17) Food imports as a percentage of total imports (PcFood)
- 18) Net imports of total energy as a percentage of total energy consumption (Energy)
- 19) Per capita overseas development assistance (ODA/cap)



Two clustering techniques were used to produce *dendograms*. The first is the *single linkage* or '*nearest neighbour*' method in which at every step, the distance between two clusters is the distance between their two closest points. The second clustering technique is the *complete linkages* or '*furthest neighbour*'. Here, in contrast, the distance between two clusters is calculated between their furthest points.

In the first step all cases are considered as separate clusters. At the second step, two of the cases are combined into a single cluster and at the third, either a third or two or more additional cases are merged to form a new cluster, etc. Ultimately all cases become members of a single cluster.

The type of clustering is *agglomerative hierarchical clustering*. The results for both clusters are analysed and compared. The objective is to identify the number of clusters that exist and their members. The selection of the groups or clusters can be quite subjective. Too many or too few groups can make the analyses meaningless, though much depends on the nature and purpose of study.

COUNTRY	CBR	CDR	TFR	IMR	Lifex	PcUrb	PcWat	PcDoc	PriEd
COMOROS	49	12	6.8	95	57	27.2	28	12.3	92
ZANZIBAR	53	17	8.2	130	55	35.3	44	12.8	91
MALDIVES	44	10	6.3	73	60	20.5	24	15.0	65
SOLOMON IS	41	8	6.5	50	64	10.4	50	7.5	60
KIRIBATI	34	12	4.3	59	55	35.5	44	2.0	84
PNG	35	12	5.1	60	54	15.5	25	6.1	70
COSTA RICA	27	4	3.1	17	75	44.5	93	1.0	98
FIJI	25	5	3.1	20	71	43.4	77	2.0	129
GRENADA	28	7	3.2	32	69	63.0	85	2.1	100
W.SAMOA	33	7	4.7	47	66	22.7	69	3.6	76
St. VIN. & GREN.	24	6	2.7	23	70	20.2	95	4.0	81
MAURITIUS	18	7	1.9	22	67	42.3	100	1.9	106
St. LUCIA	27	6	3.3	20	71	45.9	67	3.8	95
SEYCHELLES	26	7	3.1	18	70	58.1	97	2.2	99
THE BAHAMAS	20	6	2.3	26	68	58.8	65	1.1	60
JAMAICA	23	6	2.5	10	73	51.7	96	2.0	105
MALTA	5	9	2.0	9	73	86.6	100	0.9	107
CYPRUS	18	8	2.3	11	76	52.1	100	0.7	106
ICELAND	17	7	2.1	7	78	90.3	100	0.4	99
IRELAND	16	9	1.5	7	74	58.7	100	0.7	100
NEW ZEALAND	16	8	1.9	9	75	84.1	100	0.6	107
BARBADOS	16	8	1.8	16	75	44.2	100	1.1	110
QATAR	30	4	5.5	29	70	89.2	95	0.6	121
OMAN	44	7	7.0	36	65	10.2	58	1.1	97
UAE	23	4	4.7	24	71	77.8	71	1.0	99
KUWAIT	25	3	3.6	15	74	95.2	100	0.6	94

Table 5.1 (Continued to next page)



Table 5.1 (Continued from previous page)

COUNTRY	SecEd	PcAgric	PcSer	PcInd	PcTour	PcExp	PcImp	Food	Energ y	ODA/cap y
COMOROS	36	34	50.7	13	8	13.6	32.5	26.9	100	393.4
ZANZIBAR	25	57	42.2	37	0.5	15.6	43.4	41.9	100	30.4
MALDIVES	35	26	84.2	16	52	68.8	150.0	8.3	100	120.2
SOLOMON IS	18	44	73.6	5	2	60.2	88.6	10.4	104	79.4
KIRIBATI	15	16	61.3	5	9	31.4	68.6	29.2	100	720.9
PNG	12	34	64.2	31	1	39.7	39.6	15.2	99	1.6
COSTA RICA	41	18	75.7	27	10	26.8	30.3	9.9	86	3.5
FIJI	56	21	63.2	19	28	29.0	42.2	19.4	169	11.4
GRENADA	18	21	50	18	34	19.9	60.8	19.8	106	59.4
W.SAMOA	51	34	69.5	20	23	13.2	60.5	20.3	96	277.5
St. VIN. & GREN.	17	17	70.3	24	38	64.7	71.4	25.3	89	96.3
MAURITIUS	51	13	59.5	27	12	62.6	81.2	12.8	155	7.5
St. LUCIA	13	19	48.0	20	62	76.5	96.8	24.9	100	59.7
SEYCHELLES	37	5	53.3	15	44	26.5	44.9	22.8	357	195.5
THE BAHAMAS	40	12	46.8	37	70	22.1	82.3	8.4	623	0.1
JAMAICA	65	6	70	42	24	23.4	45.0	18.2	107	6.8
MALTA	77	3	72.6	40	25	37.9	73.4	11.9	118	4.6
CYPRUS	87	7	71.8	28	34	16.7	43.8	11.1	114	5.0
ICELAND	92	9	81.2	15	5	24.1	26.9	8.6	65	0.0
IRELAND	98	10	77.6	29	5	67.4	56.1	12.0	72	0.0
NEW ZEALAND	85	10	81.5	27	9	22.2	18.5	7.0	28	0.0
BARBADOS	93	7	68.6	18	57	10.9	36.4	17.6	123	12.7
QATAR	75	1	38	61	0	36.3	24.1	17.7	1	0.0
OMAN	38	3	43	54	1	41.4	27.0	19.5	1	0.0
UAE	60	2	54	44	0	57.8	35.7	14.8	1	0.0
KUWAIT	82	1	47	52	1	43.1	30.6	17.5	24	0.0

Source: Commonwealth Secretariat (1991), Zanzibar Government (1988a), (1988b), (1989).

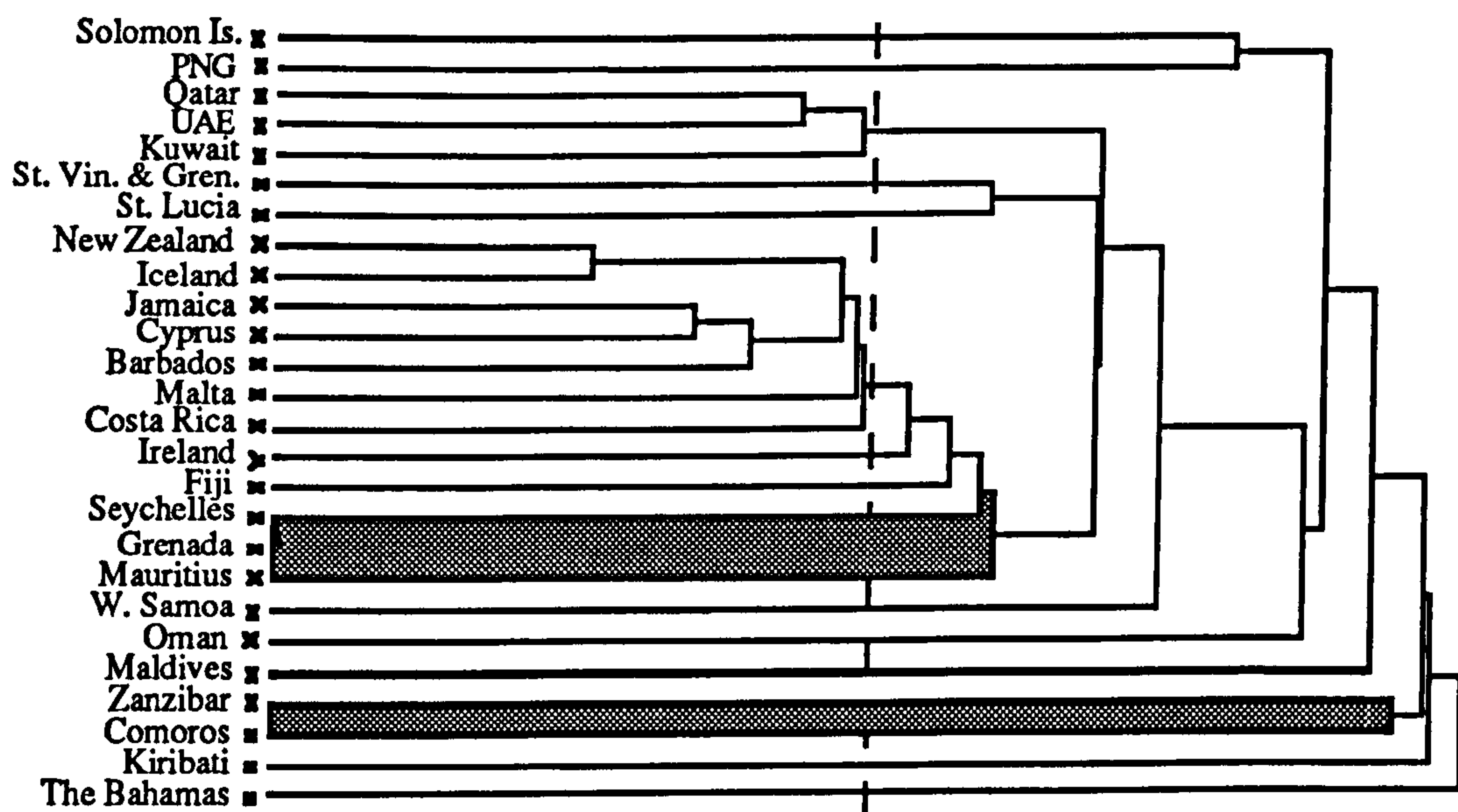
Table 5.1 Data input for Cluster Analysis

### 5.2.2 Analysis of Clusters

*Single Linkage Clustering:* The dendogram that is produced after using this technique is displayed in figure 5.1. The results show a large number of groups at the initial stage. Starting from the left side of the dendogram, each of the 26 countries forms a group on its own. The first fusion begins with New Zealand and Iceland and these are followed by Jamaica, Cyprus and Barbados and they in turn fuse to create a larger group. Malta, Costa Rica, Ireland and Fiji fuse separately into the preceding group in a step-wise manner. Before the fusion of the first two groups, Qatar, the United Arab Emirates and Kuwait also fuse to create a separate group. The Seychelles and Grenada fuse at a later stage and in turn join the first group which already contains a membership of 9 countries/cases. These in turn are joined by Mauritius creating a group membership of 12 countries (46% of the sample). At the point where the first dotted line is superimposed 15 groups are classified, this is also known as the 15 group solution. At the 10 group stage of fusion, the Seychelles and Mauritius are fused into one large group comprising 18 cases/countries, and the other three SIS in the Indian Ocean analysis are still 'outliers'. Following the fusions any further means approaching the threshold of greater error, since the length of each horizontal branch is proportional to the increase in error associated with the subsequent fusion.



An interesting observation is that the five SIS of the Western Indian Ocean appear in different groups. Seychelles is fused with Grenada, while Mauritius, the Comoros, Zanzibar and the Maldives each appear on their own. The Comoros and Zanzibar finally fuse but only at a much later stage and one which is open to a greater degree of error. One plausible explanation is that the islands are at very different stages of development which reflects their different development experience and the diversity of problems that they each face. In terms of similarities, Mauritius and Seychelles are closer to one another as are Zanzibar and the Comoros, while the Maldives are more separate.<sup>1</sup> It appears then that insofar as the Indian Ocean islands are concerned, at least three broad groups in terms of similarities in development status can be identified.



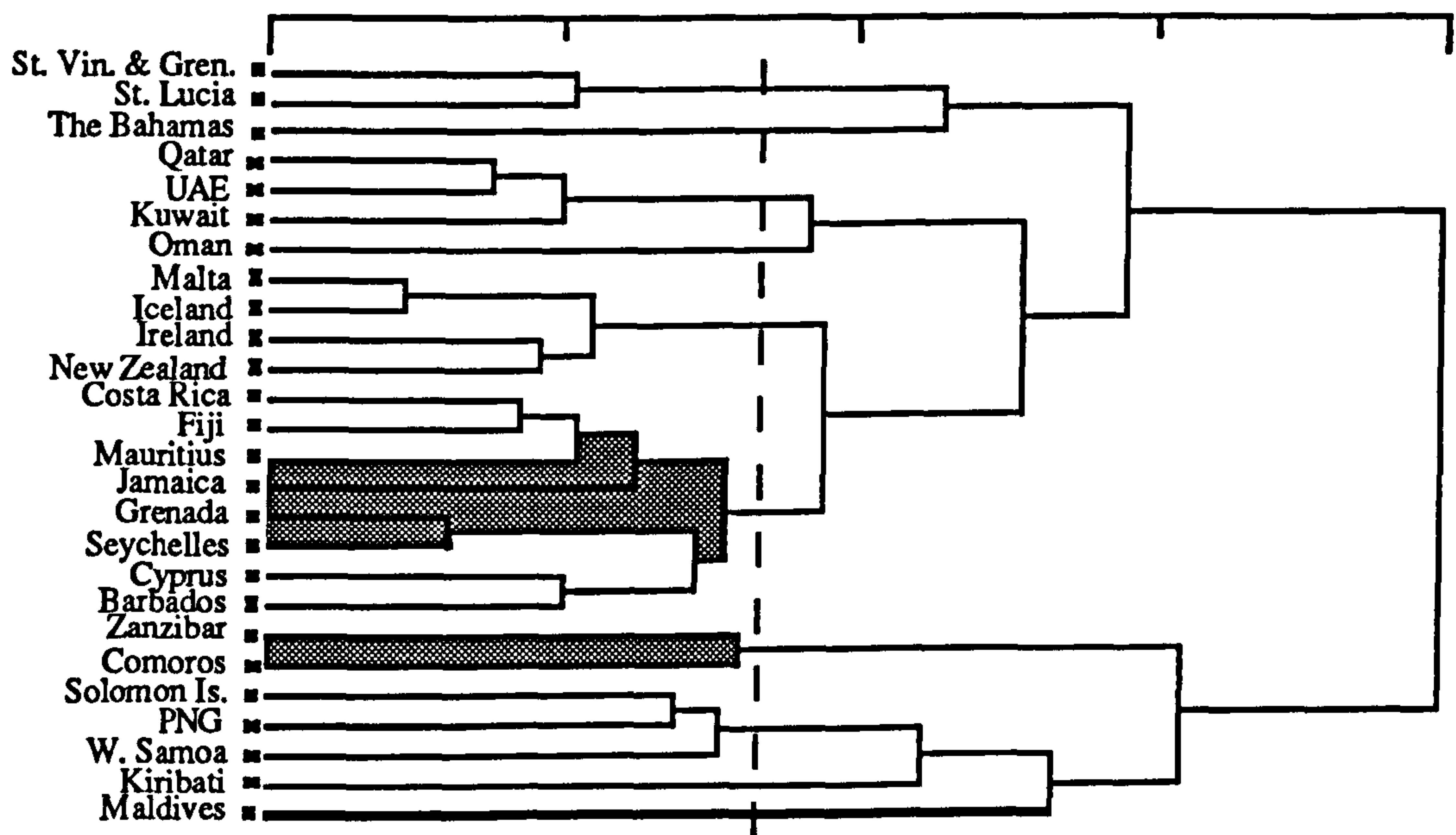
**Figure 5.1 Single Linkage Clustering of a selection of small states**

*Complete Linkage Clustering:* The dendrogram ensuing from this technique is shown in figure 5.2. In the diagram the groups or clusters are much clearer and the fusions appear earlier (on the left side of the diagram). Many small groups are formed at the initial stages. It can be observed from a casual glance at the cluster membership that many of the countries are members of groups which appear to share broadly similar economic development status. For example the following cases share certain similar characteristics and therefore appear in the same groups; the Gulf oil exporting states of Qatar, the UAE, Kuwait and Oman; the developed countries of Iceland and New Zealand; the tourism dependent countries of St. Vincent and the Grenadines; tourism

<sup>1</sup> For purposes of clarity they are shaded according to the groups they belong to within the South-West Indian Ocean Region.



dependent, agricultural (and some with) manufacturing export countries of Costa Rica, Fiji and Mauritius; Grenada and Seychelles; Cyprus and Barbados. At the 15 group solution the following clusters are formed: 1) St. Vincent and Grenadines and St. Lucia; 2) The Bahamas; 3) Qatar, UAE and Kuwait; 4) Oman; 5) Malta, Iceland, Ireland and New Zealand; 6) Costa Rica, Fiji, Mauritius and Jamaica; 7) Grenada, Seychelles; 8) Cyprus and Barbados; 9) Zanzibar; 10) Comoros; 11) Solomon Islands; 12) Papua New Guinea; 13) Western Samoa; 14) Kiribati and 15) the Maldives.



**Figure 5.2 Complete Linkage Clustering of a selection of small states**

Zanzibar and the Comoros islands are fused at the 10 group solution (superimposed line). The Seychelles, and Mauritius are fused as part of two large groups, whilst the Maldives remain as an 'outlier' until the four group solution where they become fused with the Solomon Islands, Papua New Guinea and Kiribati. At the three group solution Zanzibar, Seychelles and the Comoros become fused. However, since the degree of error is greater at this stage, there is little validity in this grouping. The degree of accuracy is greater starting from the individual cases, so at least the 10 group solution should be sufficient in assisting the analysis to arrive at a reliable conclusion.

Both techniques group the cases at slightly differing stages, although most cases tend to belong to the same groups suggesting that there are characteristics which are similar for most of the SIS. Both techniques isolate the 'Oriental' islands (Zanzibar, Comoros and the Maldives) from the 'Occidental' islands (Seychelles and Mauritius), supporting the contention that there is a distinct difference between the two groups' development status and backgrounds. What is also interesting is that the *single linkage* technique



distinguishes clearly between the 'Oriental' countries in the region, that is each of them remains separate until towards the end (right side) of the horizontal axis where Zanzibar and the Comoros merge. This suggests that inspite of certain perceived similarities, there are other important differences which account for their individual membership. The *complete linkage* technique distinguishes between the Maldives as a member of another group and Zanzibar and the Comoros as a group of their own, suggesting that the latter have more in common to each other compared to the Maldives.

The overall results reveal associations and structure in the data which are useful in the understanding of the development experiences and processes of the SIS. They have confirmed the existence of different categories of SIS generally, and more specifically this also applies to the SIS of the Western Indian Ocean.

The assessment of cluster validity remains a difficult problem given the possibility of subjectivity in making the analyses. One way of overcoming these difficulties is suggested by Everitt (1983:252) in which a number of *ad hoc* measures might be considered. For example, it could be asked of the results, whether the same clusters appear when other variables are used. If the answer is in the affirmative, then it implies that the clusters may have general validity in terms of a large number of variables and this is desirable. In this case, before recent (1991 source) data became available, two preliminary tests using both methods (single and complete linkages) were carried out. They used a different combination of variables and data sets from different sources (1978 and 1980 data) and similar clusters were obtained. This encouraged the researcher to include variables other than purely economic ones and increase the number of countries in the sample. Thus the answer to Everitt's suggestion is in the affirmative, implying that the clusters arrived at are valid.

It might also be asked whether the same clusters emerge when a different clustering technique is applied. If the response is 'yes' then it would support the validity of the groupings. In this case, using the two techniques, similar cluster groups surface at the ten cluster solutions thereby lending support to the validity of the groups.

One other method of exploring the data further is through comparing the means, standard deviations, minima and maxima of the different groups. They provide an insight into the differences within and between groups and help identify which parameters or variables are similar and which are different. Clusters for each of the SIS of the Western Indian Ocean are taken and descriptive statistics calculated and tabled. The first group (table 5.2) comprises the Maldives, the Solomon Islands, Kiribati, and Western Samoa - this is the Maldives group. The second group - the Mauritius group - consists of Mauritius, Costa Rica, Fiji and Jamaica (table 5.3). Grenada and the Seychelles make up the third group (table 5.4) -the Seychelles group, and the last group



consists of Zanzibar and the Comoros (table 5.5). In all cases, there is a considerable degree of homogeneity between variables within the same group (as expected) but these differ when compared across the tables confirming the differences between the groups (tables 5.2, 5.3, 5.4, 5.5).

In spite of the large number of variables, the tables show a greater degree of homogeneity in each group. Comparing between the tables (and groups), variables in which large differences exist (with high standard deviations) are PcWat, PcPriEd, PcSecEd, PcSer, PcExp, PcImp, PcTour, Food, Energy, ODA per capita. This suggests that perhaps these variables are the ones which account for the differentials in the development status of the SIS under analysis.

Variables	Means	Std. Devs	Minima	Maxima
CBR	38	5.35	33	44
CDR	9.25	2.22	7	12
TFR	5.45	1.11	4.30	6.50
IMR	57.25	11.67	47	73
Lifex	61.25	4.86	55	66
PcUrb	22.27	10.32	10.40	35.50
PopWat	46.75	18.54	24	69
PopDoc	7.03	5.80	2	15
PriEd	71.25	10.81	60	84
SecEd	29.75	16.68	15	51
PcInd	30	11.89	16	44
PcAgric	72.15	9.52	61.30	84.20
PcSer	11.50	7.68	5	20
PcTour	21.50	22.13	2	52
PcExp	43.40	25.71	13.20	68.80
PcImp	91.93	40.48	60.50	150
PcFood	17.05	9.64	8.30	29.20
Energy	100	3.27	96	104
ODA/cap	299.50	293.63	79.40	720.90

**Table 5.2 Cluster characteristics for the Maldives group**



Variables	Means	Std. Devs	Minima	Maxima
CBR	23.25	3.86	18	27
CDR	5.50	1.29	4	7
TFR	2.65	0.57	1.9	3.1
IMR	17.25	5.25	10	22
Lifex	71.50	3.42	67	75
PcUrb	45.48	4.25	42.3	51.7
PcWat	91.50	10.08	77	100
PopDoc	1.73	0.49	1	2
PriEd	109.50	13.48	98	129
SecEd	53.25	10.01	41	65
PcInd	14.50	6.56	6	21
PcAgric	67.10	7.20	59.5	75.7
PcSer	28.75	9.60	19	42
PcTour	18.50	8.85	10	28
PxExp	35.45	18.25	23.4	62.6
PcImp	49.68	21.96	30.3	81.2
PcFood	15.08	4.49	9.9	19.4
Energy	129.25	39.19	86	169
ODA/cap	7.30	3.24	3.5	11.4

**Table 5.3 Cluster characteristics for the Mauritius group**

Variables	Means	Std. Devs	Minima	Maxima
CBR	27	1.41	26	28
CDR	7	0	7	7
TFR	3.15	0.07	3.10	3.20
IMR	25	9.90	18	32
Lifex	69.50	0.71	69	70
PcUrb	60.55	3.46	58.10	63
PcWat	91	8.48	85	97
PopDoc	2.15	0.07	2.10	2.20
PriEd	99.50	0.71	99	100
SecEd	27.50	13.43	18	37
PcInd	13	11.31	5	21
PcAgr	51.65	2.33	50	53.30
PcSer	16.50	2.12	15	18
PcTour	39	7.07	34	44
PcExp	23.20	4.67	19.90	26.50
PcImp	52.85	11.24	44.90	60.80
PcFood	21.30	2.12	19.80	22.80
Energy	231.50	177.48	106	357
ODA/cap	127.45	96.24	59.40	195.50

**Table 5.4 Cluster characteristics for the Seychelles group**



Variables	Means	Std. Devs	Minima	Maxima
CBR	51	2.83	49	53
CDR	14.50	3.54	12	17
TFR	7.50	0.99	6.80	8.20
IMR	112.50	24.75	95	130
Lifex	56	1.41	55	57
PcUrb	31.25	5.73	27.20	35.30
PcWat	36	11.31	28	44
PopDoc	12.55	0.35	12.30	12.80
PriEd	91.50	0.71	91	92
SecEd	30.50	7.78	25	36
PcInd	45.50	16.26	34	57
PcAgric	46.45	6.01	42.20	50.70
PcSer	25	16.97	13	37
PcTour	4.25	5.30	0.50	8
PcExp	14.60	1.41	13.60	15.60
PcImp	37.95	7.71	32.50	43.40
PcFood	34.40	10.61	26.90	41.90
Energy	100	0	100	100
ODA/cap	211.90	256.68	30.400	393.40

**Table 5.5 Cluster characteristics of the Zanzibar /Comoros group**

Within each group explanations are found for both the common and the divergent characteristics. Most tend to be similar and it is the divergent ones that underline the distinctiveness within each group. To make the analysis and arrive at valid explanations requires an interpretation of the results of tables 5.2 to 5.5 and checking the actual 'raw' data in table 5.1.

Taking the Maldives group for example, there are high standard deviations (about and greater than 10 standard deviations) in certain *economic* (ODA/cap, PcImp, PcExp, PcTour, PcInd, PcAgric), *social* (PriEd, SecEd, PcWat), *demographic* (IMR, PcUrb) and *import dependency* (PcFood) characteristics. There is a considerable difference in receipt of *per capita* official development assistance, the percentage of merchandise imports and exports as a percentage of GDP and tourist earnings as a percentage of total export earnings between the countries. Other differences include the proportion of food imports to total imports and the percentage contribution of manufactures to GDP.

In the Mauritius group high standard deviations exist in *economic* (PcImp, PcExp) *social* (PriEd, SecEd, PcWat) and *dependency* (Energy) characteristics. The low standard deviations in all demographic variables, population *per* physician, percentage contribution of agriculture and services to GDP, tourist earnings as a percentage of export earnings, food imports as a percentage of total imports, *per capita* official development assistance and degrees of urbanisation suggest that there are many common economic and structural characteristics between the SIS in the group.



In the Seychelles group high standard deviations exist only in *dependency* (Energy), *economic* (ODA/cap, PcImp and PcAgric) and *demographic* (IMR) characteristics. Of the two countries Seychelles has a disproportionately high energy demand reflecting the needs of tourism and the fishing industry while Grenada receives a greater share of *per capita* official development assistance. The two countries in the group share similar demographic and other economic social and dependency (food) characteristics. They also have almost a similar degree of urbanisation.

In the Zanzibar and Comoros group high standard deviations occur in *dependency* (PcFood), *economic* (ODA/cap, PcSer, PcInd), *social* (PcWat) and some *demographic* (IMR) characteristics. There are many similarities in the remaining demographic, and economic characteristics. The Comoros have disproportionately high *per capita* official development assistance, infant mortality rates, percentage contributions of services and agriculture to GDP compared to Zanzibar's. Zanzibar has a lesser proportion of its population with access to clean water and the proportion of food imports to total imports is higher.

The countries that share generally similar characteristics are those which exhibit smaller deviations. So for example in the Maldives group there are broad similarities in demographic characteristics (table 5.2) and hence the standard deviations and ranges within each of the demographic variables are relatively small. There are common characteristics in the structure of skilled personnel and provision of health services, with an average ratio of one physician to about 7,000 people. There are also similarities in the contributions of manufacturing and services to GDP, with manufacturing accounting for an average of 11.5% to GDP and services 72%. However, the Maldives shows a deviation from the rest with a higher contribution from manufacturing. All the countries in the group are highly dependent on imported fuel.

The Zanzibar and Comoros group share similarities in demographic characteristics such as fertility rates and life expectancy. They also share similarities in food and energy import dependency (hence their shortages of foreign exchange), in the percentage contribution of tourism in export earnings (low because tourism is underdeveloped), services to the economy (indicative of a high component of public sector employment that reflects limited opportunities), and the merchandise export as a percentage of GDP (mainly very few cash crops and very low compared to imports and hence a balance of payments crisis). Others include provision of basic needs such as primary and secondary education (a high proportion in primary schools and less than a third in secondary education) and the population per physician (an average of one physician to twelve and a half thousand people, reflecting a big shortage of skilled personnel).



In the final analysis, clustering techniques supported by other measures used to validate the clusters, confirm the existence of distinct groups of SS and SIS sharing similar characteristics. These groupings are based on their individual experiences and characteristics which in turn determine the options available to them for their development potential. More precisely they determine the degrees of flexibility and possibilities for alternatives in the search for economic viability and socio-economic development.

Clearly, each country or cluster of countries will require a unique set of solutions or strategies appropriate to their specific development objectives and constraints, their political inclinations so as to achieve successful socio-economic development and also the less developed SIS can learn valuable lessons from those that are more successful. It is important to identify the main development constraints as well as the short and long term options/advantages that are available to each country and how they act on these. Adopting blanket recommendations or 'copy cat' solutions that have been applied elsewhere arbitrarily will have limited success because of the many inherent differences that exist within the SIS and small countries.

### **5.3 Comparative Analysis**

The Indian Ocean islands of the Comoros, Seychelles, Mauritius and the Maldives have a number of strong similarities as well as differences. A study of these provides important lessons in the development experiences of SIS. Apart from Zanzibar all the SIS are independent and autonomous states. Zanzibar is different in that it forms part of the United Republic of Tanzania, through a federal Union that it has with mainland Tanzania. However, it maintains a government which is in charge of its domestic affairs, a political relationship which reflects the different nature of the development problems of Zanzibar.

Small island economies share a number of specific social economic, cultural, political and geographic problems. Many of these act as constraints on development (chapter three). However, the problem in discussing SIS as a collective group sharing a number of common disadvantages or advantages, obscures the individual and sometimes more important problems of particular groups of islands in different geographic areas and at different levels of socio-economic development, and even more the individual experiences of island countries.

Referring to the island states of the South-West Indian Ocean, one commentator pointed out that the economies of those countries provide a good case study of the problems of transition from colonial to post-colonial institutions and the nature of the



development processes in islands as a whole (Sheth, 1987). He goes on to make general observations about the small countries in the region such as the influence of Europe and colonialism on them, their structural dependence and the absence of economic co-operation between them as a group and within the group in the region.

Appleyard and Ghosh (1988) focus specifically on four independent developing SIS, namely the Maldives, Seychelles, Comoros and Mauritius. They note that the four, while sharing some characteristics common to all such SIS, also differ to some extent in important economic and other factors. These differences include population size and growth, colonial legacies, resource bases, *per capita* incomes, political and social institutions, religion and culture. Such differences are of significance to the levels of development which the SIS have achieved, and to the conditions under which development takes place.

Interestingly, the above approach bears some similarity to that suggested by Shaw (1982) and responds to the plea made by Demas (1965) for a 'relevant analytical framework' that avoids making over-generalised statements about SIS. Thus, while specific analyses are made for the individual countries, there is also an attempt to make comparisons between them. Appleyard and Ghosh (1988) generally concentrate on the economic aspects of development.

The approach adopted here looks at the characteristics of different SS and SIS within the Western Indian Ocean region in a holistic manner. Thus it extends beyond the purely economic aspects, to incorporate social, political and cultural factors. *Comparative analysis* has been used to explain the development problems and prospects in different SIS and suggests that the experiences of one area can be utilised in others. Recent work in the Indian Ocean region has tended to focus on specific issues and table 5.6 summarises the contents and subjects under analysis and discussion in the works cited.



Shand (1980a)	Shaw (1982).	Appleyard, et. al. (1988)
Size/smallness	Level of income/development	Human resources
Agricultural, fisheries and remoteness	Size/smallness	Macroeconomic policies
Remoteness	Resources/Economic sectors	
Population and Migration	Islandness/'Landlockedness'	
Trade, transport and tourism	Internal fragmentation/dispersion	
Finance and economic stability	Post independence experience	
Health and education	Resources per Capita (human and Physical)	
Administration, law and politics		
Development strategies and Aid		

Sources: Shand (1980a), Shaw (1982) Appleyard et. al. (1988a).

**Table 5.6 Alternative analytical Issues and approaches for Small Island States.**

Shaw (1982) suggests slightly different headings from those used by Appleyard and Ghosh (1988) and the study edited by Shand (1980a).<sup>1</sup> The latter study covers a larger geographical area, incorporating the island states of the Pacific and Indian Oceans, resulting in the need to compromise on detailed analyses and focus on a more circumscribed interpretation of SIS characteristics. The table (5.6) summarises the different topics/approaches under which small island countries have been discussed usually within a regional basis. Shaw's (*op. cit.*) proposed approach is applicable at both the individual country level as well as on a regional basis. It is also noted that although the works edited by Shand (1980a) were not specifically meant for cross country comparative analysis, to some extent they permitted it, and in so doing provided significant insights into the problems associated with SIS development. As the title suggested, it attempted to 'dissect' and analyse the anatomy of development of SIS in the Pacific and Indian Ocean regions.

The works in Appleyard and Ghosh (1988) attempted to draw out a comparative analysis of the economic and human resources associated with the development of the four South-West Indian Ocean island countries, looking specifically at the main economic sectors: agriculture, industry, fisheries and tourism, human resources, and macroeconomic policies. Interesting and, for current purposes, relevant aspects of

<sup>1</sup> It is not being suggested that they have deliberately followed Shaw's suggested analytical framework, instead their approach bear some similarities to Shaw's suggestion with the additional benefit of aspects of comparative analysis.



development related to the four case studies are revealed and what is shown clearly are the significant differences between the countries in terms of their respective general development patterns, trends and potentials. Differences in their pre-colonial and colonial history certainly contribute to their current relationships within the world economy. However, their post-independence experiences (neo-colonial), development policies and strategies, culture, technological development and links with the global economy have also moulded their respective development paths and lead to differing levels of achievements.

#### **5.4 Location, physical features and fragmentation**

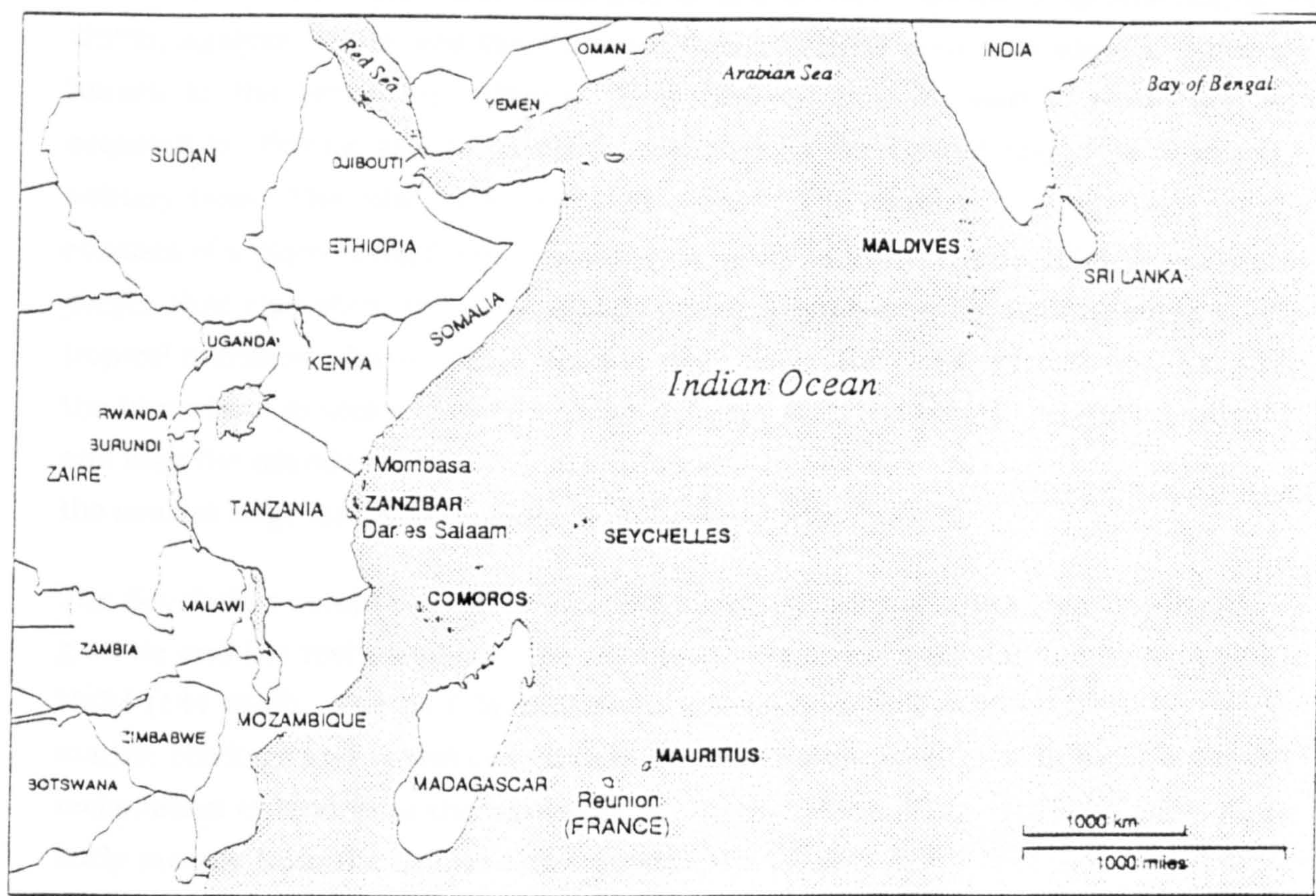
The islands under discussion are located in the Western Indian Ocean region and are spread over a very large area (figure 5.3). The Maldives are located in the north (just off the south-western tip of India). Zanzibar and the Comoros are found just off the mid-eastern side of the African continent. The Seychelles are located near the middle of the western Indian Ocean region and Mauritius is in the south.

*Zanzibar* consists of two large islands, Unguja and Pemba and a number of tiny islets around the two main islands occupying 1640 square Km<sup>2</sup>. They are some 40 kilometres from the coast of Tanzania and lie some 6° south of the Equator. The relief is low and undulating. The eastern part of the islands is comprised of coral rag. The highest parts are in the west averaging 50 metres and are mainly comprised of limestone with ample supplies of ground water. The vegetation is luxuriant, mainly coconut palms, clove and a variety of tropical vegetation. The climate is tropical, dominated by the monsoon wind system. From November to March the north-east monsoon blows bringing with it the rainy season. Between April and October the south-east monsoon dominates the weather and brings with it less rain. Temperatures range from 19-33°C throughout the year. The monsoon winds encouraged the mercantile system which developed along the western Indian Ocean and the islands of the south-west Indian Ocean (Sheriff, 1987). Of the islands discussed here, Zanzibar is the closest to the largest land mass, being only 40 Kms. away, making it more of a 'coastal' island and significantly different to the rest. <sup>1</sup>

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<sup>1</sup> The terms 'coastal', 'oceanic' and 'mid-oceanic' are used in terms of relative distances of the main centres of the respective island states to the nearest main land mass.





**Figure 5.3 The SIS of the Western Indian Ocean Region**

The Comoros consist of an archipelago of four islands located in the Mozambique channel between Mozambique and the northern tip of Madagascar. They lie about  $12^{\circ}$  south of the equator and consist of a land mass covering  $2236 \text{ Km}^2$ . The main islands are Grand Comore ( $1148 \text{ Km}^2$ ), Anjouan ( $424 \text{ Km}^2$ ), Mayotte ( $374 \text{ Km}^2$ ) and Moleli ( $290 \text{ Km}^2$ ).<sup>1</sup> The islands are volcanic and the terrain hilly, which constrains agricultural land use. The climate is predominantly tropical, though there are considerable variations in rainfall and temperature as a result of location and elevation. The Comoro islands are 400 kilometres from the African continent, which is the nearest large land mass, and are the second closest of the Indian Ocean SIS to the African continent. They are 'oceanic' islands, and located between the African continent and Madagascar.

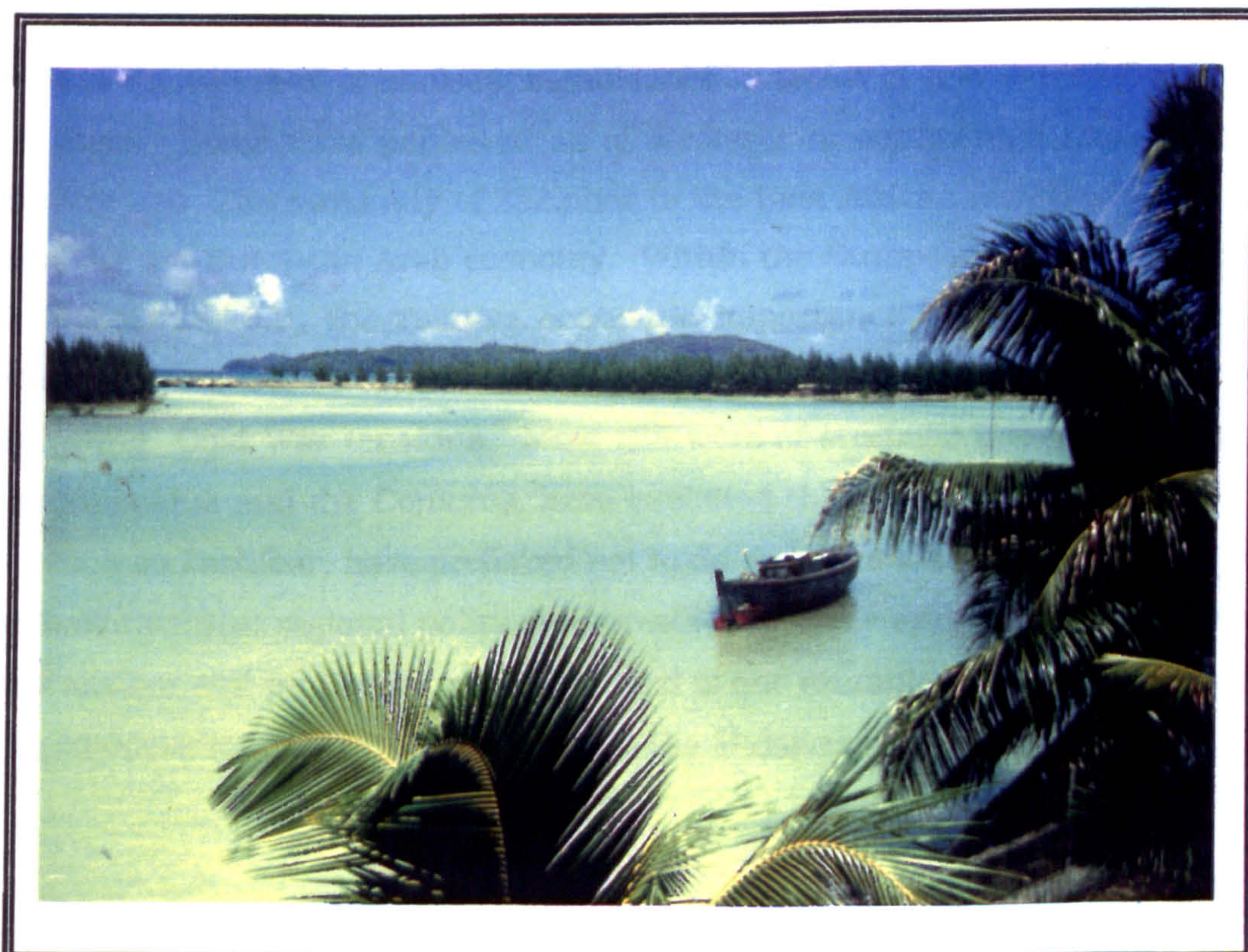
The Maldives are an archipelago comprising of 26 natural atolls which in turn comprise 1900 tiny islands, of which less than 17% are inhabited. They are situated south-west of India and Sri Lanka. The islands are small, low lying surrounded by reefs, and are spread over an extensive area from the equator to about  $7^{\circ}$  north. The dominant vegetation is the coconut palm and the total land area covers about  $298 \text{ Km}^2$ . Indeed most of the islands cover very small areas, making the scope for commercial agriculture limited. Distance to the nearest continent is 646 kilometres.

<sup>1</sup> The island of Mayotte rejected independence and continues to retain its colonial links with France.



*Mauritius* consists of one main island and several smaller ones which include Rodrigues (20°S), Agalega (10°S), and the Cargodos Carajos (16°S) groups of islands. They are known as *the Mascarene islands*. Diego Garcia, formally part of Mauritius, was acquired by Britain and is currently occupied by the United States as a strategic military base. The total land area is 2045 Km<sup>2</sup>. The country is mainly volcanic and consists of a plain rising from the north-east to the south-west with volcanic peaks and gorges that rise abruptly. The islands are surrounded by corals and enjoy a sub-tropical maritime climate with a wet and dry season. The coast is warm and dry, while the hinterland is cool and rainy. Quite different from the others, between September and May the islands of Mauritius are vulnerable to cyclones. Mauritius is 800 Kms. to the nearest large land mass making it an 'oceanic' island group.

*The Seychelles* comprises 115 widely scattered islands, of which nearly a third are granitic and the rest coralline. The total land area is 454 Km<sup>2</sup> and the main island is Mahé (144 Km<sup>2</sup>). The total land and sea area covers 1 million Km<sup>2</sup>. Despite its vast marine territory and numerous islands, the population land ratio is high, such that reclamation of land from the sea is taking place in Mahé (Plate 1). The islands, rising fairly steeply from the sea, are just outside the cyclone belt. There are two distinct seasons: the hot season from December to May and the cool from June to November. The island enjoys a mean average temperature of around 27°C. Vegetation is typically tropical, and land for cultivation is severely limited. The distance to the nearest large land mass is about 1700 Kms, making Seychelles 'mid-oceanic' islands.



**Plate 1 View of an area in Seychelles being reclaimed from the sea**



All the islands described above share good climatic, scenic and natural attractions for tourism. They have varying degrees of marine resource potential. Their physical characteristics differ substantially in physical size, dispersion/fragmentation, terrain, water resources, cultivable land. Population size and natural vegetation vary considerably. The southern most islands, Mauritius and even the Comoros, are vulnerable to periodic cyclones as they are located within the southern Indian Ocean cyclone belt. The islands closer to, and north of the equator are largely immune from this phenomenon.

They also differ in terms of their cultural composition and levels of economic and social development. Although they have each embarked upon generally similar post-independence development objectives, their strategies have differed considerably and hence they have attained different levels of achievement. Their pre-independence experiences and characteristics are partly responsible for the strategies chosen to lead them towards their respective objectives. These are discussed and analysed in some depth in the following part.

Clearly fragmentation is a problem affecting most of the SIS, even those with a few islands. Fragmentation can lead to centre-periphery problems and SIS are bedevilled by such problems - e.g., Malta-Gozo, St. Kitts-Nevis-Anguilla, Tuvalu and many others. Fragmentation has many negative development implications in terms of administrative difficulties, favouritism towards certain areas, political allegiances and all these are expressible in centre-periphery terms.

Location of the SIS is of continuing significance in terms of how external powers have viewed them. Some were perceived as of strategic or commercial importance while others were not. The proximity of Zanzibar to the East African mainland was a critical factor in the pre-European Arab economy. Within the European period, and especially during decolonisation, the relative economic importance of some places, such as Zanzibar declined. However, their strategic potential increased and especially so with the mounting Cold War tensions. Most SIS were of strategic importance and some, such as Mauritius and the Comoros, have exploited this potential economically, whilst others, such as Zanzibar, have preferred not to do so. Location was affected not only by superpower rivalries; regional political interests also apply and within that context the case of Zanzibar and its Union to the Mainland is one example. Similarly economic and security co-operation has developed between the Maldives and India.



### 5.5 Pre-independence Characteristics

Some of the SIS under discussion had pre-European influences which affected their development. For example, Zanzibar and the Comoros experienced Arab imperialism while the Maldives also experienced a mixture of Arab and Asiatic influences. As a result the dominant religions and cultures in these islands have tended to be Islamic. Although Arab 'explorers' and traders came across the other islands, it was the European influence, and with it Christianity, which dominated. It is also interesting that the pre-European influences were responsible for the establishment of the plantation economies in Zanzibar, the Maldives and in the Comoros. The economies that developed were part of a larger economic system encompassing the Middle East and Asia and then linked to Europe. What is significant here is that the trading centres were based in the Middle Eastern-Asian axis.

Colonial aspirations within the region brought explorers and by around the sixteenth century Europeans arrived in the Western Indian Ocean region. European domination and economic influence effectively began in the Maldives in 1558, Mauritius in 1598, Réunion in 1638, Seychelles in 1744, the Comoros in 1850 and in Zanzibar in 1890. The European powers comprised the Portuguese, Dutch, French and British. They either expanded existing plantation economies or introduced them where none existed before e.g., in Seychelles, Mauritius and the Maldives. Free labour was available through slavery, but with its abolition it became necessary to 'import' indentured labour much of which came from India (especially in the case of Mauritius). Colonial penetration enhanced the movement of populations adding to the multi-ethnic and multi-religious societies in the islands, though the contemporary sociocultural characteristics of some of the islands, such as the Comoros and Zanzibar, were shaped as much in the pre-European era. The success of European domination severed non-European links and direct traditional dependency links were established in their place.

*Zanzibar* was ruled as a Sultanate between 1830 and 1890 at which time it became a British protectorate. Arab colonisation and expansionism and later the scramble for Africa, gave the island state an important position not only in the region but also with respect to the role it played in relation to the expansion of international capital and trade.<sup>1</sup> Trade dominated the economy from the 1800s, particularly the notorious slave trade, while a plantation economy was established. Both Arab and British colonial rule moulded the socio-economic and cultural fabric of Zanzibari society. Islamic religion

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<sup>1</sup> One famous saying portraying the importance and influence of the islands between the 1800s and 1900s states that "when they play the flute in the islands, they dance at the Lakes", implying the great lakes of Eastern and Central Africa.



and cultural influences came with the arrival and settlement of the Arabs, and despite the influence of Christianity and anti-slave trade movement and British colonial rule, Zanzibar has remained a society with a strong Islamic religious and cultural identity.

*The Islamic Federal Republic of Comoros* consists of early immigrants from the African mainland, and the Far East. The Arabs also arrived before the Europeans and some settled. The Portuguese came in 1499. Dutch and French colonisation introduced Chinese and Indian labour. As in Zanzibar, Arab influence on religion and culture persisted despite Christian and European influence. Another similar characteristic to Zanzibar is the multi-ethnic composition of the population. Both settlers and colonial influence are responsible for the establishment of a plantation economy, the main crops being coconuts, cloves, vanilla, ylang ylang.<sup>1</sup>

*The Republic of Maldives* had numerous 'visitors' influencing the features of today's inhabitants who display Aryan, Arab, Negroid and Mongoloid features, but despite its strategic location on trade and sailing routes to the Far East, quite unlike all the other islands in this discussion, it has been remarkably free from a multiplicity of foreign domination (Appleyard, 1988). Britain was the country's main external political contact until independence in 1965. It is a Republic and retains a traditional form of leadership through the Sultan. As in the Comoros and Zanzibar, the influence of Islam is very strong. The main economic activities in the pre-independence period included trade, small scale fishing, providing a port and supplies to passing vessels and as a strategic military base for the Royal Air Force. The economy is largely a subsistence one, though more recently tourism is being aggressively exploited.

*Mauritius* was influenced by the Portuguese (1510), Dutch (1652), French (1715) and British (1810). Slave labour was brought in from Madagascar and later indentured Indian labour was introduced by the British (1834). The French established the basic infrastructure and developed the sugar-cane plantations. Colonisation by the different European powers and the introduction of slave and indentured labour produced a varied mixture of races, cultures and religion. The main groups are Hindus and Moslems of Indian descent, Creoles of mixed descent, Europeans and Chinese. Just over one half of the population are Hindus and 16% are Moslems. A significant plantation economy was developed based primarily on a single crop - sugar cane. Some agricultural processing industries were developed. The early post-independence economy continued to be dependent on sugar-cane growing and exports.

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<sup>1</sup> Ylang ylang is a tree whose flowers are picked and distilled for a perfume base.



Amongst the first visitors to what is now *the Republic of Seychelles* were the Arabs in the Middle ages and the Portuguese (1505). It was colonised by the French (1756) and later possessed by the British following the Napoleonic wars (1810). In 1903 Seychelles became a British crown colony. The French brought in slave labour and agricultural plantations were established producing mainly coconut (copra) and food. Small scale fishing was also carried out. The population consists of Creoles, Indians, Chinese and Europeans, and Christianity, particularly a largely European based culture, and Catholicism are dominant.

### **5.6 Economic legacies of the SIS**

With the exception of the Maldives, all the SIS inherited plantation dominated economies. Amounts of cultivable land determined the extent to which the plantation economies were developed. Thus in the Seychelles and Maldives where labour was available but cultivable land was limited, the plantation economy was less important. In both cases it was not only the quality and quantity of land, but also the high degree of fragmentation and dispersion of tiny islands which constrained the expansion of cash crop agriculture. Distance and transport costs reduce the economic viability of such enterprises. In the Comoros, where the land mass is about the same size as Zanzibar a high degree of land fragmentation exists. This is caused by land ownership and tenure. In addition the hilly terrain restricts medium and large scale agriculture while poor land quality determines that cultivable land area is small.

There is little doubt that for most of the SIS under discussion, the legacy of the plantation economy persists to dominate the island economies, despite the general decline in produce prices over the last decade (Table 5.7). Those countries where the contribution of agriculture is relatively small or has declined, such as Seychelles and Mauritius, have successfully diversified their economies into other sectors such as tourism and manufacturing. They have strong trade and marketing links with the former colonial powers and the Western countries as a whole and as such maintain a closer position to the core in the model outlined in chapter two (Figure 2.2).

More recently the SIS attempting diversification have established important trading links elsewhere, e.g., Japan and the NICs. Because of the limitations of land resources, the Maldives have resorted to exploiting marine resources and some manufacturing. With the exception of tourism, its trade links (imports and exports) are predominantly with nearby developing countries (see tables 5.7 and 5.8). Zanzibar's trading links are also mainly with developing countries, though predominantly with mainland Tanzania. This has been facilitated through what is termed as 'inter-state trade', an off-shoot of the political union that exists between the two countries. More recently, the volume of



imports and exports between the two countries has been growing, especially since the mid-1980s. The agricultural legacy of Arab imperialism and the European colonialism that followed continues to exist in Zanzibar and the Comoro islands. In the latter, trading links are predominantly with the developed countries, the main partners being South Africa and France.

Those islands with larger cultivable land areas,- in particular Zanzibar and Mauritius - have relatively large plantation economies upon which their economies had become dependent by the time of independence. Zanzibar relied on cloves and coconut (copra), the Comoros on cloves, copra, vanilla and ylang ylang, Mauritius on sugar-cane, Seychelles on coconut (copra) and the Maldives on a very small amount of coconut (copra). Subsistence agriculture played an important role for a large part of the population and there has also been a small proportion of agriculture mainly for the provision of food to the urban sectors. Table 5.7 summarises the general characteristics of the SIS, which also show that, for the most part, their economic legacies have yet to change.

<u>SIS</u>	<u>Population density (Km<sup>2</sup>)</u> (1989)	<u>Arable land (%)</u> (1988)	<u>Agriculture in GDP (%)</u> (1988)	<u>Industry in GDP (%)</u> (1988)	<u>Services in GDP (%)</u> (1988)	<u>Population in agriculture work force %</u> (1980)
Zanzibar	274	58	57	6	37	65
Comoros	225	44	34	13	53	83
Maldives	693	10	26	16	58	54
Seychelles	239	21	7	8	85	11
Mauritius	587	57	13	22	65	28

<u>SIS Main commodity exports as a % of total value of merchandise exports</u>				
	<u>First product</u>		<u>Second product</u>	
	<u>Commodity</u>	<u>1986-1988</u>	<u>Commodity</u>	<u>1986-1988</u>
Zanzibar	Cloves	66.5	Re-exports	43.4
Comoros	Vanilla	55.8	Copra	19.5
Maldives	Marine products	47.0	Clothing & accessories	47.0
Seychelles	Copra	2.4	Cinnamon bark	1.3
Mauritius	Sugar	43.8	Clothing	22.0

Sources: Commonwealth Secretariat (1991), Zanzibar Government (1981, 1984, 1989)

**Table 5.7 Comparison of selected basic economic indicators**

One sector in which most of the countries are well endowed, is marine resources. However, it is only the Seychelles which has managed to exploit this sector effectively, though the industry is dominated by foreign enterprises. Technological capacities and capabilities, capital and entrepreneurial constraints have militated against the successful large scale exploitation of fisheries. Although comparative figures are not easily available, individual reports stress that subsistence fishing plays an important part in the provision of food and nutrition and generating some income for small fishermen.



## 5.7 Post-Independence Development

The immediate post-independence social and economic development policies are to a large extent responsible for the position in which some of the island states discussed find themselves today. They adopted widely diverging policies, usually influenced by the historical processes prior to independence, their political and economic choices, physical limitations which have been exaggerated by the lack of appropriate technology and the manner in which they have become integrated into the global economic system. Many sought to reverse the adverse social problems while building on the existing foundations, a procedure that has not always been appropriate or successful.

Table 5.8 uses a broadly defined set of economic and social indicators to show the current status of development of the SIS under analysis. The figures show the variations and similarities in different aspects of development in the islands. By and large they reflect their respective historical backgrounds, external linkages and development policies and the repercussions that these have on aspects such as their demography, economic structures and potentials, health and education. Comparisons between the SIS show the extent to which the countries share similarities and differences. Some of the similarities arise from the pre- and colonial legacies, but also important are the differences, many of which reflect post-colonial development strategies and linkages with the external world. The table highlights the similarities and differences between the SIS.

### 5.7.1 Zanzibar

Immediately after the revolution, *Zanzibar* adopted radical social development policies aimed at transforming the existing ethnic, class and economic relations. Its social and economic development policies were basically 'populist socialist'.<sup>1</sup> Diversification of the economy did not succeed mainly because of problems of implementation. It lacked a concrete plan of action or strategy to approach the problems facing the SIS and during the early post-Revolution years, programmes were formed on the basis of annual objectives, lacking long term perspectives, and were disjointed. For example, to increase domestic food production a programme which required resources to be concentrated in food and cash crop production was introduced. However, important and interrelated aspects such as credit, producer price incentives and appropriate technology did not match up to this. Diversification within and outwith agriculture failed to take place and so the Zanzibari economy continues to be dependent on cash

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<sup>1</sup> Although the period after the 1964 Revolution was lacking in any declared political philosophy the speeches made by the leadership advocated self-reliance and a form of socialist philosophy quite similar to that advocated by Julius Nyerere on mainland Tanzania.



crop production.

In the attempt to restructure the relations of production and exchange, the mercantile/commercial sector was nationalised and trade ceased to be an important aspect in the economy. It was confined to the export of a few agricultural commodities and the imports of food, fuel, textiles and capital goods. Zanzibar lost its position of prominence in trade within the region. However, a moot question arises, and that is whether this position could have still been retained with each of the East African countries becoming independent and Tanganyika and Uganda increasingly adopting centralised control over their respective economies. The pattern and characteristics of international trade were changing, as the neo-colonial mode developed. Inter-state trade and exchange within the peripheral economies was hardly likely to develop, as most countries were producing similar products. Prospects for trade/commerce and even some limited manufacturing existed through the East African Community, but even these vanished with the collapse of that organisation.

Both the growing demand for cloves and increases in its price in the 1970s strengthened the existing regime's economic capabilities allowing several ambitious projects aimed at economic diversification and social development to take place. These included ambitious public investment programmes including education, health and housing. Other sectors such as transport and communications (roads and marine) were also given prominence.

The need to be self-sufficient in food production became a priority and a crude attempt followed to increase domestic rice production to offset increasingly expensive rice imports. The logic behind this was that cultivable land and water were available, and to some degree irrigation was possible. Agricultural mechanisation was introduced and rice imports were restricted in the anticipation that local production would increase since the factors of production were in place. Although domestic production increased slightly, it did not remain for long. The combination of inadequate incentives, shortages of input, marketing problems, the problems associated with subsidies and land tenure all worked against that attempt (an in depth analysis on agriculture is made in chapter 11). Food shortages and price hikes brought about by import restrictions contributed to public discontent. In other areas 'draconian' measures employed by the state to 'encourage' people to increase food production were resented.



Variables	Zanzibar	Comoros	Maldives	Seychelles	Mauritius
<b>Demographic</b>					
Population	640,578	502,000	208,000	67,000	1,090,000
Population growth rates (%) 1980-1989:	3.0	3.7	3.4	2.4	1.0
% population in urban areas (m.r.e.)	35.3	27.2	20.5	58.1	42.3
% population of working (15-64 years) m.r.e.	53.6	50.1	53.3	58.0	66.8
Crude birth rate per '000 (m.r.e.)	53	49	44	26	18
Crude death rate (per '000) m.r.e.	17	12	10	7	7
Infant mortality rate per '000 (m.r.e.)	130	95	73	18	22
Life expectancy at birth -years- (m.r.e.)	55	57	60	70	67
Total fertility rate (no. of children who would be born per female)	8.2	6.8	6.3	3.1	1.9
<b>Economic</b>					
GNP per capita at market prices (US \$) 1989	-	460	420	4,170	1,950
Arable & cropped land as % of total land (1988)	58.0	44.4	10.0	21.4	56.9
Agriculture as % of GDP (1988)	57	34	26	5	13
Industry as % of GDP (1988)	6	13	16	15	27
Services as % of GDP (1988)	37	53	58	80	60
Merchandise Exports as % of GDP (1988)	15.6	13.6	68.8	26.5	62.6
Merchandise Imports as % of GDP (1988)	43.4	32.5	150.0	44.9	81.2
Destination and Highest % merchandise exports (1989)*	45.7 MLND	3.9 ICs	69.8 NODCs	53.6 ICs	92.0 ICs
Source of and Highest % merchandise imports (1989)*	21.5 MLND	75.3 ICs	77.7 NODCs	73.0 ICs	51.4 ICs
Food imports as a of total imports (1988)	48.8	26.9	8.3	22.8	12.8
Fuel imports as a of total imports (1988)	8.4	21.0	2.5	23.1	8.1
Manufactured goods imports as a of total imports (1988)	42.2	-	54.3	53.3	59.5
Tourist earnings as a % of total export earnings (1988)	0.5	8	52	44	12
Per capita net resource flows from all sources -US \$- (1988)	17.0	89.4	284.1	155.2	80.5

(Table 5.8 continued over the page)



(Table 5.8 continued from previous the page)

Variables	Zanzibar	Comoros	Maldives	Seychelles	Mauritius
<b>Labour distribution</b>					
% engaged in agriculture	65	80	30	9	23
% engaged in industry	8	3	29	27	64
% engaged in services	27	17	41	64	64
<b>Health</b>					
Population per physician '000 (m.r.e.)	12.8	12.3	15.0	2.2	1.9
% of population with access to safe water, m.r.e.	44.4	28.0	24.0	97.0	100.0
<b>Education</b>					
Primary school enrolment (m.r.e.)	91	92	65	93	106
Secondary school enrolment (m.r.e.)	25	36	35	37	51
<b>Communications</b>					
No. of radio receivers per '000 population (1988)	74	113	114	448	264
No. of TV receivers per '000 population (1988)	8	0.2	23	48	188
<b>PQLI (m.r.e.)</b>	<b>78</b>	<b>57</b>	<b>73</b>	<b>84</b>	<b>86</b>

Notes: \* MLND = Mainland Tanzania; ICs = Industrial countries; NODCs = Non-oil developing countries. m.r.e. = most recent estimates. PQLI = each country's physical quality of life and is based on average life expectancy at age one, infant mortality and literacy rates. It measures the level of progress achieved by a country in meeting basic human needs.

Sources: Commonwealth Secretariat (1991), Government of Seychelles (1988), Mukonoweshuro (1990), Zanzibar Government (1981, 1982, 1984, 1988a, 1989a, 1989b), Zanzibar People's Bank (1989).

**Table 5.8 Comparative data on the socio-economic and development status of the SIS of the Western Indian Ocean**

By the mid-1980s both clove prices and production continued to fall. The same was true for copra prices and demand. It was essentially a buyer's market for cloves. Meanwhile Zanzibar was heavily dependent on cash crop agriculture. The commercial sector, now under state control, was inefficient resulting in chronic shortages of essential inputs and consumer goods. Falling export earnings implied foreign exchange shortages and reduced government revenues. The informal sector attempted to fill in the gaps, though with considerable difficulty. Meanwhile government expenditure increased having to provide basic needs for an ever growing and demanding population. Increasing public discontent forced the government to embark on stop-gap measures to reduce dissatisfaction and, as is generally the case in most other developing SIS, substantial resources were expended on a bloated public service, making it the largest employer in the islands.

Insofar as the provision of basic needs is concerned, some success was achieved, though this has subsequently been set back by the inability of government to sustain it. On the economic side, the private sector had all but collapsed or slid into a small scale informal sector. In rural areas there were ever dwindling prospects in agriculture,



essential services depreciated, alternative economic opportunities were limited, general conditions deteriorated rapidly and rural-urban population movement was inevitable, converging on the islands' primate town. Emigration was constrained by low skills and education attainment, though a limited volume of movement has been traced to the Gulf States and the Mainland - in the former especially during the oil price boom.

By the mid-1980s there was an important change of leadership and new economic and social policies were introduced to check and reverse the deteriorating economic situation. This also included a fresh attempt to diversify the economy. The private sector was permitted to participate freely in the economy, agricultural policies aimed at increased domestic food production and exploiting 'dormant' sectors such as marine resources, tourism and related services, manufacturing, trade and commerce, while seeking the possibility of implementing other economic alternatives such as off-shore banking and establishing an Export Processing Zone (EPZ).

Private sector involvement and foreign investment have been attracted through incentive packages and an investment protection act (1986).<sup>1</sup> These form part of the *economic liberalisation programme*. Many stringent regulations have been eased or removed, including prohibitive foreign banking and exchange regulations and repatriation of profits. Expansion of public investment has been slowed, and in some cases frozen with emphasis on maintaining and strengthening existing facilities. Facilitating sectors such as transport, energy and water supplies will continue to be expanded as and when resources become available, and the public sector work force is being reduced. Incentives have been increased in the agricultural sector and state subsidies removed on most goods.

Politically, a greater degree of democratisation has been permitted, which includes extension of human rights, freedom of expression and movement. These new developments have been followed by an expansion in economic activities in Zanzibar, such that in recent years movement to and from there has increased considerably. Indeed fast boats are replacing the dhows and slower ships (see plate 2). Arguably there is still considerable room for improvement, but it cannot be denied that there have been marked improvements since the early post-Revolution years. Othman and Mlimuka (1989b) assess the recent changes and point out how the government and country has been transforming from an autocracy to one in which the seeds of democracy have been sowed. The country is at a political cross-roads. If anything, between 1984 and the present, the country has undergone a major economic and political transformation which has repercussions for its Mainland partner.

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<sup>1</sup> This has been done through the Investments Protection Act No. 2 of 1986.





**Plate 2 Modern and fast marine transport vessel connecting Zanzibar and the Mainland**

Amongst the main issues on Zanzibar's development agenda that still have to be addressed, though sensitive, is the nature of the political Union with the Mainland, i.e. whether there is a need for it to continue or whether it has served its purposes. Continuing or terminating it will have major strategic, security, economic, political and social implications for a considerable time to come. On a positive note, what has emerged clearly are the increasingly important economic aspects, such as trade, i.e., access to a larger market, possibilities of emigration and remittances, that can also be beneficial to the islands. Table 5.8 shows that the island's largest trading partner in terms of imports and exports is the Mainland. Since the mid-1980s, the volume of interstate trade has increased substantially and a GoZ report declared that 'now Zanzibar is enjoying a comfortable access to the mainland market...notwithstanding the fact that Zanzibar's overall balance of trade remains in deficit' (GoZ, 1989:9). Between 1985 and 1988 exports from Zanzibar to the Mainland rose from US \$ 100,000 to US \$ 5 million. However, there remains a contentious question insofar as its Mainland partner is concerned. What are the economic benefits of the interstate trade to the Mainland? It appears that Zanzibar is playing a new role in the global economy, that of a facilitator in establishing a market for the NICs.



### 5.7.2 Comoros

Independence in the *Comoro* islands came in the form of a controversial *Unilateral Declaration of Independence* (UDI) from France in 1975. Despite the UDI and the existence of some five small political parties, they lacked a concrete post-independence programme of action or a clearly defined national mass movement (Mukonoweshuro, 1990). The Comoros basically achieved independence on a highly underdeveloped political terrain, marked by political division based on personalised political interests and divisions between local elites, or 'notables', and this situation has contributed towards the dire consequences in the socio-economic development of the islands.

Within six months of the UDI, the Comoros had three heads of state, and up to the present time there have been as least five coups. These changes have not really been inspired by any ideological convictions or genuine attempts at introducing more effective and appropriate socio-economic and political alternatives to the Comoros. They are the results of local rivalries between leaders out to capture the spoils of office. As history would show, they are simply crude means of taking over the state by individuals with the express aims of enjoying material benefits. Mukonoweshuro (1990:555) summarises this situation aptly by stating that, "the Comorian state was probably one of the most telling examples of the privatisation of the state through a joint functional alliance between local elites and their free-floating international partners." Apart from confirming the susceptibility of SIS to seizure or control by different interest groups, it also highlights the complexities that the local oligarchies add to the country's development problems and prospects.

The Comorian economy was extremely underdeveloped and the infrastructure was very limited, with all means of transport poorly developed. Unemployment and underemployment were high while many jobs were held by expatriates where Comorians lacked the necessary skills. The paradox is that the lack of economic prospects, instability and political cohesion forced many Comorians to migrate to East Africa, Madagascar and South Africa in search of work, contributing to a skilled labour shortage at home. After the 1975 UDI, many French workers departed leaving a vacuum in the important sections of the civil service. It has been difficult to fill the places as there is a lack of indigenous people with the skills and experience to do so, making the business of efficient governance even more difficult.

It is estimated that in 1966 while the island's population was approximately 200,000 a further 90,000 Comorians lived in Madagascar and 30,000 in East Africa. More recently it is estimated that about 40,000 Comorians live in France and numerous



others in Réunion and Mauritius. Many of those living in East Africa have gone on to apply for or accept Tanzanian citizenship (Appleyard, 1988). The current resident population is about 502,000 with at least 20% of the population living outside the country. Internal political malaise, personality clashes amongst the leadership (notables), persistent instability and destabilisation and lack of opportunity for the burgeoning young population will continue to force many to emigrate. Clearly high emigration softens the impact of the high population growth rate (3.7% *per annum*), though it also means that the country loses its 'best'. The Comoros has the highest population growth rates compared to the other SIS (table 5.8). It is estimated that the 100,000 or so Comorians living abroad are an important source of foreign exchange for the government and although it is difficult to quantify how much is remitted, evidence of its impact can be seen in the numerous construction projects around Moroni (Courier, November-December, 1991). The government seeks to tap this resource by providing incentives for residents living abroad to invest in the islands. However the folly of local 'notables' has reduced the Comoro islands to virtual bankruptcy and does little to encourage or attract investments to the country. The persistent instability does enormous damage to prospects for the development of tourism and other economic activities.

Instability has become the hallmark of the Comoros. In 1978 the SIS was virtually taken over by a group of mercenaries who came to overthrow one regime and replace it with another. They continued to stay and have since acted as 'king makers' to the various factions of 'notables'. The geopolitical and geostrategic developments in the region during the 1970s included France's wish to reaffirm its influence in the region. South Africa's interests lay with the need to destabilise Mozambique and other African Front Line countries, obtain control of the Mozambique channel and alternative landing rights and refuelling points for its airline which was facing an international embargo. The Comoros served as an 'off-shore warehouse' to re-export boycotted South African goods and provided landing rights to South African Airlines for eastern air routes. Mukonoweshuro (1990) provides some very interesting and detailed insights into the geostrategic and geopolitical contrivance occurring in the region and indeed the role that the Comoros played and how it has suffered by being a client state of questionable external interests. There has been much South African, French and mercenary involvement in the Comoros, including South African influence in the economy, education, tourism and the military. Other interests include dubious business ventures in which the Comoroian people benefit little.

The Comoros presents a classic example of the vulnerability that many SIS face when local elites are co-opted by external interests. The country is faced with severe resource limitations, and development prospects are further limited with the state being taken



over by egotistical mercenary groups and local elites lacking nationalist loyalties. This has invariably lead to the marginalisation of Comorian society.

At independence (1975), the economy of the Comoros was highly dependent on agricultural exports and budgetary subsidies from France. In 1966 the recurrent budget expenditure was CFA 8 billion while revenues were only CFA 1 billion, leaving a deficit of CFA 8 billion. France was the country's main trading partner absorbing two thirds of its exports and providing nearly 40% of its imports. As is the case in many other SIS, the colonial administration encouraged the expansion of cash crops and neglected food production. The post-UDI agricultural sector was developed along the same lines with cash crop production increased at the expense of food crops, which meant that large quantities of food had to be imported. Manufacturing was limited to wood and metal working, a soft-drinks plant and agricultural processing factories. There was some pozzolana mining and although tourism potential existed, this was hardly exploited. Fisheries is artisanal and remained at a subsistence level. Prior to independence, much of the export trade was in the hands of French companies and consequently a large share of profits was repatriated overseas with very little re-invested in the country. Its export earning potential fell and the UDI further aggravated this situation. Following the 1975 UDI France withdrew its 'benevolence', contributing to a budget deficit of 87.5 % by the end of the following year (1976).

About 40% of GDP and 80% of employment is generated by agriculture (table 5.8). Over 76% of the population depend on subsistence agriculture. About 35% of the land is monopolised by foreign landowners or companies and a handful of wealthy Comorians. The land is of volcanic origin characterised by steep slopes, severely limiting the amount of cultivable land. Although about 44% of the land is designated as arable, 59% is cultivated and 27% (51,000 Ha.) is available for food cropping (vanden Driesen: 1988a). This indicates a fairly high degree of pressure on the land resources. Small scale agriculture forms the basis of the agricultural sector though this is set back by an extremely lop-sided land tenure system akin to serfdom. Crop production is still traditional with productivity very low, and therefore there has continued to exist a large gap between food requirements and production.

The pressure on land has resulted in disturbing environmental signs such as the lowering of the water table and deforestation. The limited natural resources are under extreme pressure. Wood is the main source of domestic energy and a high population growth rate means that deforestation has been rapid. Wood for energy, building and other uses is in short supply and consequently the archipelago has been importing wood. Human and livestock population pressure threaten the land carrying capacity in many areas. With a population growth rate of 3.7% per annum and with over 51% of the population being under 20 years of age, the population is expected to double by



2010. Land-use and agricultural techniques have been described as 'archaic' (Courier, November-December, 1991) and under existing trends there is little doubt that the islands are on the verge of an ecological disaster.

Land ownership and use has meant that a large part of the population is condemned to a life of virtual serfdom and destitution. Like many other SIS the islands produce only a small amount of their food requirements with rice being the preferred food though very little land is suitable for rice production. Rice imports accounted for 30% of its 1974 total import bill, and astonishingly, even fish had to be imported since local catch amounted to just 3,000 tons a year. This is indicative of the underdeveloped artisanal fisheries. Of the total imports in 1981, rice took up 16%, meat, sugar, milk, cooking oil, flour 14% and fish 21% (African Business: 1981). Compared to 1980 the value of exports accounted for just 44% of imports, implying a huge trade deficit. Throughout the 1980s the Comoros relied heavily on foreign aid for its recurrent and development budgets. About 81% of the 1981 development and 50% of the recurrent budgets were externally financed. This situation has prevailed and by 1988 external borrowing reached critical levels with 50% of its export earnings being used to service debts. The 1988 foreign debt was US \$ 150 million (Africa Report, 1988). Under such conditions, the Comorian economy has become extremely dependent on external assistance for both subsistence and development.

At independence it had one of the highest infant mortality rates with almost one-half of all children dying before reaching the age of four (Appleyard, 1988:39). Malnutrition and general morbidity rates are high. The implementation of development programmes is constrained by a dearth of skilled labour, middle and senior management and professionals. Training facilities and opportunities are rare and tertiary-level education is almost non-existent.<sup>1</sup> Many who go to study overseas fail to return and only between 3% to 5% ever get post-baccalaureate education, usually overseas - and these tend to come from the more privileged section of society. Education at primary level is universal, though the quality of teachers and facilities is low (Appleyard, 1988:43) Mukonoweshuro (1990) notes that the education system remains extremely backward, hardly improved from 1974 when the school enrolment rate was 23% of the total school age population.

Internal training continues to churn out 'substandard' personnel for the purposes of development. A recent report on tourism development highlights this by noting that "the government had little idea about tourism or how to go about it...nor did they have the financial means or political will to make a large investment in it" (World

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<sup>1</sup> In 1983 only 417 persons were enrolled for technical and vocational training in a population of nearly half a million.



Development, November, 1989:16). Such a situation leads to resignation and apathy in the search for development alternatives.

Development strategies since independence have been erratic. The various regimes have attempted what may be termed as populist policies which they have failed to implement adequately since they have been preoccupied with personal interests. The consequences of this were half a dozen coups real, threatened and 'imaginary' - the leadership exists in a state of perpetual paranoia and this clashes against fundamental developmental aspirations. Indeed, most of the regimes are characterised by chaotic and absurd governance, which at various points has included extremities such as the dismissal of the entire civil service, banning religion, detaining scores of civilians (some of whom have disappeared entirely), and the virtual regimentation of Comorian society. Indeed the Comoros are in many respects synonymous to Haiti under the Duvalier regimes. Focus on prestigious, high profile, capital intensive, inappropriate and expensive projects have run up huge debts much to the detriment of more meaningful programmes in agriculture, tourism, services, education and health. The regimes have remained singularly lacking in ideas insofar as economic management is concerned and economic planning and policy formation have remained largely synonymous with strategies appealing for aid from the international community, the so-called 'begging-bowl approach' to economic management (Mukonoweshuro, 1990:563).

By the end of the 1980s the Comoros exhibited all the characteristics of a neo-colonial economy run by an oligarchy, backed and even directed by external interests. Public administration and business were controlled by the 'notables' and corruption rife. In comparison with the common development constraints facing many SIS, the Comoros face other, more unusual and perhaps even more strenuous constraints which have persistently set the country back.

As is the case in many LDCs countries, the 1990s have unleashed an unprecedented appetite for multi-party democracy and the existing Comorian government is no exception. However, there are complications, for example, resentment in the island of Moheli which has fared poorly in development terms over the years has resulted in moves for greater autonomy from the Federal Government, without which it has threatened to call for a referendum for self-determination and even secede. A report on the Comoros points out that with about 16 competing political parties, a long period of instability could easily ensue unless a system is found to stabilise the situation. Indeed, democracy may prove to be an unwieldy price to pay for an archipelago as poor as the Comoros. However, in the light of the country's woeful political and developmental experience, perhaps democracy itself begs the question as to what it should deliver to the people



### 5.7.3 Maldives

*The Maldives* present an interesting case because of their remarkable attempts to modernise while retaining traditions and culture. Even the existing constitution is a modification versions based on an indigenous early one modified slightly to suit modern requirements (Appleyard: 1988).

At independence the country had a population of just over 100,000 and was characterised by high crude birth rates and lower death rates (12 per thousand) resulting in rates of natural increase of around 3% *per annum*. More recently the natural increase has been put at 3.4% (table 5.8). The islands have amongst the highest population growth rates and between 20-25% of the population live in the capital city (Sathiendrakumar, *et. al.*, 1989). Declining infant mortality rates, high fertility and an increasingly young population facilitated rapid population growth rate (Appleyard, *op. cit.*).<sup>1</sup> In the early 1980s it was projected that by 1990 the population would be about 210,000, representing a doubling of the population within 23 years. The government recognises the fact that high population growth, and its high dependency ratio will place increasing demands on health and other social sectors (Republic of Maldives, 1986).

With limited natural resources and a population distributed over 202 islands out of about 1910, a very high degree of fragmentation and dispersion exists, imposing major difficulties on the government in its development efforts. As is the case in many of the least developed SIS, the main problems facing the islanders are health-related, which include nutritional deficiencies, immunisable diseases and other treatable or preventable diseases such as diarrhoea and antenatal and postnatal complications amongst women. Most of the resources available are concentrated in one main hospital on the main island of Malé which takes up over 50% of health expenditure. Extension of health services to other atolls has been mainly through external assistance. The extent of the problems of operating a health system and other services in such a fragmented country is considerable (United Nations, 1982).

There is comparatively little emigration by Maldivians, though internal migration from outer islands to Malé (the capital) has been a common trend. In 1977 out-migration rates from other islands to Malé stood at 87 per thousand, with more males than females migrating (Republic of Maldives, 1986; Appleyard: 1988). There is insignificant inter-atoll migration apart from those heading towards larger islands and especially the capital. Most of the migrants are young and with little or no education and return

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<sup>1</sup> (from  $\frac{136}{1000}$  in 1978 to  $\frac{86}{1000}$  in 1982 and  $\frac{73}{1000}$  in 1988).



migration is rare. The flows towards Malé have led to pressure on services, housing and infrastructure to the extent that the government has considered relocating both population and economic activities to nearby islands and encouraging alternative urban areas. There exists a significant disparity in socio-economic progress between Malé and the atolls, mainly because of the better quality of life and economic prospects in the former.

Fisheries contributes 16%, tourism 13%, agriculture 10% and manufacturing 4% to GDP (1986). They also employ 36%, 5%, 10% and 2% of the labour force respectively. Currently fishing and tourism sectors are the main contributors towards the recent growth in the economy - though largely financed by foreign aid (Wong, 1988). Despite the economy's relative buoyancy since the early to mid-1980s, basic imported items such as rice, flour and textiles have brought about inflationary pressures in the economy. The country is aggressively exploiting its marine resources, including marine based tourism. Tourism is generating increased revenues, apart from a period in which a recession was prevailing in Europe, during the early 1980s and perhaps this will be the case in the early 1990s too. Tourism sources continue to be Western economies, though there are some flows from affluent Middle-Eastern countries. Generally, the development of tourism and the services sectors has begun to pay economic dividends (see table 5.8).

The external sector is relatively large with the value of imports exceeding exports. Although the balance of trade has often been negative it has decreased in recent years, mainly as a result of increased exports from the growing manufacturing sector. The development budget is to a large degree dependent on foreign financing. Between 1980 and 1984 an average of 65% of the budget was externally financed, with the ranges being 99.6% in 1981 and 50.8% in 1983 (IMF, 1986; Republic of Maldives, 1986). Compared to the other SIS, the Maldives have the highest *per capita* resource flows (aid and loans). The main domestic sources of government revenue are taxes. Non-tax sources, such as those emanating from public owned corporations, account for 35% of state revenues (1985).

Dependency on external financing of its capital expenditure is very high and the same is true in international trade. What is interesting is that trade links with developing countries (India, Middle-East, Sri Lanka etc.) are reasonably strong and to some degree this resembles the situation between Zanzibar and the Mainland.

One of the main constraints identified in developing agriculture, fishing, tourism and shipping is the lack of trained and experienced personnel (Republic of Maldives, 1986). The government has sought to improve both the quantity and quality of education and vocational training in order to generate the levels of skills required to launch the



country into its next phase of development. Investments on education began in 1976 with expansion of facilities. Teachers were brought in from other countries, mainly Sri Lanka and India to assist in the programme. Universal primary education is enforced, but only about 20% continue to secondary education. Vocational training is implemented though output has been low. It was estimated that by 1984 the country would have just over 80 with university education (Appleyard, 1988b).

Shortages of unskilled labour also threaten to afflict the economy. Indigenous labour is too thinly spread out and many are reluctant to work for the low wages being paid. Because of the shortage of skilled labour, the country is dependent on imported skilled labour. Its garment factories are currently staffed with low paid labour from Sri Lanka. There is also a shortage of indigenous personnel for administrative and managerial functions.

The monetary and financial system is underdeveloped, with fiscal policy generally geared towards maximising government revenues and expenditure. There is very limited capital investment, reflecting the paucity of domestic resources. Monetary institutions have been unable to make use of fiscal and monetary policies/instruments, but this is more due to the inherent limitations of monetary control in small open economies, the underdeveloped nature of the financial systems, and the dependent nature of the economy - a problem common to most developing SIS (Wong, 1988).

The increased contacts with the outside world, such as through the training of Maldivians abroad and influence of foreign workers, have resulted in the government being increasingly tolerant and allowing greater participation of its citizens in the political process (Appleyard, 1988). Devolution of power has evolved as have ideas of social equality and democracy.

#### 5.7.4 Seychelles

At independence (1976) the *Seychelles* inherited what Mukonoweshuro (1991) termed as - a fragile, acutely distorted and extremely underdeveloped economy. Land, short as it is, was in the hands of a few individuals. Agricultural production was based on cash crops - copra and cinnamon - and as in the preceding cases, was at the expense of food crop production, so a substantial proportion of foodstuffs had to be imported. Copra, cinnamon and palm oil prices gradually fell and with them the economics of cash crop agriculture. By the mid-1970s agriculture became less significant, land speculation was rife such that about 30% of private land was in the hands of foreign proprietors. Infant and child mortality rates were relatively high and malnutrition was widespread (Mukonoweshuro, 1991).



In the absence of other options, tourism was developed as an alternative sector. Local manufacturing was severely limited by the size of the market and the resources required to make it viable. Most of it was of the import substitution type, producing beer, soft drinks, and concrete products. The first post-independence government embarked on a socio-economic development policy which aimed at developing agriculture, tourism and fisheries. There were programmes that aimed at fragmenting large estates to make productive use of the archipelago's limited arable land, encouraging labour intensive construction projects and light industry. International finance was attracted through liberal tax and exchange controls, off-shore banking, inter-oceanic bunkering facilities, free-port transferring and flag of convenience registration of ships. These programmes and strategies were included in the First Five Year National Development Plan (1977).

However, such ambitious programmes suffered a set-back through a worsening balance of trade situation which in turn necessitated import restrictions. Most of the development programmes incorporated in the plan were dependent on external funding, much of which did not become available. Moreover, economic reality dictated that the most viable option was the development of tourism, and this soon formed the backbone of the Seychelles economy.

A coup in 1977 ushered in the second government, which broadly continued with the same development policies, but with an additional populist vision of society. According to Mukonoweshuro (1991:147) the new regime's development objectives hardly differed from the previous one. If anything, the regime change was one of *dramatis personae*. Politically, the new government proposed to develop a Socialist system appropriate to the Seychelles and began to confront the islands' underdevelopment with a series of radical social and economic measures. Food, shelter/housing and employment were given priority as these touched a large section of the population. This was followed by the social development of the individual in terms of education and health. This contrasted with the previous regime which was merely content with liberal economic solutions to the country's development problems and lacked a sense of urgency with the more pressing and immediate needs of the population.

However, it was difficult for the new government to translate into reality the above objectives. The immediate post-coup period saw a flight of capital causing a liquidity crisis. In the light of the uncertainties following the coup - especially with its Socialist inclinations, and geostrategic developments in the Indian ocean, foreign investment was held back. Despite the regime's "sometimes stringently left-wing pronouncements, its practical actions began to be characterised by caution, an apparent desire for continuity and political moderation" (Mukonoweshuro, 1991:148). Subsequently very liberal sets of economic policies were adopted despite the rhetoric remaining generally radical.



These included the abolition of income tax from externally derived income, the creation of an international off-shore centre, and exemption of tax on dividends in line with the need to encourage capital investment in the economy. By all accounts this was a unique coexistence of radical political rhetoric with liberal economic policies and so foreign capital was largely left untouched (Kaplinsky, 1983). What is relevant and important is that the strategy worked and gradually confidence in the new regime grew and foreign investment trickled in. Receipts from tourism grew by about 10% over the previous two years.

The declaration of an Exclusive Economic Zone (EEZ) was formally made in 1978, giving the Seychelles a total surface (land and sea) area of 1 million Km<sup>2</sup>. This gave the country legal rights over undetermined marine resources and the right to levy licensing fees on foreign fishing fleets in its territorial waters. It also embarked on a programme to develop domestic fishing potential, both at the artisanal and industrial levels.

In line with the government's populist programmes, land reform was gradually and judiciously implemented. Those losing land were compensated and private developers developing their land for what was deemed to be uses beneficial to the national economy, were assured of the security of their land. Emphasis was given to the development of social welfare programmes for the lower echelons of society. These included subsidised transport, low-cost housing, low interest mortgages, free and compulsory universal nine year education and a variety of others such as a social welfare system.

The post-coup period was also characterised by external intervention and internal dissent in the form of attempted coups and mercenary invasions. The combination of local opposition driven underground with the proclamation of a one party state, external interests, geopolitical and geostrategic factors operating in the region at the time all interfered with and affected social and political developments through creating a feeling of insecurity. Countering this entailed high costs, which meant resources were diverted from other pressing needs to establish and maintain security.

The post-Revolution government (1977) suffered from vulnerability; this stemmed from endogenous factors such as a distorted and weak economy and an internal opposition which was largely of a bourgeoisie nature and had the means to constantly challenge the government, usually covertly. Exogenous factors included being in the lime light of the militarisation of the Indian Ocean including the spill over effects of the Middle East conflicts, the decolonisation process in Africa and the desire for South Africa to expand its regional economic and military power. To counteract these, the government cleverly adopted a position of non-alignment from where it could bargain and negotiate its security, playing off the major powers while also seeking economic and political benefits



from them. So while the United States were permitted to maintain a satellite tracking station, the Soviet Navy was given access to port facilities and fuel bunkers and both the French and British air-forces were given landing and refuelling facilities. All these were paid for directly and indirectly and exhibit a classic manner in which a geographic or military strategic location is translated into a source of revenue for a SIS.<sup>1</sup> As an added security measure and to expand its defence capabilities, the regime established a defence treaty with Tanzania.

However, all these measures did not render the islands immune to external influences and this was highlighted when the effects of an attempted coup, a mercenary invasion and a recession in Europe affected tourism leading in turn to a extensive loss of revenue. This was particularly detrimental to the Seychelles being dependent on tourism. Tourism is sensitive to economic conditions in the developed countries as well as the political climate within the Seychelles and internal political tension affects the performance of the industry (Kaplinsky, 1983:211). External political and economic interests from time to time affected tourism such as when foreign airlines withdrew their services, introducing a severe transport constraint to the islands.<sup>2</sup>

The economy of the SIS was highly centralised and parastatal organisations were created to control import and export trade, fisheries and tourism. However, as elsewhere, state control proved to be expensive and cumbersome to manage efficiently, and the private sector was left with little to venture into. Moreover, the extensive welfare system that developed meant that there was a drain on budgetary resources, and proceeds from state-controlled enterprises made a limited contribution to this. During its tenure, an average of 30% of the country's development budget went on social services. Efforts were made towards expanding and improving the quality of education and health. By the end of the 1980s, the infant mortality rate was amongst the lowest in the developing world. Population growth rates have been low due to lower birth rates and net emigration. The natural annual population growth rate is 2.1%, but emigration has reduced this to 0.6% per year (Appleyard, 1988b; Republic of Seychelles, 1988a; UNDP, 1988). This has also been beneficial in terms of the improvement of social and economic conditions. A significant proportion (about 43%) of the population live overseas mainly in East Africa, Australia, and Europe (Kaplinsky, 1983; Appleyard, 1988b).

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<sup>1</sup> The American tracking station netted the Seychelles government about US \$ 500,000 per year. It is believed that this is the same station that was initially located in Zanzibar and following political developments there, was relocated to the Seychelles.

<sup>2</sup> In 1983 Lufthansa and British Airways the main carrier to Europe cancelled flights to the islands on what was claimed to be economic grounds - falling demand. This did not auger well with the government and resulted in the wet-leasing of an aircraft to fly as Air Seychelles. Losses through termination of the big carriers were not only passengers but also some essential imports such as medicines and spares. Air Seychelles has subsequently grown and is being supported by government despite the economic burden of operating the airline.



Compared to most other developing SIS and indeed LDCs, by the 1990s the Seychelles had made outstanding achievements both in the economic and social sectors, and all this despite the recession of the late 1970s and the adverse economic problems faced in the early 1980s. At the end of 1989 the Seychelles had a GNP per capita approaching US \$4170 (table 5.8). By World Bank definitions and economic measures the country now fits into the middle income bracket. Seychelles is a relatively wealthy, though 'vulnerable', country with modest living standards reflected on impressive set of social and economic indicators (Table 5.8). Moreover socio-economic inequalities are less pronounced than elsewhere in the Indian Ocean. These gains have been through a rational balance between radical political rhetoric and economic pragmatism, counterbalancing the opposing sides during the Cold War era, maintaining a position of non-alignment and internal political consolidation.

However, its relative wealth has meant that the country has experienced difficulties in obtaining access to external assistance. Thus much of this development is based on borrowing on stringent commercial terms and foreign aid.<sup>1</sup> It has the second highest *per capita* flow of resources (loans and aid) of the SIS in the region.<sup>2</sup> However, given the limited scope for financing local investment from domestic resources, reliance will continue to be on external sources (Nicholl, 1988). This may result in some economic difficulties in the near future as most of the loans are due for repayment, while a global recession is occurring which may reduce the country's earning capacity from tourism and fisheries. By 1989 the proportion of aid in the development budget was about 57% and the proportion of loans 25.5%. Although this appears to be relatively high, it is much lower compared to the 1970s and early 1980s (Republic of Seychelles, 1988).

Following its experiences in the early 1980s, the SIS has adopted a more responsive form of socio-economic planning. This is a form of strategic planning in which the planning and implementing institutions can respond to the changing global economic and political environment. This is also in recognition of the degree of external dependency that the island economy is experiencing. Such an approach is fairly unique within the SIS in the region and has suited it particularly well.

Politically there are newer developments. Following the end of the Cold War, the government of Albert René has accepted the call for multi-party democracy and politics, and multi-party elections are now due, ushering in a new phase in its political and

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<sup>1</sup> Between 1978-82 about 90% of the Development Budget was financed by overseas aid.(Republic of Seychelles, 1980).

<sup>2</sup> When considering these figures we have to consider the fact the two countries enjoying these relatively high flows (Maldives and Seychelles) also have very small populations. It is also true however, that it is those countries with adequate and convincing capacities to utilise these resources efficiently which will continue to receive and enjoy considerably higher resource flows.



socio-economic development.

### 5.7.5 Mauritius

*Mauritius* became independent in 1968 and like most other SIS it is small, remote, though relatively poor (Minogue, 1983). It has a population of just over 1 million inhabiting some 1860 square kilometres and has a considerably high population density 587 persons per km. . Its relatively high *per capita* income differentiates it from the other SIS in the region, with the exception of the Seychelles. Indeed the two islands do not belong to the category of the poorest SIS, yet their economies remain open, vulnerable, and erratic in their performance (Minogue, 1987).

Until the early 1980s Mauritius was an exporter of cash crops, mainly sugar, and agriculture played a vital role in the economy. Current contributions by the various sectors reflect the structural shift that has occurred since (table 5.8). In 1979 the government embarked on a major drive aimed at diversification, both within agriculture and towards other sectors. In agriculture it aimed to move away from being dependent on a single export crop - until then sugar occupied 87% of the country's cultivable land and accounted for almost 58% of export earnings and contributed 16% to the GDP (van den Driesen, 1988b). This lop-sided structure of the economy was not desirable given the lessons learnt from other countries and the future of sugar in the world market.<sup>1</sup>

With over 75% of its food requirements imported, it was imperative that the food-growing sector should be developed and in doing so reduce the high dependency on imported food. Food imports have contributed to its adverse balance of payments situation. Major subsidies on rice and flour, though adding a burden to public expenditure, at least has the political effect of buying off economic discontent (Minogue, 1987:127-8). In the non-agricultural sector emphasis was on the development of industry and tourism.

It is reported by van den Driesen (1988a:115) that by 1985 the new policies appeared to be working, showing significant changes in contribution to GDP by the various sectors. There was a decline of more than 4.5% in sugar and associated industries and a concomitant increase in non-sugar manufacturing of 2.3%. Non-sugar manufacturing was employing more than the sugar industry and the proportion of export earnings from sugar fell by 12.9% from 1981.

Between 1979 and 1985 food production increased by 30%, contributing immensely towards self-sufficiency in food. The incentives for food production included

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<sup>1</sup> This includes increased production by competitors as well as introduction of sugar substitutes. It appeared that science could produce substitutes quite easily and the future became uncertain.



guaranteeing producer prices for a wide range of food crops. Contrary to the situation in the other SIS, producers were not bound to sell to the Agricultural Marketing Board, if they could realise better prices elsewhere. As in most other SIS, rice is a major staple and accounts for a large import bill. Local production is insignificant, though price incentives and provision of irrigation have stimulated interest in the crop. It is smallholders and part-time farmers who are predominantly engaged in food production. The foods with substantial increased production are potatoes, maize, groundnuts, spices and vegetables. Many of these are grown in the interlines of sugar plantations, thus maximising on available space in the farms. Tourism development has also led to significant increase in demand for both local and imported foods. The vulnerability of the agricultural sector is gradually being decreased through diversification but its importance remains.

The structural changes mentioned above do not imply that sugar was earning less - in fact quite the contrary; through privileged access to the European Economic Community, earnings from sugar rarely fell, though its relative contribution and importance to the Mauritian economy was decreasing. Following the Lomé Convention, it was guaranteed a high price for sugar and a fixed demand, 500,000 tonnes annually since 1978, which is more than a third of the total African, Caribbean and Pacific quota for the EEC (Minogue, 1987). All these were impressive results over so short a period.

Fisheries comprise a subsistence and a modern sector. Modern fishing involves mainly purse seining and accounts for 38% of the total annual catch (1983). Mauritius has a 5000 tons capacity tuna fish canning factory processing about 4000 tons annually and exporting 95% of its output (1984). Artisanal fishing provides a substantial amount of the protein required and accounts for about 62% of total catch (1984). However, intense fishing pressure has been detrimental to the stocks and environment (Ardill, 1983; Harris, 1988). Recent developments in fisheries include a fishing port and a research centre. Moreover, Mauritius, like Seychelles, is considering increasing its participation in the intensive foreign dominated purse seining activities taking place in the region. Meanwhile industrial and artisanal activities are being given attention by government policies.

Apart from sugar related manufacturing, industrial development in Mauritius is a fairly recent phenomenon following specific policy measures taken to encourage and attract it in the mid-1970s. A considerable amount of the industrial investment is a result of capital surplus from sugar reinvested locally (22%). By 1985 manufacturing accounted for 47% of export earnings and employed approximately 29% of the formal work force. The structure of manufacturing consists of three sub-sectors; these are: small scale industries, manufacturing firms producing for the domestic market and the Export Processing Zone (EPZ) firms.



Manufacturing industries for the domestic market stem from the import-substitution industrialisation policies of the mid-1960s. The successes of this strategy were limited and in the 1970s export-based industrialisation replaced it. The EPZ consists of assembly production, diamond cutting and polishing, plastic products, toys and leather goods. Textile manufacture and exports play a dominant role in EPZ manufacturing. Small scale industries promotion is a very recent aspect (1985/86) and apart from being involved in producing furniture, garments and processing food, it also contributes to import-substitution industrialisation and supplies accessories to the EPZ.

The European Economic Community (EEC) is the main market for EPZ exports from Mauritius, and nearly a half of the investors in the EPZ are from overseas. Investment in other industries is predominantly Mauritian. Industrial development policy aims at expanding export oriented industries by the private sector while government concentrates on providing infrastructure and adequate incentives to attract private investment. Export manufacturing is based on imported raw materials and value is added in Mauritius. Attractive features for investing in Mauritius include, a large labour pool of well educated, bilingual (English and French) young people, lower wage scales competing with those in the Far-East, and a well-developed infrastructure, including roads, telecommunications and harbour facilities (van den Driesen, 1988b). The relatively successful development of manufacturing, especially in clothing and apparel, has earned the island economy the reputation of being a 'pyjama republic' (Jones, 1989).

There are however some drawbacks to EPZ industrialisation. Apart from restriction in wage negotiations and strikes, which can lead to severe exploitation of workers, the dependency on foreign capital by government and employers alike pressures labour to accept a highly subordinate role. The transfer of technology is limited since the manufacturing process is based on assembly production. The design and development of the products tend to take place elsewhere, thus imparting little in the way of technology transfer. The local economy benefits from wages, profits of local investors, licensing and fees. However, a large share of the surplus generated by foreign investors is dispatched overseas.<sup>1</sup> Despite these impediments the programme has developed successfully in the sense of increasing manufacture. However, in recent years fewer new establishments have been initiated.

Attracting foreign investors and diversification of export markets remains a priority for industrial development. This holds true for the other sectors too, as the markets for

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<sup>1</sup> Local investors tend to accrue less than external investors and license and other fees tend to be very small in order to attract foreign investors in the first place. More recently the number of countries adopting similar strategies imply conditions are increasingly in favour of the foreign investor.



fisheries, tourism and agriculture are on the whole concentrated in Europe. Diversification within the industrial sector is also important given that by 1985 about 80% of EPZ export earnings came from textiles alone. Even though Mauritius has achieved considerable diversification from being a primary producer, past lessons have shown the dangers of being dependent on a single sector or a single crop and where possible wider diversification is important.

There is also the obvious question, why is it that only Mauritius among the Indian Ocean SIS has established a successful EPZ? Mauritius quickly came to terms with its limitations and capacity to embark on industrial development. Lessons were learnt from the limited successes of import substitution industrialisation. Moreover, the economy was dominated by cash crop agriculture and the prospects of sugar in the world market could not be guaranteed. The country has a relatively large population, a factor which was transformed into a viable resource. EPZs are part of the country's export philosophy that aims at greater participation in foreign trade. In addition they provide employment to a fairly large population of more than a million.

The maximisation of resources - effectively seeking whatever room there was to manoeuvre - has always been a priority, even if at times this meant surrendering moral principles, such as in dealing with apartheid South Africa or the manner in which parts of the islands were offered to the major powers (e.g., Diego Garcia). In the same light, medium and long term personnel development programmes in other sectors such as services and industry were given prominence. However, as existing sectors seem to approach their upper thresholds, newer ideas are constantly being searched for to expand the country's economic capabilities. It is the 'manipulable' factors, such as creating a conducive environment for indigenous and external investments, that seem to provide short and medium term option. The reverse is the case for many of the other SIS under analysis.

Tourism development started in the 1960s and although growth in the sector has been steady there was a sudden fall in arrivals between 1981 and 1982 as a result of the 1979 oil crisis and the global recession of the early 1980s. The main sources of tourism are Western Europe, Réunion, South Africa and Madagascar. In recent years focus has been on promoting tourism in the Far East and Japan. The types of tourist arriving are a combination of up-market tourists (33%) and those from lower ranges of the scale.

Hotel types vary from small ones to large ones owned or managed by multinational companies. The ownership pattern reflects fewer foreign owned large hotels against many Mauritian (private) owned hotels. Between 1981-85 the rate of growth in gross earnings through tourism (compounded annually) was 18% (Gabby, 1988:210). Net earnings from tourism compare favourably with those from the EPZ. Tourism generates



about 36% of employment. However, distance and remoteness from the metropolises tend to work against tourism and this pushes up transport and marketing/promotional costs.

The benefits of a relatively strong economy have meant that the country could embark on a series of welfare and social development policies, which in the long run have had remarkable effects on the quality of labour, affected population dynamics and quality of life (Jones, 1990). In its development policies and strategies, Mauritius adopted a style of development emphasising public sector investment and institutions in the context of a so-called mixed economy, together with the growth of a welfare state. However, although the welfare elements of Mauritian policy appear egalitarian, built-in weaknesses allowed for the better off sections of society to benefit most. Meanwhile class forces are emerging in the island state and the logic of uneven capitalist development may assert itself (Minogue, 1987).

One of the most interesting changes that has occurred in the islands is the dramatic change in fertility and consequently size of family, particularly since the 1960s (table 5.8). Although the exact causes of the decline in fertility in the early 1960s are not ascertained, it is probably a result of family planning campaigns, educational, economic and social advancement and changes. More recently, Jones (1990) notes the interesting pattern of fertility changes in the country as perhaps indicative of the demographic distinctiveness of small plantation economy islands. He attributes these changes to the concordance between the private costs and the social costs of high fertility that are absent in larger societies where external diseconomies can be disregarded more readily, and the highly monetised nature of the Mauritian economy, stemming from the early development of a cash-crop and wage economy, depresses fertility at times of economic hardship.<sup>1</sup>

There is no doubt that slower population growth has eased the pressure on resources from government. The advantages of having smaller families are appreciated and accepted, and most parents are eager to have their children move onto a higher social standing than their own - this is easier to achieve if they have fewer children. The educational expansion from the 1960s meant that more children went onto secondary and tertiary level education and in doing so this postponed age of marriage and passed on the new found desire for a smaller family size. Postponed female marriage is acknowledged as a contributor to decline in fertility in the country (Caldwell et. al., 1980:131). The Mauritian experience reflects a contrasting experience to the other SIS

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<sup>1</sup> In contrast, Zanzibar and the Comoros have undergone what is perhaps their most difficult decade in their contemporary period (1980s to 1990s) and have registered relatively high fertility and population growth rates. Total Fertility Rates (TFR) in the Comoros and Zanzibar are 7.0 and 8.6 respectively. There has been a slight fall in Zanzibar where by 1988 this was estimated to be 8.2.



discussed.

Despite the relative harmony between the various ethnic groups, Mauritius is not exempt from the complexities of political control, economic dominance, ethnicity and class. The concept of ethnicity is as powerful as the concept of class and politics, and is characterised by intense interests and factionalism. Political networks are formed on a patron-client basis, but within factions that tie personal networks to ethnic identity and as such Mauritian politics have been described as "a complex weave in which the threads are clear but the ultimate shape of the garment indeterminate". (Minogue, 1987:138). However, its free trade unions, active and free press, skilled and educated work force, democracy and balance of ethnic forces lie behind the calm in the political economy of the SIS.

The Mauritian economy exhibits pronounced dependency, though this is essentially part of its development strategy. Minogue (1987:137) notes this unique situation and states that it "would appear to fit very easily into the dependency view of metropolitan-periphery relations, yet it does not". He goes on to note that in this instance the core-periphery relationship is not a one-way exploitation. The role of indigenous capital to the SIS economy is more pronounced than in other SIS and is partially responsible for its successes. Basically, the ownership and control of capital is not primarily external/foreign: it is domestic, and has contributed to the modest level of diversification and industrialisation. If anything, Mauritius has deliberately sought to strengthen its external links and enhance its dependency links and transform them into relations of positive interdependence. However, the economy remains externally dependent and locked into a world system of commodity control that determines both the market and profitability of sugar, and Mauritius has so far managed to negotiate and manoeuvre itself into an advantageous position compared to other LDCs and SIS.

In terms of economic policy and strategies, the 1960s-1970s were dominated by the Keynesian approach to development and by the 1980s liberal and pragmatic economic thinking took over. In recognition of its vulnerable and dependent position, the government has been aggressive in establishing direct external links and seeking markets for locally produced goods, and especially with the EEC through former colonial links. The strategy is to create a greater degree of interdependence between itself and its trading partners. The island has secured favourable access for its produce to European markets and through this its core-periphery relations are less exploitative and perhaps even beneficial to the periphery.



## **5.8 A synopsis of the main characteristics of the Western Indian Ocean SIS**

Although the islands under analysis have some common experiences in their colonial legacies and suffer many similar effects of externalities and geographical characteristics such as distance and fragmentation, there are big differences in their respective development status. This is due to their historical experiences and the nature of post-colonial links that were established and maintained. The physical (land quality and availability) and human resources, economic, political, social, cultural, demographic and geographic factors have also influenced their present development status. The comparisons provide a meaningful insight into their specific conditions and distinguish between the socially and economically better off SIS and those less developed. The main features that affect them and which explain their respective development positions or achievements are discussed and summarised as follows:

### **5.8.1 Cultural, Social and Economic characteristics**

The unique social, cultural and historical experiences of each of the SIS are important and help to explain why certain strategies have been successful in some SIS and not others. Purely economic measures and interpretations of development and underdevelopment can rarely explain this. The bases of the current characteristics of some islands (e.g. Maldives, Comoros and Zanzibar) were moulded before European colonialism, while in the Seychelles and Mauritius it was European colonialism that moulded many of their current characteristics. For example, the former group has a strong Islamic influence and orientation, whereas the Seychelles has a Christian-European based culture and influence. Mauritius has a mixed culture, but with significant European orientation.

The effects of pre- and post-colonial links play a subtle but nevertheless important role, and this comes out quite clearly culturally, economically and from the geopolitical perspectives. Western and Christian influences have been strong in Mauritius and Seychelles, mainly through indentured labour. Hinduism is also important in the latter. Despite their experiences with radical politics, both countries retained strong economic, social and political ties with Western Europe and as such they are oriented towards the 'Occident'.

The influence of the Islamic religion and culture are significant in Zanzibar, Comoros and the Maldives. Paradoxically, apart from the Maldives, the rest have at some point, applied different degrees of autarky, especially in relation to the West. Zanzibar and the Maldives have strong trading links with other developing countries within their respective regions. They are influenced by the Orient through pre-European contacts



and economic activities. The post-colonial (neo-colonial) period is characterised by a greater influence from the metropolises which are the main markets for their commodities and sources of their imports, technology, loans, grants and aid. The 1980s have seen some disbursements of loans and aid from the Middle-East to the Maldives, Comoros and Zanzibar.

From independence, the 'Occidental' SIS encouraged wider external contacts, primarily with their former colonial links. Consequently they were able to manoeuvre into relatively favourable or advantageous positions within the core-periphery model. They enjoyed 'preferential' access and treatment from Britain and France and maintain fairly strong economic and cultural links. Cultural linkages and a European heritage also exist and have been exploited. Many islanders from the 'Occidental' SIS speak more than one Western European language and there is a considerable influence of Christian-European culture and values. These factors have considerable influence on the development processes of their economies.

In contrast, after independence the 'Oriental' economies reduced or terminated links with the colonial countries. European and western cultural influence with language, religion or behaviour, did not establish themselves. Yet economic linkages continued through the various roles they played as colonies and continued with them in their neo-colonial roles. The dominance of Islamic culture and religion remain paramount. It is important to acknowledge this difference and its effects on the development of the 'oriental' economies. It is only quite recently (post-oil boom) that they received some economic support from the Middle Eastern economies, with which they retain links. However, the nature and volume of support are small, inappropriate and inadequate to contribute towards any serious transformation of the oriental SIS economies.

The gain from such a relationship appears to be acquiring political influence in the arena of international affairs. Moreover, Middle-Eastern economies are themselves firmly tied to the Western dominated global economic system and the foci of their interests lie there. Many of the Middle Eastern economies suffer from similar constraints to those which face the SIS, such as a lack of trained personnel, appropriate technology and even small size. Despite this there is room for establishing more worthwhile economic relations with a greater degree of interdependence, but only if there is genuine interest from both sides, and at the moment this is not too evident.

The outright rejection and condemnation of colonial links in Zanzibar and the Comoros limited the possibility of further economic linkages with the West, though in recent years this situation has been reversed. The Comoros declared unilateral independence (UDI) from France and since then it has suffered from continuous internal and external political intrigue. Its post-UDI experience is characterised by a series of disastrous and



embarrassing economic and political links with the South African regime and dubious external and internal private interests, all of which have been extremely detrimental to its development objectives and external image.

The Maldives adopted a more pragmatic approach and maintained congenial economic and political relationship with Britain and Europe despite the religious and cultural differences. Within the region, it has established special economic and political relations with Sri Lanka, India and the Middle East. This has facilitated continued trade, revenue, human resources and security. The economy continues to be based on primary exports with greater trading links with developing countries than developed countries. Through the links it has maintained with the West, it has managed to develop tourism, which has now become one of the important sectors in the economy. The links with the Middle-East facilitated some financing and investment for important development programmes. Compared to the other SIS, the Maldives obtained 'independence' quite late and it too faces a plethora of economic, human and physical resource constraints. However, in contrast to the other SIS, adopting liberal economic policies while putting a firm grasp on local traditions and values, it has managed to exploit both 'East' and 'West', thus extending its economic potential.

Notwithstanding their socio-economic, political and cultural differences and successes, the SIS in the analysis share some common features - their economies are open, vulnerable and erratic in performance. Those which have embarked earlier onto successful diversification programmes secured a considerable edge over the rest, but generally they all remain highly dependent economies whatever the political and economic options they chose at independence. Those that attempted to 'de-link' became worse off in their socio-economic development. While the Cold War lasted, the 'Occidental' SIS were successful in consolidating and exploiting their links through transforming their dependent relations into one of more positive dependence or interdependence between themselves and the core.

### 5.8.2 Development Strategies

In both the 'Occidental' and 'Oriental' SIS, the development of human resources was given priority. In the former group emphasis was on qualitative primary and secondary education complemented by vocational training, while in the latter there was a considerably lower level of achievement, with the largest percentage of children obtaining primary school education.<sup>1</sup> Tertiary training, which is mainly done overseas, is growing as there is an 'upward mobility' in society taking pace. For example, this has

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<sup>1</sup> In the 'Occidental' SIS approximately 70% of school children enter secondary education and ratio between boys and girls is almost balanced (Selwyn, 1983; Appleyard, 1988).



enabled Mauritius to have a considerable trained and skilled labour market within a decade. Such conditions facilitated the expansions in the 'new' exploited sectors (tourism, services, manufactures and fisheries), enabling the SIS to embark on ambitious programmes in manufacturing for export, tourism and services. A proportion of these skills is 'lost' or 'exported' through emigration and flow back of remittances.<sup>1</sup>

The Seychelles has experienced the same though to a different degree and emigration there is higher with 'access' to Western destinations, including Australia. This causes a shortage of skilled personnel, as many who obtain such skills tend to leave the islands. Many of those involved in managing the development in the 'Occidental' SIS are indigenous and expatriates are brought in to fill in gaps.

The 'Oriental' economies experienced different levels of success in providing education and in achieving self-sufficiency in trained personnel. In 'Oriental' SIS a much smaller proportion of children in their age groups were enrolled in primary schools (average = 83%) compared to the 'Occidental' SIS (average = 100%). The proportions are even smaller at secondary level where the average for 'oriental' SIS is 32% compared to 44% in 'occidental' SIS. Despite a greater proportion of the population obtaining primary and secondary education, because of the shortage and lower quality of staff and lack of material the standards of education are low. Tertiary level education achievement is very small indeed. That a smaller proportion of females obtains education - especially secondary education - in the 'oriental' SIS is relevant as it entails consequences on issues such as nutrition, infant mortality rates, and fertility.

In all the SIS seeking the diversification of their economies was important and given priority in their development objectives. However, in the 'Oriental' economies, this is constrained by the type of external linkages they established and maintained and the skills required to achieve it. In contrast, in the 'Occidental' SIS tourism was promoted successfully as part of an economic diversification programme and has since provided a viable and much needed economic alternative. In contrast, in the 'Oriental' SIS governments were uneasy about promoting tourism for three main reasons (The exception is the Maldives, where tourism development has been more successful). The first is the cultural barrier and conservatism that exists within them, since most tourists originate from a culturally different area and may bring in undesirable norms and behaviour. The second originates from the lack of infrastructure, capital investments, expertise and contact with the source areas. The third is related to the concern about attempts aimed at destabilising the regimes, and this particularly

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<sup>1</sup> Figures are not available, but it is known that in recent years Mauritian investments have been made externally in Europe, the Far East and South Africa. Also some Mauritians have emigrated to Europe, and Australia seeking alternative economic opportunities and those with strong family ties have remittances sent.



concerns Zanzibar and the Comoros.<sup>1</sup>

In 'Occidental' SIS diversification was attempted also within the agricultural sector by encouraging the growing of alternative cash crops and increasing domestic food production to offset an over-dependence on a single cash crop and growing food imports as well as supplying the increasing visitor population in the tourist sector. The aims are to reduce dependency on imported foods such as rice, wheat and sugar. Considerable achievements have been recorded although the availability of cultivable land restricts this possibility in the Seychelles.

Though largely foreign dominated, diversification towards industrial fishing achieved some success in the Seychelles. In Mauritius it operates at a smaller scale and is more successful than in the 'Oriental' SIS. In contrast, the 'Oriental' economies have been less successful in exploiting their marine resources and diversification within the fisheries sector. The marine sector is characterised by artisanal fishing. Generally, the factors inhibiting industrial fishing include technological, financial, managerial and marketing problems. Fisheries and the marine sector contribute a growing proportion to their national incomes. In the 'Oriental' SIS fishing is very important as a source of protein and subsistence income.

In Zanzibar and the Comoros agricultural and economic diversification strategies and policies were less successful, leading to increased dependency on imported food, energy, and consumer goods. They remain exporters of a very limited range of cash crops with other sectors making a diminutive contribution to the economy. Exploiting potential sectors such as tourism and related services, fisheries, production for export has achieved limited success so far.

Development policies and strategies differ considerably between the 'Occidental' and 'Oriental' SIS. In the 'Occidental' SIS more prudent and liberal development policies and strategies were adopted with varying degrees of success. This was based on the realisation that the island economies were dependent on the metropolises and any post-independence development would have to continue from there, rather than attempt to terminate the existing links. There has also been a reasonable degree of continuity and stability, allowing programmes to span their planning life. A small but important degree of restructuring of their economies has taken place, allowing them to exploit their small potential much more. For example, the average percentage of the working population employed in services is 63.5% (1988) while in the 'Oriental' economies the average is 27.6% (1988).

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<sup>1</sup> Such threats have become a reality in the Seychelles, the Maldives, the Comoros and Zanzibar with mercenaries invasions and /or coups plots.



The experiences of the 'Oriental' SIS are different. They adopted inconsistent and inappropriate development policies and programmes that contributed to high public expenditures on non-productive sectors while achieving little in the way of restructuring their economies. The instability, uncertainty and inconsistency in the Comoros and Zanzibar caused the lack of continuity and limited life-span of many projects. Moreover, emphasis was on productive investments as well as on welfare and social ones. This partly explains why there is a significant difference in the proportions of official development assistance (ODA) and loans between the two groups in recent years. The 'Oriental' economies receive a greater amount in the way of *per capita* official development assistance, while the 'Occidental' economies receive a greater proportion in the way of loans. The greater *per capita* total external debt outstanding of 'Occidental' SIS is US \$ 1,243 (1988), compared to US \$ 861 for 'Oriental' SIS (1988). The proportion of loans in total ODA in the Seychelles is 73.7%, in Mauritius 36.6%, the Comoros 7.8% and Zanzibar about 10% (1988). This reflects their differing economic structures, with the less successful 'Oriental' SIS being dependent on grants and aid, and the more successful 'Occidental' SIS on loans.

Although the Maldives share many similarities with the 'Oriental' SIS, there are a few important differences between itself and the other SIS in the group. After independence it adopted a series of more liberal and prudent development policies and strategies. The Maldives share common problems and prospects to Pacific Polynesian island countries (Appleyard, *et. al.* 1988a) compared to the other islands in the region. This refers to the high degree of fragmentation because of it being an atoll and the greater constraints that atolls entail, implying that different approaches to confront their problems are required.

The increased external contacts that the Maldives experienced in recent years have introduced new ideas and attitudes which have become important agents of socio-economic change in a conservative, homogeneous society (Appleyard, 1988b). This process was constrained by more conservative conditions in Zanzibar and the Comoros. Generally the 'Oriental' SIS have sociocultural barriers which question many aspects of 'modern' (foreign and Western) development, especially when they conflict with traditions and local values. This has economic repercussions. For example, although tourism may be desirable with the monetary and other benefits that it engenders, it is often treated with suspicion. This also explains the 'isolationist' tourism strategy that the Maldives practices, where tourism is developed in areas that are restricted for the local populace.<sup>1</sup> However, the geography of Zanzibar and the Comoros restrict this possibility.

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<sup>1</sup> See Sathiendrakumar, *et. al.* (1985, 1989).



Some aspects of Western norms and behaviour are not acceptable in a largely culturally Islamic society and they are genuinely concerned about the long term consequences to local customs. This is understandable; for example, studies in Islamic areas of East Africa where commercial tourism is prevalent have shown some negative and undesirable effects (see Peake, 1989). The Comoros have experienced shifts from a 'revolutionary' regime, to a quasi-Cultural Revolutionary period (anti-religious), to a quasi-Islamic Republic (Griffin, 1988; Mukonoweshuro, 1991). There are parallels with Zanzibar where society is mostly conservative and until recently was 'closed'. However, recent economic policies implied that they open up to tourism, and attempt strategies such as off-shore havens and export processing and the 'evils' that they entail.

The Western values and culture built into 'Occidental' SIS, and the closer strategic and economic links appear to have been beneficial to them. Communications with developed countries are easier and 'imported' values embedded in development policies and strategies generate less friction compared to the 'Oriental' countries. In contrast, it has been shown that modernisation and local traditions often conflict. While it is important that development approaches in the 'Oriental' SIS need to be sensitive to, and incorporate, traditional values and norms, the situation remains considerably different to that in the 'Occidental' SIS. Their 'Oriental' characteristics and links have put them at a disadvantage, further constraining their development prospects and this issue will need to be addressed in their development planning.

### 5.8.3 The changing role of the SIS in the South West Indian Ocean

The SIS are a product of the combination of their respective colonial legacies and post-colonial experiences. They are historical products of their specific economic and strategic usefulness to the metropolises. The scramble for Empire and 'spheres of influence' were followed by the post-war (WW II) East-West struggle for geostrategic and geopolitical advantages. In the light of the post-*glasnost* era such strategic needs have diminished, In response to this, Mauritius and Seychelles have reacted through recent economic strategies by seeking to expand tourism markets and attracting foreign capital from alternative geographical sources such as the Far East and Japan. Such changes have also affected all SIS to introduce economic liberalisation and allow for greater political tolerance and participation. Moreover, donor countries and organisations are becoming increasingly reluctant to assist regimes and economies which do not show development prospects and that have autocratic regimes, whatever their past political or strategic allegiance may have been.



The SIS are increasingly seeking to form a potent regional organisation highlighting their special position and needs. For example, Mauritian links with Réunion and Madagascar are important insofar as tourism is concerned and increasingly efforts are being made to strengthen the regional body, the Indian Ocean Commission (IOC) to empower the member states in seeking and achieving viable economic and development alternatives. There are many benefits which include aspects such as regional trading, joint marketing, transport and communications development and defence. The motivation behind such thinking is to reduce some of the constraints of small size. However, active participation has been limited and it would appear that the regional body is facing similar problems to other regional co-operation ventures such as CARICOM, where the political will has been limited and regional unity remains a rhetoric while divided and dependent development is the reality.

The 'Occidental' SIS remain at the forefront in strengthening their economic and political links with the metropolises redesigning this relationship into one of more positive interdependence, or 'negotiated dependency'. The fast changing global and regional strategic and economic situation encourages both groups of SIS to aggressively pursue this strategy. It is no accident that with the changing status of Hong Kong, Mauritius is seeking to become the 'Hong Kong' of the Western Indian Ocean.

Zanzibar has been transforming its mainly political Union with Mainland Tanzania to one of greater economic significance (chapters 9 and 10), though it also needs to establish other, perhaps more direct links with regions that are perhaps more appropriate to its special situation. For example, it has a historical legacy with the Gulf and is beginning to exploit that, though the question remains about what type of relationship will develop, and what are the motivations and moral obligations of the Gulf states and particularly Oman. Recently there has been some economic assistance in the form of funding some development projects from the region and direct air routes have also been established. There is potential for trade, investments with the region. However, these positive aspects are clouded by the reality of bilateral economic relations which have embedded political and strategic interests.

The establishment and strengthening of external economic and political linkages is important for many reasons, including the fact that they help offset the severity of smallness and isolation that have beleaguered small states in a multipolar world. Mauritius has reduced the disadvantages of size and remoteness and expanded its market and increased possibilities for economic growth and development through positive external links. Similar approaches are currently advocated in all the other SIS, such that the 1990s are witnessing considerable attempts to incorporate SIS economies to the metropolises. However, this is occurring when the global conditions affecting SIS



have changed again and they also have to 'compete' with other LDCs and the newly emerging democracies of Eastern Europe. Under such conditions the successes of such a strategy may be limited.

#### 5.8.4 Demographic aspects

Although most developing SIS exhibit the following demographic characteristics: falling fertility, infant and child mortality rates, higher emigration rates, changes in marriage rates and increasing age at first marriage for women - the 'Oriental' SIS do not. Caldwell, *et. al.* (1980) and Lucas (1980) observed that micro-states tend to have lower death and birth rates and a higher propensity of their populations to migrate to the developed world. They acknowledge that most of the island micro states were generally more 'Westernised' and retained their colonial (and cultural) links longer. They also acknowledged, and quite rightly, that because of their different socio-economic backgrounds, a few island micro states do not conform to this general model. The Maldives, Comoros and Zanzibar belong to the non-conforming category. They have experienced high birth rates (about 50 per '000) have lower levels of socio-economic development and a Middle Eastern version of the Moslem family (Caldwell *et. al.* 1980:133).<sup>1</sup> No doubt some post-independence development strategies that were weak in health, education and family planning also account for this phenomenon.

They have an Islamic cultural influence (pro-natalist) and experience a poorer economic base, have significantly lower qualities of life (see PQLI in table 5.8), higher levels of illiteracy with implications for nutrition and health. They generally have higher death, morbidity, marriage and re-marriage rates. Migration is affected by colonial legacies and lack of skills and is predominantly internal or restricted to nearby LDCs and the Middle-East. The latter is especially important as an 'alternative core' to the 'Oriental periphery'.

Because of longer colonial links, inter-marriage and cultural assimilation, the populations of 'Occidental' SIS tend to emigrate to the metropolises. However, considering current developments in sending and receiving countries such as ethnic conflicts, the creation of new national minorities, increasing numbers of refugees, the creation of 'Fortress Europe', rising levels of xenophobia and racism, the existence of a large number of migrants denied citizenship, international migration from periphery to the metropolises is increasingly uncertain and restricted. This will have considerable positive and negative implications for many SIS - with population changes, benefits through remittances and flow of innovation and ideas, slowing of the brain drain, and others.

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<sup>1</sup> This has recently been reduced to 44 per thousand in the Maldives (table 5.3).



### 5.8.5 Structural characteristics

Aid, emigration, remittances, food and fuel imports, urbanisation and employment by government are distinct characteristics in the SIS and are of increasing importance to the 'Oriental' economies. They are highly dependent on aid, emigration and remittances. Rural-urban migration is high and hence urbanisation and with the narrow range of economic opportunities, the governments have become the largest employers. They have become MIRAGE economies (Bertram, *et. al.* , 1985, 1986).

Their debilitating economic situation is seeing a transformation occurring from 'economies of subsistence' towards 'economies of subsidy'. The subsistence and agricultural export economies are very weak and in the absence of other practical alternatives the SIS are depending on aid and to a lesser extent loans for development and even recurrent expenditure. In so doing some are moving from productive (agriculture and fishing) to rentier status (licensing of fishing rights, tourism and services) or to 'subsidy economies' - dependent on aid and grants. Access to aid and loans is important and given their smaller populations and exchange rates, the absolute amounts are perceived as very small by donor countries, much to the advantage of the SIS. However, this hardly forms the basis of sustainable economies.

Migration and emigration are important as large numbers of the younger population leave rural areas to seek economic opportunities in urban areas or abroad, hence the higher rates of urbanisation in SIS. The motivations for migration are linked to access to land, falling crop prices and agricultural incomes, the neglect of the rural sector, attractions of urban life, and the general failure of development programmes. Population pressure also contributes to this phenomenon.

Remittances are an important source of income for many families and especially under conditions of limited alternatives and abject poverty. Some households have become dependent on remitted incomes. However, remitted incomes also act as a disincentive to agricultural production and become a form of subsidy. In other instances, remittances are an important source of capital investment, making substantial contributions to the local economy.

The limited amount of cultivable land, continued emphasis on cash crops with declining incomes and the reluctance of the young population to remain and work in rural areas have compounded the problem of domestic production of food. The agricultural led SIS economies continue to be major importers of food, draining a substantial part of their foreign exchange earnings and leading to a situation of perpetual food insecurity.



Increasingly expensive imports of capital goods and fuel make the island economies desperate for external assistance. Indeed many of their development programmes have been shelved for lack of resources and their balance of payments situation worsens. This has a bearing on the importation of essential drugs, spare parts and raw materials for domestic import substitution manufactures.

These structural characteristics with the combined effects of their respective historical legacies, losses of comparative advantages, and inept contemporary development policies and strategies have constrained particularly the development process and prospects of the 'Oriental' SIS. The lack of success in development suggests that a different set of solutions or prescriptions are required in the desperate quest for 'room to manoeuvre'. It is clear that within the plethora of SIS and SS there are distinct categories and it is important to recognise this in the analyses of their respective development problems and prospects and in seeking appropriate and sustainable development alternatives.

#### 5.8.6 Security, economic instability and dependency

Political and economic stability is of profound importance to SIS (Commonwealth Secretariat, 1985). For example, the mercenary invasions in the Seychelles and the Maldives affected tourism arrivals and revenues, while the Comoros have been plundered and further underdeveloped by criminal elements and corrupt leaders. Social, political and economic stability are essential for attracting investments such as tourism, services and manufacturing. The SIS which have been able to maintain stability and law and order have been able to focus on the development process, whilst others have had to grapple with insecurity expending scarce resources. This is why with the advent of multi-party democracy in Seychelles, the opposing political groups agreed on the importance of tourism and the need to proceed peacefully and that violence will not be tolerated (*The Guardian*, January 20, 1992). In Mauritius where it has been relatively peaceful, economic and social development policies have been allowed to take root and develop. In other SIS a considerable amount of resources, international relations and political alliances have had to be formed to guarantee stability.

The maintenance of security has often implied that the SIS establish certain alliances. Mauritius did this through NATO member countries and taking the side of the Western Bloc during the Cold War. This had substantial economic rewards. The Seychelles took the middle path, playing off East against West, and belonging to the Non-Aligned Movement while also establishing defence pacts with nearby mainland states. The Maldives remained under the umbrella of the Commonwealth while also establishing defence pacts with India. Zanzibar established a Union with Tanganyika to become part of Tanzania (a further discussion and analysis of this is made in chapter seven). The



Comoros have suffered the most in terms of political and economic insecurity and became a victim of various interest groups within and outwith the islands. Under these conditions the SIS are dependent on other larger countries for some degree of stability and some, such as the Comoros and Mauritius compromised on their political morality through economic and other co-operation with the worst of the Apartheid regime in South Africa.

#### 5.8.7 Accessibility and proximity

Location has affected differently the development process and prospects of the SIS. For example, those closer to the African continent tend to be less healthy because of the easier transmission of disease and pests facilitated through shorter distances and greater frequency of contact between the continent and the islands (Caldwell, *et. al.* 1980). Health indicators support this observation and it is reflected in the *Comparative Analysts* when comparing the 'Oriental' and 'Occidental' SIS. For example, Mauritius and Seychelles are relatively free from the ravages of malaria and other infectious diseases, since they are further away and more isolated and infectious diseases are less endemic and relatively easier to control. Also the provision of health care is more advanced. However, the price for the better health situation is high transport and travel costs, which are reflected in the costs of living and production of goods and services.

In the 'Oriental' SIS and especially in the Maldives the high degree of fragmentation has acted against efforts aimed at improving health and education standards. It requires considerable effort and resources to achieve levels similar to 'Occidental' SIS. Although closer proximity has its advantages in terms of transport and travel costs and access to other areas, the constant movement between the islands and continents militate against health control programmes. This affects even agriculture; for example, in Zanzibar the 'mealy bug' which came from the Mainland, has devastated large areas of cassava seriously threatening the subsistence safety net of the population in the islands.

On the whole, it appears that closer proximity to tropical continental areas has not assisted much the development aspirations of the 'Oriental' SIS. Although proximity has its advantages regarding access to larger markets, 'Oriental' SIS have failed to exploit this effectively and have tended to suffer the costs rather than enjoy the benefits. Conversely, the 'Occidental' SIS have benefited to some extent from isolation through improved health conditions and this is also a bonus to tourism (i.e. relatively disease free destinations). This is another factor widening the development the gap between 'Oriental' and 'Occidental' SIS.



## 5.9 Conclusions

Insofar as the five SIS of the Western Indian Ocean SIS are concerned, *Cluster Analysis* has identified three types of SIS based on their social, economic, demographic and dependency characteristics. In a wider context, other groups exist within the sample of 26 SS and SIS. Clearly, although developing SS and SIS are categorised in a single category based on GNP, GDP and population size, there are significant differentials between them. This tends to hide those facing particularly difficult development problems which may require a different set of solutions. Certain historic, political, social and economic mechanisms propel and direct their development at different momentum and in different directions, leading to diverging socio-economic status. The relevance of this observation to development theory analysis (and planning) is that it is important that each SIS is analysed on the basis of its specific development conditions and in so doing the endogenous and exogenous factors that influence them are identified and addressed.

*Comparative Analysis* has allowed a qualitative, in depth comparison and analysis of the differences and similarities between the SIS in the South West Indian Ocean. The findings explain and support the emerging clusters. Economic, demographic social and dependency characteristics can explain more recent development, but equally important are the historical processes, geographical, geopolitical and geostrategic links. The understanding of the historical, cultural, ethnic, political, social and economic development within the SIS has a direct bearing on the appropriateness of development policies and strategies. They provide a better explanation and understanding of the similarities and differences between the SIS in the region and the reasons for them.

It was mentioned in chapter two that in the discussion about development theory, Korany (1986) and Hettne (1988) suggested the existence of the 'new peripheries' in the Third World. The categories identified within the SIS identify and confirm the existence of such a hierarchy. What is of particular importance and concern is that it is agreed that LDC and SIS are distinct categories of states with severe development problems, and this analysis has shown that some SIS fall within both categories, implying that they face a particularly problematic situation that will require special attention if they are to check further underdevelopment and realise sustainable development.



## CHAPTER SIX

### 6.0 Background to Developments in Contemporary Zanzibar

#### 6.1 Introduction

Two main periods can be distinguished in Zanzibar's pre-Revolution history, the first in which it became colonised by people from the Middle East, and the second following the expansion of European imperialism. Chapter six discusses and analyses the social, political and economic developments that occurred in Zanzibar up to the 1964 Revolution leading to the establishment of a 'Revolutionary State'.

The chapter traces the pre-European social and political developments and the economic relations that developed, namely the role that Zanzibar played as an entrepôt to the African mainland. It traces the changing relations of production beginning with the slave trade, merchant and colonial capitalism and imperialism.<sup>1</sup> These processes moulded the ethnic content, shaped the internal social and political developments, and determined the internal spatial development in the islands.

A detailed analysis of internal political developments is made for the period immediately prior to independence (1957-1963), the emergence of formal political organisation and the role of 'ethnopolitics' played during the British colonial rule of the protectorate of Zanzibar. Finally it analyses the events and forces which lead to the establishment of a 'Revolutionary State' and the beginning of the 'First Phase' of Zanzibar's attempt at development (Chapter Seven).

#### 6.2 Pre-European Colonial Developments

The modern history of Zanzibar is divided between the establishment of Arab rule in 1832, followed by the imposition of a British protectorate in 1890 (Othman and Mlimuka, 1989). However, there were indigenous people on the islands with their own forms government. The first settlements on the islands were established by immigrants from numerous sections of the African mainland (Lofchie, 1965: 23). Separate village communities were created and governed by chiefs. There was a lack of any overall unity amongst the village communities making them vulnerable to alien intervention and

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<sup>1</sup> Entrepôts are one of the three transoceanic rim settlements that developed as a result of merchant capitalism. Haggatt (1983) identifies these as (i) the trading station e.g. Canton and Madras. (ii) Entrepôts and colonial headquarters for tropical plantations, e.g. Port of Spain, Lagos, Penang, Rio de Janeiro and, of course, Zanzibar, and (iii) the gateway Ports e.g., the Tidewater Colonial of Virginia, the New Towns of New England, the Colonial Towns of the Carolinas and others which were established in South Africa, Australia and new Zealand. They were peopled by West Europeans and oriented to their homelands as opposed to the hinterland.



settlement.

The Persians arrived in Zanzibar in about the tenth century. They came from the principality of Shiraz in Persia (latter day Iran). They settled permanently mainly in Pemba island and became absorbed into the local population. According to Lofchie (1965: 25), one considerable impact of the Persian's arrival and settlement in Zanzibar was that they began to unify the previously disparate village communities into more consolidated and cohesive political communities. This led to the existence of ruling dynasties of mixed Afro-Persian descent. Several aspects of Persian culture were passed onto the indigenous population, in particular Islam which in turn would have long term implications for the island community. The mixture of the Persian and indigenous African communities led to the existence of the *Shirazi* community in Zanzibar.

Arab traders and explorers came to Zanzibar long before the Christian era and an early reference is made to an island known as *Qanbalu*, believed to be Pemba, in the writings of a prominent Moslem traveller/geographer, al Masudi (died c.945) (Bennett, 1978:5). Another of the earliest records of the existence of the maritime commerce is found in the *Periplus of the Erythrean Sea* it details the ventures undertaken to amass merchant wealth in the Western Indian Ocean around the First century AD (Bader, 1991). With the spread of Islam from the seventeenth century, came a significant increase in Arab contact with the East African coast and Zanzibar. The Arabs who came from Oman began to establish colonies in places where hitherto they had only traded (Lofchie, 1961).

"The development of sea routes led to the establishments of settlements of appropriating classes - Indian, Arab and Persian merchants - along the east coast of Africa" (Bader, 1991:63). Geographically, Zanzibar was ideally placed in that it offered a spacious and protected harbour with adequate supplies of fresh water, timber and food. With the Arab colonisation of Zanzibar it became an important and strategic staging point in trade with the East African coast and hinterland, from where there was an abundant supply of ivory, slaves, food grains and mangroves. As a result, a number of Arab backed settlements emerged along the East African coast, including Mogadishu, Malindi, Mombasa and Zanzibar. The pre-European colonial coastal points established and developed extensive connections with the hinterland and were later to form the basis for the European colonial transport network. However, each one remained more or less a self-contained urban polity and not part of an integrated Arab Empire (Lofchie, 1965; Sheriff, 1987).

Asian immigrants followed later, mainly from India. They remained tight knit groups separated culturally from the indigenous population. They did, however, develop significant business relations with the Arab colonists to the extent that they became a major economic force in East Africa and indeed in the Indian Ocean by the fifteenth and sixteenth centuries (Sheriff, 1987; Bader, 1991).



The arrival of the Arabs was by and large for trade, and thousands migrated from Arabia to Zanzibar and East Africa. The influence of the Arabs increased and culminated with Sultan Seyyid Said establishing a plantation economy in addition to the slave and ivory trade which already existed. The peak of the Arab influence saw the transfer of the Omani capital from Muscat to Zanzibar. In 1880 Zanzibar became an 'independent' Arab state under an Arab sovereign. It was also an imperial state, since the Sultan of Zanzibar exercised sovereignty over areas of the coast of the opposite mainland. Indeed Zanzibar remained an independent Arab state until Great Britain, extending its own empire in East Africa, made Zanzibar a Protectorate.

### **6.3 The ethnic composition of the population.**

It is important to understand the ethnic make up of the Isles since it forms the basis of much contemporary social, political and economic developments. There are three broad ethnic/racial groups in Zanzibar and these are the *Africans, Arabs, Shirazi and Asians*.

Within the Africans there are two main groups: the indigenous Zanzibar Africans and the mainland Africans. The former comprises the *Hadimu, Tumbatu, and Pemba* and are generally located on Unguja, Tumbatu and Pemba islands respectively. The latter are comparatively recent immigrants through slavery or in search of waged labour. The *Hadimu* are off-shoots of mainland tribes of many different origins, arriving in Zanzibar at very different dates (Sir John Gray, 1962:159). Bennett (1978:53) notes that the main mainland tribes contributing to the early African immigrants as the *Segeju, Zigua* and *Digo*. The *Hadimu* form a large part of the population of Unguja and occupy mainly the south, south-east and eastern parts of the island. Prior to the colonisation of Unguja by the Arabs, they were ruled by a *Mwinyi Mkuu* (the great lord). A number of *Masheha* assisted him in the administration of his dominion. The Arabs under Seyyid Said coerced the *Mwinyi Mkuu* into giving recognition over his claim to Zanzibar, and Zanzibar was taken over by the Arabs of Oman.

The *Tumbatu* are said to be descendants of a combination of immigrants from Basra (in AD 1204) and mainland Africans who arrived around the same time. The former centred themselves around a town they built called Makutani and the latter at a place called Chongowe. Makutani was later invaded by Arabs who killed or enslaved its inhabitants. The survivors joined forces with the Africans and their descendants became the present people of Tumbatu. The *Tumbatu* were ruled by their own people known as the *Shehas*. By the 1880s the Arabs also succeeded in bringing the *Tumbatu* under their rule.



The *Pemba* are also of African and Asiatic origins. At the beginning of the 12<sup>th</sup> century immigrants arrived from *Shiraz* in Persia (latter day Iran). They settled mainly in Pemba. A Bantu speaking people, mainly from the *Segeju* group, also arrived from the African mainland. There was a high degree of intermarriage between the early Persian immigrants and the indigenous African people. This was, in part due to the curtailment of new immigrants from Arabia and Asia which was caused by the Portuguese rule of the islands of Zanzibar and Pemba (1498-1668). The intermarriage produced a group who called themselves *Shirazi*. Like the *Tumbatu* and *Hadimu*, the *Pemba Shirazi* also had their own rulers and exhibited a high degree of centralisation in the form of their political and administrative structure (Mosare, 197:221). A *Diwan* ruled at the top, assisted by a number of *Shehas*.

The composition of the *Pemba* was modified further when a large contingent of Arab soldiers came to assist the *Pemba* drive out the Mazrui dynasty of Mombasa. They were sent by Seyyid Said, the Sultan of Oman, at the request of the *Pemba* and some settled and intermarried. The new settlers also acquired land for cultivation and some of the indigenous population were driven out by the newcomers into the less fertile eastern regions of Pemba (Khamis, 1972). Land ownership was thus gradually being distributed along ethnic lines. The *Hadimu*, *Tumbatu* and *Pemba* make up the *Shirazi* group and without the three there is no such thing as the "Shirazi" (Mosare, 197-:221).

The later immigrants from Eastern and Central Africa are referred to as *the mainland Africans*. Given their humiliating and pitiful past during and even after slavery many of the *Shirazi* avoided being associated with them. This impoverished group occupied the lowest position in the ethnic structure in the islands.

The *Shirazi* frequently appeared to be the 'doubtful element' in early Zanzibar politics. One section identified themselves with the Arabs (the *Tumbatu* and *Pemba Shirazi*) and thus with the Sultan, and the other (the *Hadimu Shirazi* of Zanzibar) with the non-*Shirazi* Africans - those of mainland origin, while a third group sought to preserve its specific *Shirazi* identity, (Okello, 1967:78).

*The mainland Africans* came from diverse parts of Eastern Africa, the main source being: Tanganyika (Mainland), Nyasaland (Malawi), Kenya, Uganda and Mozambique (Table 6.1).



Country of Origin	Zanzibar	Pemba	Total
	%	%	%
Zanzibar	68.4	82.9	73.3
Tanganyika	14.7	6.3	11.3
Kenya	0.1	0.2	0.2
Uganda	0.3	-	0.2
Nyasaland	5.2	3.7	4.6
Mozambique	1.0	0.7	0.8
Other mainland Africans	10.2	6.2	8.6
Not Stated	0.1	-	-
Total	100.0	100.0	100.0

Source: Zanzibar and Pemba Census, (1948)

**Table 6.1 Ethnic distribution by source countries**

Most of the African immigrants arrived later as plantation workers and labourers. Some returned to their places of origin after the clove-picking season was over and others settled and intermarried. Some brought over their families from the mainland. This group generally retains some affinity to the mainland. Most *mainland Africans* arrived as a result of the slave trade and the slave mode of production and occupied the lowest ethnic and class position in pre-revolution Zanzibar.

There are four main groups among the *Arabs*, these are the *Shihiri* (the petty traders who originated from Shehr on the Hadhrami Coast). The second group consists of the *Omani Arabs* who arrived before the Portuguese came to East Africa. They include the Mazrui clan who had long-standing connections with the former ruling Yarubi dynasty which ended in 1741. The last group are the *Swahilis* and *Shirazi*, who are of Arab origin and mixed Arab and local groups. They have generally adopted the Arab culture.

#### **6.4 Emergence of ethnic based political organisations.**

With the prospect of decolonisation the momentum for the formation of political organisations in Zanzibar grew. A number of ethnic based 'Associations' were formed, i.e., the *Arab Association*, the *African Association*, the *Shirazi Association* and the *Indian Association*. With the imminent arrival of independence the associations became the rallying points of the various groups and their political aspirations.

1] *The Arab Association* was originally formed to fight for compensation for former Arab slave owners who were affected by the abolition of the slave trade in 1873 (Mosare, 1969:226). It began as an anti-British movement mainly against the anti-slave trade policy and later extended its scope to represent wider Arab interests in Zanzibar. The wealthiest and the most long established Arab families in Zanzibar formed the core making it more of an 'employers association'.



In the early 1950s the colonial government introduced some constitutional reforms and a commitment to lead the Protectorate of Zanzibar to independence. The recommendations are contained in Sir Walter Coutts Commission Report, which basically suggested that more democratic methods of choosing representatives to the Zanzibar Legislative Council from the different racial or ethnic communities should be accomplished in the processes leading to independence. However, the implications to the Arab oligarchy was that, "the elite status of their community could be preserved either through an indefinite postponement of independence or through the creation of a policy which was other than egalitarian" (Lofchie, 1965:130).

The intentions of the colonial government troubled the Arab oligarchy generating the need to take a firm hold of political power in Zanzibar. However, this objective was threatened by the Africans, and later African nationalism. To counter this force, the *Arab Association* merged with other smaller Arab based associations or groups to form a political party. There was need for gaining a broader base of support, if possible extending to sympathetic Africans. Sheikh Ali Muhsin Barwani and Amour Zahor, who later became prominent Arab leaders were of this opinion (Mosare, 198 ,227). The new political party was called the *Zanzibar Nationalist Party* (ZNP).

The ZNP operated as a territorial party, chiefly under Arab leadership. It was to be the vehicle that the Arab oligarchy expected to dominate Zanzibar politics and establish an Arab state of Zanzibar. Despite this, its leadership campaigned on the popular platform of "Africa for the Africans". ZNP appealed for mass nationalism in the attempt to gain independence for Zanzibar. The Africans were the majority, and Barwani and his supporters allied with African nationalists, although the Arab oligarchy sought to perpetuate a socio-economic, political, cultural, class and ethnic structure in which Arabs would hold key positions in Zanzibar politics, commerce, land-ownership and the judiciary (Mosare, 1969). The problem was that Zanzibar was about to establish democratic institutions and there was a need for the ZNP to gain a broad based support and so it "preached multi-racialism but practised racialism" (Mosare, 1969:231).

Naturally, overtly racial or ethnic politics would be disadvantageous to the ZNP, and so outwardly it proclaimed multi-racialism and an outright rejection of any policy seeking to solve any national problems in Zanzibar along racial lines. However, this was contradictory given the social, economic and political privileges enjoyed by the Arab minority, and any attempt to elevate the position of the Africans would imply the retrenchment of the privileges of the Arabs. There was also the fear of revenge which many Arabs believed the Africans would take, should they obtain political power. This may have been used to generate fear and participation within the Arab population, but it is also indicative of less than harmonious relations between the two ethnic groups.



2] *The African Association* was formed in 1934 with the mainland Africans as its main support. The association was initially formed to fight for and safeguard the interests of the African community. Politically it was pretty inactive, but later it became affiliated with the Tanganyika African Association (TAA) on the mainland and adopted a specific political agenda. Between 1951 and 1953, African leaders embraced an increasingly militant position towards the British colonial regime. They articulated their grievances and sought to mobilise popular support behind a demand for political and social reform (Lofchie, 1965:158). Between 1954 and 1960, this posture was abandoned and a more conservative position was adopted as Arab nationalism demonstrated its power, challenging the Africans. However, the African nationalist movement was severely handicapped by the lack of a politically active intellectual elite. Africans were hindered from acquiring education (Khamis, 1972). The few who had been educated were employed as civil servants or in professional occupations, though colonial legislation still prevented them from participating in political activities (Lofchie, 1965).

The lack of an effective leadership and organisational capacity meant that the Africans withdrew from their original militant position into a conservative pro-colonial position. The emphasis changed from issues of injustice and under-representation to the fear of the re-emergence of Arab domination. Winning reforms for the African population was dropped in favour of fighting against Arab nationalism. The fear was that with the establishment of a pro-Arab self-governing state, Africans would find themselves in a permanent political, economic and social vacuum. Rather than face such a situation, the ASP suggested that independence be delayed until they were able to participate in the management of government affairs. Their intentions were for a "constitutional evolution from Protectorate to an African nation" (Lofchie, 1965:168). Thus the different ethnic or racial groups become increasingly polarised.

With the impending elections the African association became a formal political party. It widened its base to become a popular movement. However, historically the African and Shirazi communities were unable to co-operate and this division implied that the elections would be difficult for both. The Shirazi and mainland Africans maintained separate communal associations and the disunity between them was the principal obstacle to the formation of an all-African political party. Considerable efforts were made to bring the two communities together to form a united front, ultimately leading to the creation of the *Afro-Shirazi Union* (ASU) in 1957.

3] *The Shirazi Association* was formed in Pemba in 1939 and later extended its activities to Unguja. Like the others, it pursued the interests of the indigenous population, mainly the *Hadimu*, *Tumbatu* and *Pemba*. Prior to the escalation of political developments, the Shirazi Association operated more or less as a trade union in rivalry with the Arab associations.



The *Shirazi Association* contested against the *African Association* over the allocation of the nominated seats in the Legislative Council reserved for representatives of the African community. When all the places were awarded to the *Shirazi Association* the Africans were deeply offended and resentful. This created profound divisions between the two groups. However, by the mid-1950s, the Africans saw the need for a merger between the two associations. With the rise of powerful Arab nationalist movement, they were willing to bury their differences and provide a united front against the *Arab Association* and what it stood for. The *Pemba Shirazi*, however, were against policies that proposed merging the African and Shirazi associations, and consequently the Shirazi leadership in Zanzibar and Pemba became divided on this issue (Lofchie, 1965:169. Mosare 1969:228). It should not be forgotten that there was little friction between the Shirazi and the Arabs in Pemba.

The *Unguja (Hadimu) Shirazi* realised the urgency for a united response to the threat of Arab domination. These were sufficient grounds for reconciling and unifying the Shirazi and mainland Africans. In practice, this proved to be an arduous task. The mainland Africans and the Shirazi had contrasting relationships with the Arabs. Lofchie (*op cit.*: 170) notes that "for a variety of historical reasons, the place of the Arab community was the one issue on which Shirazi and mainland Africans had completely different attitudes: on this subject they could not possibly unite". To the mainland Africans, Arab rule represented the notorious face of the slave trade and Arab colonisation. Moreover the Africans were generally regarded as outsiders. Socially, economically and ethnically they occupied the lowest strata. Small wonder then that the ZNP represented a threat of permanent racial and class domination.

The *Pemba Shirazi* enjoyed relatively harmonious relations with the Arabs and under the Sultan they held prestigious administrative positions. They rarely suffered any affront from the Arabs and their mode of life remained unchanged and unaffected. Consequently many *Shirazis* accepted the Arabs as the rightful and legitimate rulers of Zanzibar (Lofchie *op cit.*: 170), in fact some regarded "it as an act of God that the rightful rulers of Pemba and Zanzibar were the Arabs" (Mosare, 1969:232). Moreover the practice of the colonial administration in treating the Shirazi and the mainland Africans as one being inferior to the other further widened the rift between the two. Thus they did not lend their support to any movement which sought to obstruct Arab nationalism.

The attitude of the *Pemba Shirazi* with regard to Arabs and mainland Africans was different from their *Unguja (Hadimu)* compatriots. The Pemba based *Shirazi* refused to join the ASU. They gave a number of preconditions for joining but as they contradicted the aims of the ASU, they could not unite. The *Pemba Shirazi* sought to nominate all candidates in Pemba where they felt they represented the majority of Africans. In addition they required that the name of the proposed united party should not include



any reference to any racial composition of its membership. They wanted a *nationalist* political organisation.

Gradually the ASU scored some political capital. In the July 1957 elections it won five of the six contested seats. After the elections it was renamed the *Afro-Shirazi Party* (ASP), and the elected *Shirazi* members from Pemba took their seats in the Legislative Council as members of the ASP. The Shirazi Association of Pemba maintained its organisation and aims forming the framework on which the *Zanzibar and Pemba People's Party* (ZPPP) was founded. Arab and African nationalism gave impulse to the formation of Zanzibar's third political party, the ZPPP in 1959. It expected to be an independent third force in Zanzibar politics, avoiding the overt racial bias of the ASP yet remaining essentially an African party devoted to African interests (Lofchie, 1965). These aims were later lost as it moved closer to the ZNP, attracted by its multi-racial, though ambiguous platform.

After the 1957 elections the ASP also wanted independence and confronted their rivals by bitterly attacking the racial practices of the ZNP under the guise of multi-racial politics. The ethnic dimension of Zanzibari politics became increasingly evident and potentially explosive.

4) *The Indian Association* was formed in the early 1910s, fighting for the interests of the Indian community, which were mainly commercial. The association was initially apolitical in its activities.

With time open political rivalry between the *Indian Association* and the *Arab Association* loomed, stemming from the socio-economic polarity between the two communities. (Lofchie, 1965). Following the abolition of slave trade many of the former slave owners were transformed into capitalist producers (farmers). But with the absence of free labour they rapidly fell into the clutches of merchants (money lenders) and were reduced by indebtedness to little more than managers of their own plantations (Depelchin, 1991). The Arabs bitterly resented this. The climax of the contradiction between the associations are highlighted by the strife over the indebtedness of the Arabs. The Arabs became vulnerable to extreme forms of economic dependence on the Asians. By the 1930s around 65% of all the clove plantations were fully mortgaged to the Asians (Lofchie, 1965:105). This situation caused much concern with the colonial authorities who used legislative powers to assist the indebtedness of the Arabs.

The *Indian Association* came out strongly in defence of its members' interests which were threatened by intervention from the colonial authorities. Several measures aimed at solving the problem of Arab indebtedness were attempted, though it became clear that official objectives to restore the Arab oligarchy to solvency would have profound economic and political implications to other ethnic groups. Meanwhile the colonial



administration had to choose between alleviating the protectorate's worsening economic situation or risk offending the economic interests of the Asian community. It chose the former, resulting in a confrontation with the economically powerful Indians.

The inevitable dispute came in 1934 when legislation was enacted forbidding the alienation of land from the Arabs or Africans to Indians without the consent of the British Resident. In addition a moratorium on all debts was declared. The nearly defunct Clove Growers Association (CGA) was reorganised and resuscitated. From a voluntary co-operative society, it became a strong institution with powers to regulate and supervise the clove industry. It policed the business practices of the Asian community. The CGA challenged the economic hegemony of the Indians and so increased tensions between the Indians and the colonial government. This tension peaked in 1937 when the CGA was granted exclusive rights to purchase cloves from local producers forcing the Indian merchants to buy all cloves from the CGA at a price determined by the CGA.

In response the Indian National Association boycotted the clove industry by refusing to buy or sell cloves. The effects of this were limited and Arab and African farmers benefited due to higher prices offered by the CGA.

The *Indian Association* solicited the support of the *Indian National Congress of India* in its campaign against the colonial authorities and the CGA. India imported about 40% of total clove exports and a boycott followed. The combined effects of the internal and external boycotts were critical. By 1938 the political atmosphere in Zanzibar approached hysterical levels and racial violence threatened to break out. To defuse the situation a number of economic and political policy measures were taken. This resulted in the 'Heads of Agreement' compromise treaty which meant that the CGA would not exercise its authority on export cloves and Indian exporters agreed to purchase 50% of all cloves for export from the CGA. The CGA and *Indian Association* also guaranteed the *Arab Association* that growers would receive reasonable prices. This agreement brought to a close the political aspect of the agricultural indebtedness problem (Lofchie *op. cit.*).

### **6.5 Pre-revolution political developments**

The period leading up to independence in the early 1960s was marred by political confrontations characterised by pronounced racial-ethnic divisions. Zanzibar's economy was based on a colonial capitalist mode of production (1915-1954). Slavery was abolished and the new system was based on the exploitation of free labour by capital through a money relationship (Ferguson, 1991). Labourers and peasants sold their produce and labour to the land owning class, merchants and state in return for cash. The proletariat in Zanzibar was not entirely landless since they had access to means of



production and the appropriation of surplus value occurred through exchange. As a consequence; "The structure of Zanzibar's political economy during the colonial period had arisen not by accident, but out of the needs of colonial production. Zanzibar became an underdeveloped area as a result of this process" (Bowles, 1991:79).

Internally the ethnic divide was continually being emphasised and encouraged, splitting society and delaying independence. The period between 1957 and 1964 is often referred to as *Zama za Siasa* (the period of party politics). The British colonial administration realised that a new political force seeking independence had emerged. Babu (1991) accuses the colonialists of practising divide and rule by pitting the different ethnic groups against each other, Arab against Indian, African against Arab and so on. Most citizens were identified with an ethnic association (there were 23 in all). Babu (1991:224) states that; "Ethnic distinctions thus became part of the popular consciousness which was bound to influence the country's politics". However, it would be erroneous to assume that there was only an ethnic dimension. For, example most of the Arab leaders (of the Arab Association) came from the landlord class. Moreover, many were descendants of ex-slave grandmothers or mothers and with intermarriage it was difficult sometimes to make out who was an Arab or who was an African, though they still aligned themselves to one ethnic group or another.<sup>1</sup>

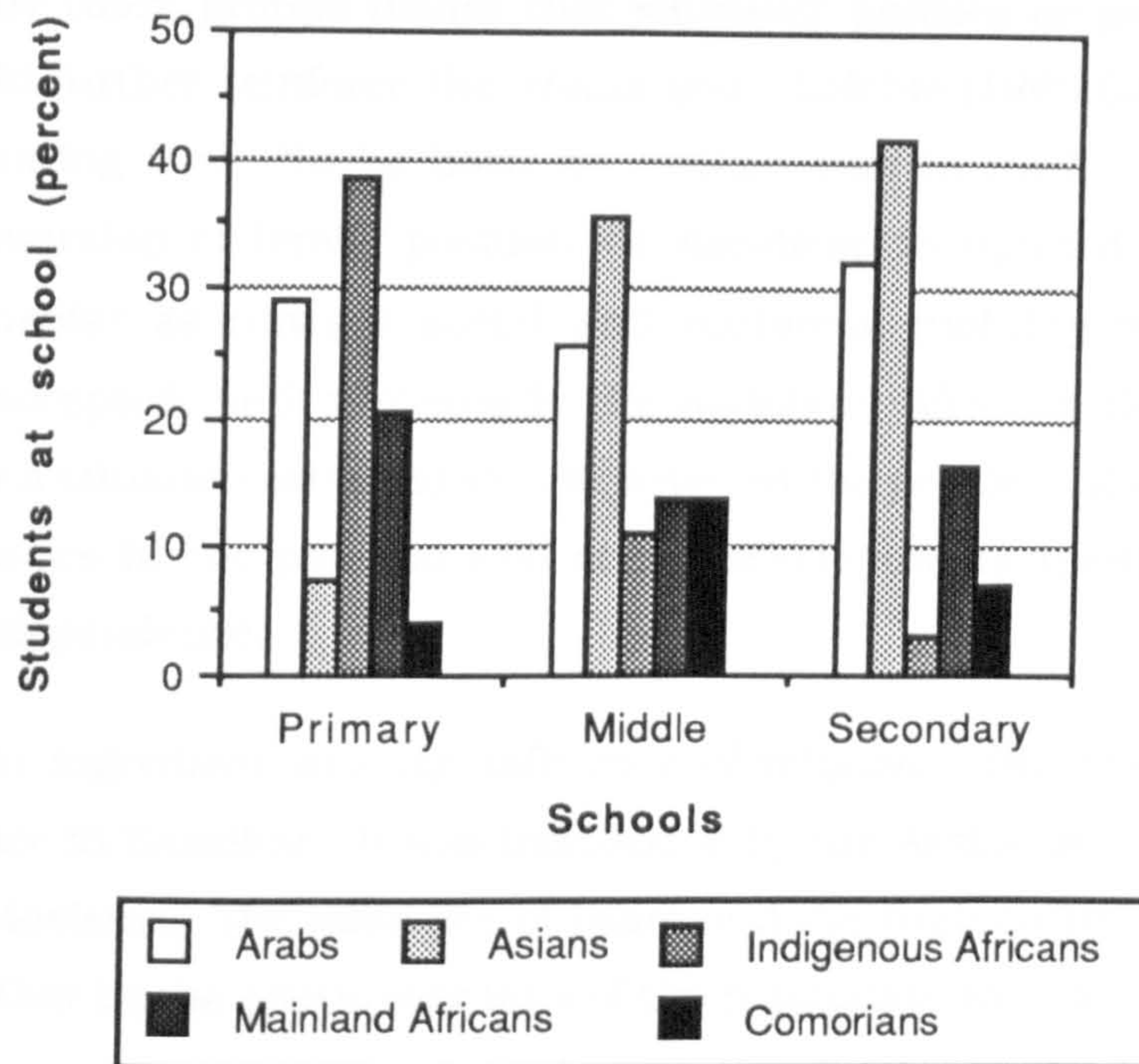
The educational system was used as a mechanism which fostered ethnic/racial divisions and disparities. The already over-privileged racial groups increased their social and economic advantages over others, while the majority were denied unrestricted access to it (Lofchie, 1965; Khamis, 1972). For example, at primary school level, Africans had a higher enrolment mainly because of their larger numbers, but proceeding to higher levels their numbers and proportions decreased disproportionately to other racial/ethnic groups (Figure 6.1).

Figure 6.2 shows the ethnic distribution of population in Zanzibar in 1948. Comparing the proportions enrolled at school shows a lop-sided distribution of children by their ethnic groups at higher levels. The education system confined state-assisted education to the sons of the privileged classes in Zanzibar. The disparity was extreme, such that in a population 265,000 persons, 190,000 (72%) had no schooling. In the rural areas of Unguja only 21% of children under the age of 15 had attended school, while in Pemba it was nearly 11% (Bowles, 1990:87 quoting Batson, undated). Already there existed some extreme spatial disparities even in primary education.

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<sup>1</sup> A number of slave masters kept a category of slave known as *Mashuria* (concubines) who were often also working slaves of the household.

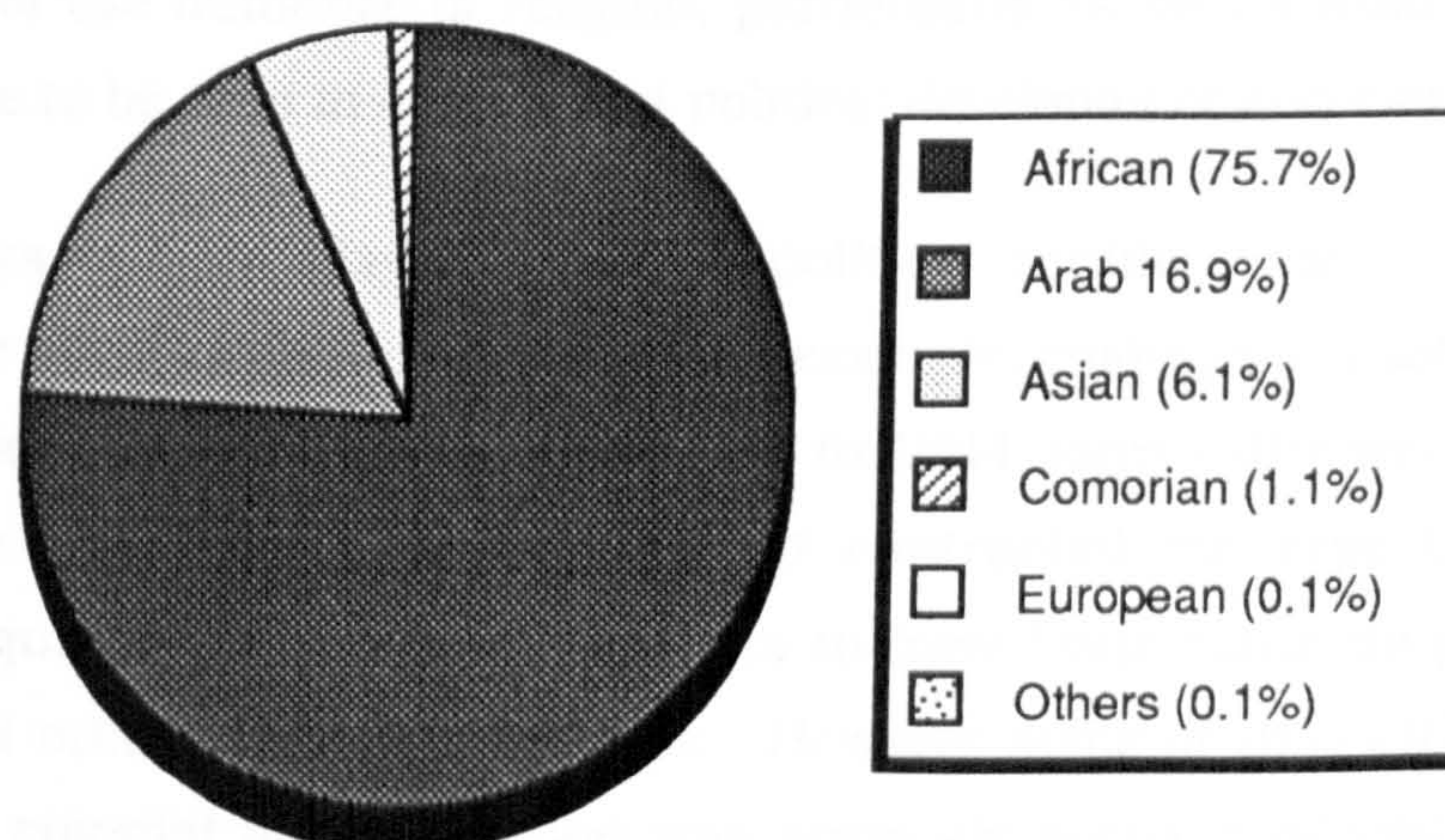




Source: Lofchie, 1965 (undated data covering the period under British Protectorate between 1940s - 1950s).

**Figure 6.1 Student enrolment by ethnic/racial groups (1950s)**

Figures 6.1 and 6.2 show clearly that the smaller and more privileged ethnic/racial groupings enjoyed greater access to education. Using other indices to measure social structure, such as ownership of land, occupation and socio-economic ranking, Lofchie (1965) arrives at the inescapable conclusion that Zanzibari society was rigidly stratified along social lines which was radically plural and wholly unsuited to the emergence of a unified nationalistic political movement. Social integration appeared highly unlikely under such conditions, "for the most significant feature of this plural society was the stable character of the race-class system and the almost complete absence of upward mobility for the African population" (Lofchie, 1965: 93).



Source: 1948 Census of Zanzibar Protectorate.

**Figure 6.2 Zanzibar: Distribution of population by major ethnic/racial groups-1948 (percentages)**



The Arab-Asian monopoly of the elite status and the need to defend the privileged position occupied by those groups meant that whatever policies or programmes that would emerge would further reinforce the *status quo*. Lofchie (1965:94) sums it quite despondently by stating that, "to be born an African was in itself - irrespective of education, land ownership or family position - a handicap to upward mobility". The reality was that insofar as upward social and economic mobility was concerned, Africans were not accepted, and particularly the mainland Africans (Emerson, 1960; Ayany, 1969). Such a situation extended the rift between the people of Zanzibar and was to be one of the issues in the political and social developments taking place in the islands following independence.

One other important ingredient was the influence of religion. The Moslem faith has considerable influence in Zanzibar. It was introduced by the Arabs, and the majority of the population are Moslems. The influence of Islam and the Arab culture is widespread and dominant such that by the 1940s over 96% of the population were Moslems, and this is still the case. There are several Islamic sects with the dominant one being the *Sunni* followed by the *Ibadhi* and to a lesser extent the *Shia*. The majority of the African population are *Sunni*. The majority of the *Ibadhi* were Arabs and most *Shia* and *Hindus* were Asians. The few Christians were Africans, Asians from Goa and Europeans. By the 1950s the non-Moslem population accounted for 3.4% of the population.

Although the Islamic faith has the potential to be the basis for political solidarity amongst the various ethnic groups, this did not happen. Lofchie (1965) noted that in Zanzibar, Islam furnished a powerful impetus towards inter-ethnic solidarity among a racially stratified population and was conducive to widespread African support for the nationalistic movement sponsored and lead by the Arabs. But at the same time, economic differences which operated along racial lines accentuated ethnic divisions and caused them to become an alternative and divisive bias of political loyalty. The consequences of the influence of religion, particularly as far as Arab nationalism was concerned, were to be seen in subsequent political development and campaigns.

In various ways religion played a role in political conflict, mainly between certain classes and the colonial administration. For example, rinderpest, East Coast fever and anthrax were prevalent in Eastern Africa and in 1944 some cattle were slaughtered by the Veterinary Department after they had contracted rinderpest. In 1949 the Department required cattle owning peasants to have their cattle dipped against East Coast fever and other tick borne diseases. However some of the cattle still died after dipping.<sup>1</sup> The colonial administration was promptly accused of wishing to diminish their herds, and as Muslims, this was interpreted as a malicious attempt by infidels (Bowles, 1991:95). Compulsory inoculation was also introduced and in 1951 two cart

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<sup>1</sup> The peasants had to dip them weekly and pay for the service and they resented this.



owners refused to have this done and they were arrested and fined. Turmoil ensued, villagers boycotted administration activities, their leaders were arrested and fined, and crowds surrounded the court attempting to release them. Later the crowd attacked the prison and police fired on them killing five. The riots, which were part of the peasant anti-colonial movement, are referred to as *Vita vya Ngombe* (the cattle riots) or the *Anthrax Revolt*. This incident became the basis for the formation of a peasants anti-colonial association known as '*Hizbul Watan li Riata Sultan*' (*The National Party of the Sultan's Subjects* - NPSS).<sup>1</sup>

## 6.6 Towards Independence - *Zama Za Siasa*

Three rounds of elections ensued prior to Zanzibar attaining Independence in 1957, and in January and June of 1962. The following sections analyse the elections and their implications for the political developments leading to independence and Revolution. This period of considerable party political activity is commonly referred to as *Zama Za Siasa*.

### 6.6.1 The 1957 Elections

The 1957 elections were held on the recommendations of the *Coutts Report (1956)*. The results of these elections were to form the basis of a gradual process of transferring governance of the Protectorate to Zanzibaris. The elections were contested by political parties, racial and religious organisations (Othman and Mlimuka, 1989).

*The Coutts Report (1956)* gave the franchise to any literate male subjects of the Sultan either at least 25 years old and had an income of £25.<sup>2</sup> Under these conditions an electorate of only about 40,000 people or 13.3% of the population was created, a large section of society being excluded from participating. The elections were due for July 21, 1957 and under these conditions the Arab group expected to win outright while the African opposition was seriously handicapped by their economic and educational limitations.

The Afro-Shirazi Union's (ASU) hitherto warring factions developed some *rapprochement*, creating the Afro Shirazi Party (ASP) in 1957. The ASP was better organised and aimed to win most of the six seats in the Legislative Council (LEGCO).

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<sup>1</sup> By calling themselves 'Subjects of the Sultan', the peasant movement united an ethnically divided population, gained the movement a wider appeal, since the Sultan's domain included Pemba and embraced the people of coastal Kenya who were officially the Sultan's subjects. The peasants saw nothing wrong in being ruled by a monarchy. However, despite its uniting appeal, it still discriminated against mainland Africans. See also Babu (1991:222-223).

<sup>2</sup> This was an enormous amount considering that in 1966 per capita income for Zanzibar was £ 29 (IMF, 1969. *Survey of African Economies*, International Monetary Fund). Clearly the intentions were to alienate the poverty stricken majority from participating in the elections. The economic and racial divisions were more or less along the same lines. There was also the added dimension with sexist discrimination barring women from participating.



Interestingly though, the ASP's strategy was pro-British, clearly indicative of their apprehension with the Arab nationalists (ZNP). Babu (1991) argues that this reflected the absence of competent leadership within the ASP. The ASP appreciated their organisational limitations, so they advocated for a delay in the granting of independence implying that the British should remain for a period of tutelage (Ayany, 1970). ASP members expressed their technical incapability to cope with the complexities of a modern government while facing more skilled and crafty adversaries.

Prior to the 1957 elections the ASP arranged an electoral pact representing the various anti-Arab groups. The outcome of the elections shocked the Arab nationalists. The ASP's electoral pact won 5 of the 6 elective seats. The sixth seat was won by an independent Moslem, implying that the Zanzibar Nationalist Party was defeated. Three of the five seats were for the Afro-Shirazis and two were for the Shirazis. Two were taken by Africans of non-party ethnic associations and the remaining one was backed by the Moslem community. Indeed, "these results revealed the deep primordial divisions in Zanzibari politics" (Yeager, 1982:21).

The outcome of the elections were interpreted by some commentators as evidence that perhaps Zanzibar was more properly linked with East Africa than with the Arab League and Middle East (*Times*, London, August 15, 1957 p.9). The same paper suggested that for the Arabs to regain their identity, they would have to find a way of building a rapprochement with the Africans, implying the necessity to forgo their privileged position and to support ethnic-racial and socio-economic equality to all peoples of whatever origins in Zanzibar, an implausible agenda.

The results of the July 1957 elections made it difficult to distinguish party ideological differences from racially motivated conflicts occurring within the leadership and at grass roots levels. Political propaganda increasingly adopted racial-ethnic connotations. The ASP invited all to join its ranks but also considered Arabs and Indians as foreigners, just as did the Nationalist Party considered Africans and especially the 'recent' immigrants from the mainland. To the ASP, the Arabs and the Sultan were perceived as colonialists, just as the British were.

The ZNP reorganised itself and sought external ties to gain recognition as a genuine nationalist party as well as gain material support. Both the ASP and ZNP suffered considerably from the factional and ethnic/racial divisions. By 1959 the ASP was unable to hold together its confederation of Shirazis, and the Pemba Shirazis withdrew and formed the Zanzibar and Pemba People's Party (ZPPP). This robbed the ASP of its Pemba supporters. The decision to splinter reflects the beliefs of the rich Pemba peasants that their interests lay in a maintenance of the *status quo* rather than in any transfer of power to an African party (Bowles, 1991). The remaining groups rallied to Abeid Karume.



One important development which took place after 1957 election was the existence of an uneasy truce between the political parties and in 1959 they jointly demanded independence for Zanzibar by 1960. The British Colonial Secretary rejected the proposal. Meanwhile, agitation for independence continued. Ian MacLeod, the Colonial Secretary appointed Sir Hilary Blood, a Constitutional Commissioner, to examine Zanzibar's constitutional position and make recommendations. The terms of reference only allowed it to recommend what was to cover the next stage of Zanzibar's constitutional development. In June 1960 the *Blood Report* was published and came out with proposals much in line with what had occurred in Singapore, i.e. rather than independence, it proposed the introduction of a representative form of government. The report was acclaimed by the ASP who considered it as the basis for further constitutional advance, and because presumably gave it time to mobilise political support. The ZNP rejected the report categorically. It had built in measures which would erode the privileged and dominant positions the Arabs held in the country. Despite the rejection, the ZNP and other parties, continued to campaign for the impending elections.

In November 1960, the *Blood Report* was adopted with some changes, ready for the January 1961 elections. The Executive Council would consist of the British Resident as President, 3 *ex-officio* members, 22 (instead of the proposed 29) elected members and up to 5 appointed members. A speaker was also included. The constituencies were increased to eight, five in Unguja island and three in Pemba. Appointed members of the Legislative Council (LEGCO) were to be reduced from six to four. The electorate was to be increased by reducing the minimum age for exemption from the literacy qualifications from 40 to 30 years and for literate electors age qualification was reduced from 25 to 21 years.

#### 6.6.2 The January and June 1961 Elections

The prelude to the 1961 elections was marked by a substantial reorganisation of the ZNP after the phenomenal defeat it faced in the preceding elections. It expanded its influence and strength through the trade unions, party based media and political propaganda. The ASP's strategies were similar, though it still suffered from the lack of adequate management and a shortage of funds.

The main issues at stake in the 1961 elections were loyalty to the Sultan, Pan-Africanism, the East African Federation, the Kenya Coastal Strip, Immigration and Naturalisation, Land Reform and *Zanzibarisation* of the Civil Service. The contesting parties each emphasised on different themes. The ZNP and ZPPP exhibited strong emotional loyalties and commitments to the Sultanate. Though also adopting the same position. some ASP leaders opposed monarchical government in an independent



Zanzibar (Ayany, 1970). The ASP advocated *Pan-Africanism* whilst the ZNP treated with suspicion the fact that some mainland politicians supported the ASP.<sup>1</sup> The ZPPP tried to remain indifferent in this matter.

The ASP was in favour of Zanzibar joining the proposed East African Federation which was to comprise Kenya, Uganda and Tanganyika. The motivations were both economic and perhaps more important to ASP, political. The East African mainland territories were African and Karume is quoted as stating that the ASP saw Zanzibar as a partner in the Federation (*East African Standard*, Nairobi Dec. 30, 1960, p.5). The ZNP wanted independence within an East African Federation and Commonwealth but stressing its autonomy, while the ZPPP envisaged eventual complete independence within the Commonwealth but without an East African Federation (*loc. cit.* p.5). All the parties supported the idea of ceding the Coastal Strip to Kenya. The ASP encouraged unrestricted movement of Africans from the mainland and advocated citizenship for mainland Africans who had lived and worked in Zanzibar for more than six months. Restrictive immigration policies discriminating against incoming mainland Africans were promoted by both the ZNP and ZPPP.

Both the ZNP and ZPPP endorsed non-racial land policies, while the ASP demanded that some of the fertile land on the eastern side be redistributed to the disadvantaged Africans. The ZPPP supported the idea of compulsory purchase of land from absentee and inefficient landlords. The land issue was becoming increasingly sensitive since the wealthier groups, often Arabs, had alienated the poor, predominantly Africans, from ownership of fertile land and they stood to lose should the ASP come into power. Naturally the position of the parties were in favour of the core of their respective supporters.

The ASP aspired for the *Zanzibarisation* of the civil service as did the ZNP and ZPPP, but with differing emphases.<sup>2</sup> Insofar as the ASP was concerned, *Zanzibarisation* also meant *Africanisation*, and implied a policy of recruiting more Africans to positions of higher responsibility in the governance of the Protectorate. The ZNP and ZPPP advocated 'non-racial' policies as this was convenient to them, especially if the *status quo* would be maintained. Families of most Arabs and wealthy Shirazis were better educated anyway and automatically qualified for a *Zanzibarisation* programme, thus conveniently over-representing their communities in the civil service.

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<sup>1</sup> The Tanganyika African National Union (TANU) supported the position of the ASP. TANU was under the leadership of Julius Nyerere and advocated Pan-Africanism during the early period of the struggle for independence in Africa.

<sup>2</sup> *Zanzibarisation* meant replacing non-Zanzibaris in the civil service by Zanzibari people. The parties had different definitions of who was Zanzibari and who was not. The ZNP and ZPPP did not consider recent immigrant mainland Africans as Zanzibaris, whilst the ASP did. However, the definition of 'recent' varied.



All these political developments occurred as the 'Cold War' was escalating. The parties inadvertently participated in it by accusing one another of alignment to different foreign powers. The Eastern and Western Blocs followed these developments carefully. The ZNP seeking pro-Arab League support, had its delegates establish contact with Gamel Abdel Nasser of Egypt and visited Beijing and Moscow. The West was also concerned and exasperated with such developments (Wilson, 1989). Moreover, the ZNP attacked the American Mercury ground satellite tracking station project being established in Zanzibar.<sup>1</sup> They wanted it to be removed and used it in their campaigns against the ASP. The ASP had no objection to the stations being there but emphatically objected to the establishment of any foreign military bases on the islands.<sup>2</sup> The ASP accused the ZNP of being pro-Communist while the ZNP accused the ASP as being a stooge of the West.

The monarch, Sultan Seyyid Sir Abdullah Khalifa and his family lacked impartiality in these political developments. They became involved in political manoeuvres and intrigues and so fell prey to sectional and partisan interests, and especially to the pro-nationalistic activities of the Sultan's son (Rotberg, 1960). This throne was viewed with suspicion by the ASP as it became embroiled into the prevailing ethnopolitics. Although all parties advocated non-racial principles and made considerable efforts to be seen as doing so, in reality they all had some racial-ethnic allusions. Clearly the privileged groups sought a subtle continuation of the *status quo*.

### 6.6.3 The January 1961 Elections

The results of the January elections showed considerable improvements in the standing of the ZNP. It won 9 of the 22 seats, the ASP secured 10 seats and the ZPPP 3 seats (Table 6.2). No single party emerged with an overwhelming majority and so a government could not be formed. The geographical distribution of the seats won is interesting in that it reflected the racial-ethnic support for the parties spatially.

Political Party	Unguja	Pemba	Total
ASP	8	2	10
ZNP	5	4	9
ZPPP	0	3	3
Total	13	9	22

Source: Lofchie, (1965).

**Table 6.2 Geographical distribution of seats (January 1961 elections)**

<sup>1</sup> These were said to be satellite tracking stations.

<sup>2</sup> The satellite tracking station was finally removed.



Geographically, the ASP's position in Pemba had improved to a degree compared to the previous elections (1957) when the party was not functioning in the island. Despite this situation it was still weaker there compared to its opponents. The ZNP and ZPPP were elated and the ASP was shocked after having swept the previous elections. In 1957 the African representatives took 78% of the votes cast, but in the January 1961 elections they secured only 43%. From holding 83% of the seats the ASP retained only 45%.

The ZNP considered their campaign and influence to be successful. The same applied to the ZPPP which was non-existent at the previous elections, or rather many of its members had voted for the ASP. Another election was called for June to break the deadlock. Meanwhile political marriages of convenience were being made. These elections were a turning point in Zanzibar's political and constitutional history. The ASP and indeed others, were convinced that the British were conniving with the Arab oligarchy to establish an Arab State (Othman and Mlimuka, 1989) and it is against this background that subsequent election campaigns would be held with so much passion.

#### 6.6.4 The June 1961 Elections

The ZNP and ZPPP formed an electoral coalition isolating the ASP. Under the coalition the ZNP and ZPPP candidates would not oppose one another. In terms of their electoral appeal the position of all parties were more or less the same as in the January elections. Before the June elections, a new constituency was created in Pemba to prevent another deadlock. However, the drawing up of constituencies and the addition of the new constituency in Pemba where the ASP enjoyed less support worked against the ASP's favour, introducing an element of doubt about the true intentions of the colonial authorities (Middleton *et. al.* 1965:57). The results were that the ZNP increased its share of seats by one to match the ASP's (Table 6.3).

Despite frequent and widespread disturbances, the turnout was large. In terms of the total votes cast the ASP took 50% of the votes, the ZNP 35% and the ZPPP 14% (Figures 6.6 and 6.7). The results triggered an unprecedented degree of violence between supporters of the rival parties. The elections had uncovered the seething racial-ethnic and social divisions in Zanzibar. It was reported that 64 Arabs were killed in a week of rioting (Yeager, 1982:22). The political campaigns had further fuelled the heightened inter-ethnic/racial and class divisions.

Soon after the June 1961 election, the ZNP-ZPPP coalition began to fracture. The imminent breakdown was on ideological grounds and would add yet another dimension to the already complex situation. One break-away splinter formed the *Umma Party*



(Mass Party) under Abdulrahman Babu.<sup>1</sup> Meanwhile the contradictions and conflicts in Zanzibari society continued. Tragically, it seemed that "violence was being accepted as a way of resolving political conflict" (Lofchie, 1965:205). Every aspect of Zanzibari life was affected. Arab shops were boycotted by Africans while African squatters were evicted from Arab owned plantations. Established Afro-Shirazi dock workers and labourers at the port were displaced by pro-Nationalist Party labour. The divisions were widening. It was under these conditions that the country was approaching independence.

Political Party	Unguja	Pemba	Total
ASP	8	2	10
ZNP	5	5	10
ZPPP	0	3	3
Total	13	10	23

Source: Lofchie (1965)

**Table 6.3 Geographical distribution of seats (June 1961 Elections)**

### 6.7 The 1962 Constitutional Conference

Following the June election a 'National Government' was formed with the ZPPP holding the balance of political power. In preparation for the transfer of power and bringing independence to Zanzibar, a Constitutional Conference was held at Lancaster House in 1962.

The islands were becoming more of a liability to the British Government. On the political side violence and disturbances continued to take place. Economically, the viability of Zanzibar's economy was wavering. The abolition of slavery and the decline in ivory trades meant that the island economy was entirely dependent on cloves and copra. The erratic nature of the clove economy further emphasised the vulnerability of the country's economic base.<sup>2</sup> Its position as the entrepôt to the African hinterland was in doubt, since it was not clear what position the newly emerging East African countries would take with respect to trade and commerce with Zanzibar. This situation signifies the changing global economic relations with decolonisation. Zanzibar was losing its advantageous position as the entrepôt to the African continent - the centre of activity that formed a unique commercial empire spanning East and West, bridging the Orient and Occident. With direct neo-colonial relations being established between the emerging

<sup>1</sup> The left within the ZNP-ZPPP coalition

<sup>2</sup> A report on the economy of Zanzibar showed that the economy was facing constraints and suggested to the government ways and means of diversifying and establishing economic links with the mainland East African countries to expand the island's market (Selwyn and Watson, 1962. Zanzibar Protectorate, Report on the Economic development of the Zanzibar Protectorate).



states of Africa, Zanzibar's 'middle-man' position was redundant and so it was relegated to the periphery.

However, its position was still important with respect to the global balance of geopolitical power. Events on the islands drew interest from the African continent, the Middle East and Gulf, the East and West Blocs, China and North Korea. Zanzibar's lost economic zenith was replaced by a geostrategic one. Under these circumstances, it was in the interest of the colonial regime that with independence approaching, the 'right' group should be in power to continue to facilitate neo-colonial relations and guarantee that Zanzibar did not fall into the hands of the Eastern Bloc.

Meanwhile pressure was mounting from all the main parties to proceed quickly towards internal self-government. The British colonial authorities agreed to this demand and sought to facilitate independence. The Constitutional Conference was yet another vehicle used to proceed towards that objective. It was agreed by all parties that the Sultan and the ruling dynasty should continue as a Constitutional Monarchy. As a starting point 'internal self-government' would be executed.

However, the British authorities were anxious about the discord leading to and following the 1961 elections. There was an atmosphere of political restlessness making the colonial authorities uneasy about granting self-government under such circumstances. Independence was delayed, as an 18 month state of emergency was enforced, extending from mid-1961 to the end of 1962. This news was not well received in Zanzibar. The parties expressed their displeasure with the action of the British authorities.

Meanwhile external interests intervened in Zanzibar's *Zama Za Stasa*. The political activities of the leftist radicals generated uneasiness in the West. *The Times* of London (May 7, 1962, p.8) reported that Zanzibar was becoming 'the Cuba of Africa'. A general phobia about the influence of communism was whipped up. The views of socialists such as Abdulrahman Babu, the Secretary General of the ZNP and later leader of the *Umma Party*, led him to be labelled as a well known communist sympathiser (*Reporter*, Nairobi, May 12, 1962 p.13). Babu and his band were hounded, tried for various 'crimes' such as publishing seditious materials, fined and convicted.

Ayany (1970:105) pointed out that "it would appear that by some twist of irony, it was perhaps Britain's unequivocal intention to grant independence to Zanzibaris that seemed to have let loose the forces that were delaying the attainment of that goal". However, others disagree with this, stating that this is precisely how the colonial authorities wanted the situation to be viewed, since they perpetuated the continuation of ethnopolitics in the Isles (Babu, 1991; Bowles, 1991). However, it can also be argued that by the 1960s the process of decolonisation was in full swing and as the poor state of Zanzibar's economy would be more of an economic liability to the colonial authorities,



there was little benefit in delaying independence.

Towards the end of 1962, the political tensions (and security situation) had improved somewhat and by December the state of emergency was lifted. The British government made it clear that if this atmosphere prevailed the transition to independence would be hastened. On January 24, 1963, Zanzibar became an internally self-governing territory. In April 1963 the new Colonial Secretary announced that elections would be held in the following July. The British authorities consulted with the Zanzibaris on the timing of a final conference to chart out the final stage of the transfer of authority to Zanzibaris and to fix a date for independence. Internal self-government commenced in June 1963 with a Zanzibar Cabinet comprising eight Ministers headed by Prime Minister Sheikh Mohamed Shante. Some of the opposition's demands regarding the extension of the voting franchise and universal adult suffrage were accepted. The number of constituencies was also increased from 23 to 31, with 17 in Unguja and 14 in Pemba.

### **6.8 En route to Independence (1963)**

Measures were taken to maintain peace during the election campaigns and elections. However, below the surface the issues dividing the people remained and were as sensitive as ever (Ayany, 1970). Zanzibaris wanted independence as soon as possible and the political rivals were willing, albeit temporarily, to bury their differences to achieve this common objective. The high turnout of voters supports this fact with over 95% of the registered voters turning out to cast their votes.

The ZNP/ZPPP alliance won 18 of the 31 seats and the ASP took the remaining 13. The ASP was weak in Pemba, winning only 2 of the 14 seats but stronger in Unguja where the ZNP/ZPPP coalition managed to win only 6 of the 17 seats. The ASP won 63% of the votes cast in Unguja and 44% of the votes in Pemba (Figures 6.3 and 6.4). Intriguingly, despite winning only 2 seats in Pemba, the ASP had actually increased the proportion of voters in that island from 23.7% in the January 1961 elections to 36.6% in the following June and up to 44.4% in the 1963 elections (see Figures 6.3 and 6.4). The ASP is the only party that consistently increased its share of the votes cast. In contrast the ZNP's share diminished consistently. The ZPPP only increased its share between June 1961 and 1963. Overall, between 1961 and 1963 the ASP had steadily increased the number of people voting for it from 38% to 43.2%, to 50.6% and by July 1963 to 54.2% (Figures 6.3 and 6.4).

The creation of additional constituencies although desired by all parties was to be yet another major anomaly in the elections. With no specific guide-lines as to how and where the new constituencies were to be created, there was ample room for political manoeuvring with direct consequences on the results of the elections. Especially



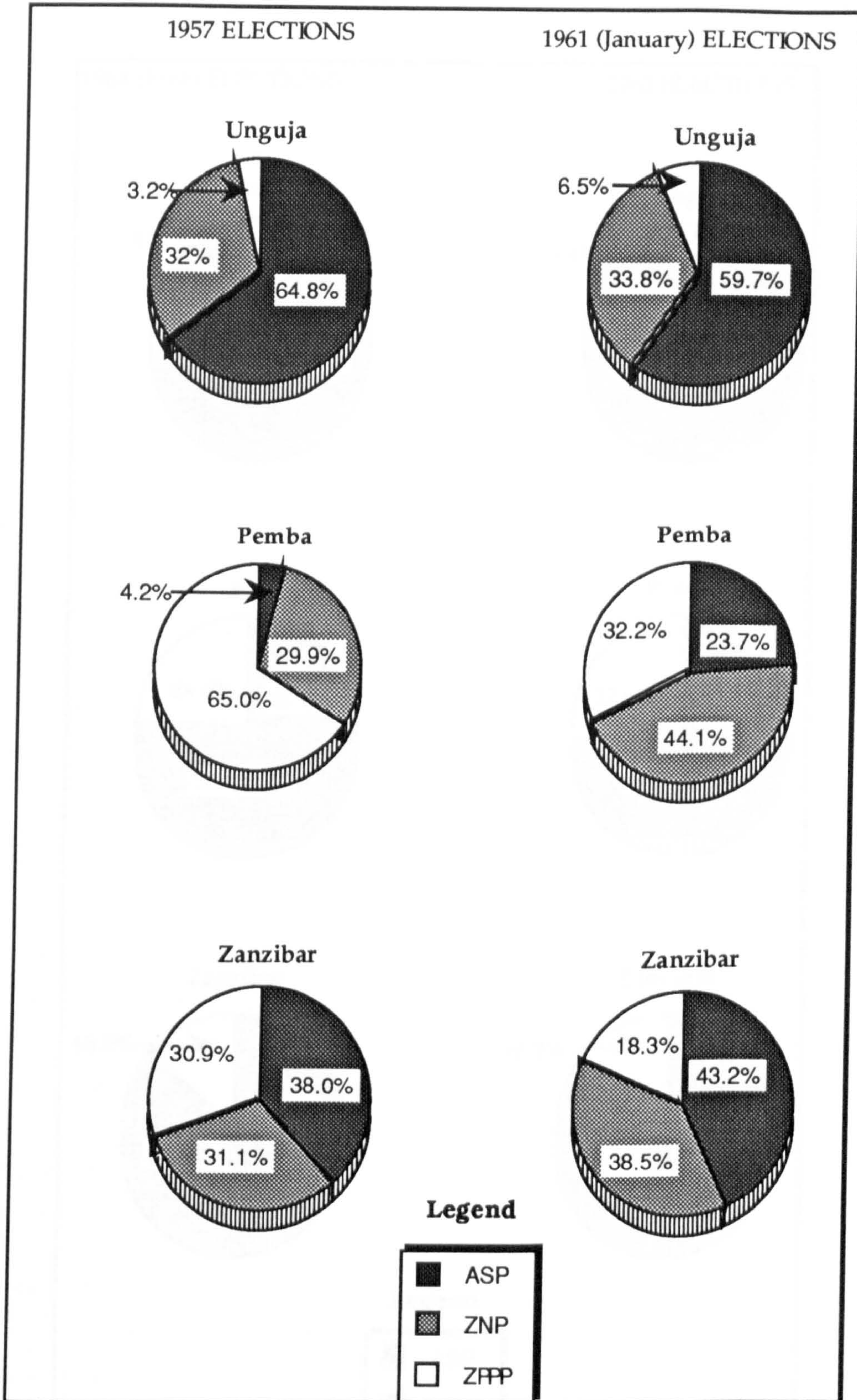
doubtful is the manner in which seats were created in Zanzibar Town. Mosare (1969) and Yeager (1982:23) note that the 1963 ZNP/ZPPP alliance victory was "partly due to gerrymandering in the Stone Town sections of Zanzibar Town." Bowles (1991:101) also agrees with this accusation stating that; "It appears that there is some truth in the accusations in a general sense, though the electoral results were due to the alliances already described".

Despite consistently winning an overall majority of votes cast it was unlikely that under the existing situation the ASP could ever form a government. One analyst summarised the situation grimly by stating that the introduction of a democratic political institution in Zanzibar failed to lead to a constitutional transfer of power from the Arab oligarchy to the African majority and in so failing, the small Arab oligarchy had survived the introduction of representative 'majoritarian' institutions (Lofchie, 1965).

The ZNP too suffered from problems of internal cohesion. A small but critical faction led by Abdulrahman Babu disagreed in several matters of principle with the larger section of the party led by Ali Muhsin Barwani. The splinter faction adopted a radical political stance whereas the latter was leaning to the right. Their ideological differences were more serious. The question was which would predominate in a future ZNP controlled independent state, religion, nationalism or Marxism? Muhsin strongly believed in his party's religiously derived 'theory of national community'. This group was of a conservative nature and basically advocated independence, pseudo-nationalism and maintenance of the *status quo*. Babu's militant group was in tune with the revolutionary socialism of the likes in China and Cuba and based on internationalism and the socio-economic reorganisation and transformation of society. They rejected the religious based concepts of Muhsin and the ZNP cabinet as a whole and "they saw such views as the product of a bourgeois class position" (Lofchie, 1965,258).

The final break came with disagreements over electoral strategy and the sincerity of the Party's efforts to achieve a multi-racial society. Babu's faction wanted to lend political legitimacy to the concept of multi-racialism. Conversely, Barwani felt that the timing for such a move was inopportune, as it might jeopardise the party's chances in the elections and in this he was supported by a large and influential section of the party. Babu resigned to form another party which reflected the ideological position of his group, this was the *Umma Party* (the party of the masses).

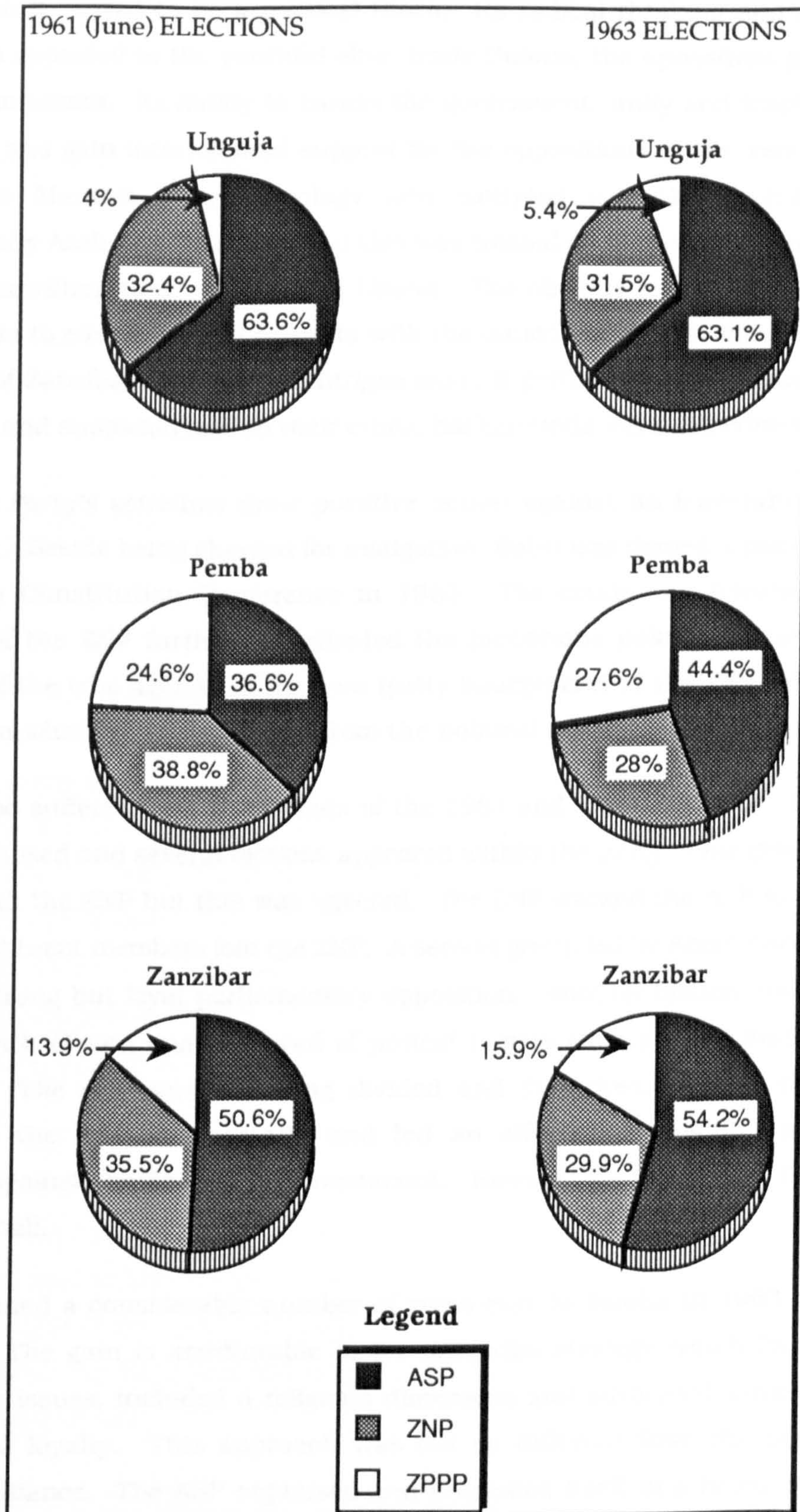




Source: Computed from Lofchie (1965)

**Figure 6.3 Proportions of votes cast in the 1957 and January 1961 elections**





Source: Computed from Lofchie (1965)

**Figure 6.4** Proportions of votes cast in the January 1961 and 1963 elections



The *Umma Party* did not stand in the July 1963 elections. As an anti-government policy organisation it proved to be a political thorn. Its radical thinking and organisational capabilities appealed to the youthful elite, trade Unions, the opposition press and even some ASP militants. Its ability to harass the government, unify and inspire the African population and gain international support for the oppositions cause were considerable. Despite its Marxist based ideology and unifying appeal, its leadership was predominantly Arab and Comorian and this was treated as suspect by many ASP leaders who were unwilling to cooperate with *Umma*. The obvious explanation for this is the better access to education and contacts with the outside world that they had. However, the reality of Zanzibari politics and intrigue made it pertinent to view issues with racial-ethnic bias and suspicion and so their ethnic backgrounds were sometimes a liability.

The *Umma Party's* activities drew punitive action against its leadership by the ZNP government. Beside being charged for instigation, Babu was denied a passport to attend the London Constitution Conference in 1963. The crude and frivolous retaliatory measures of the ZNP further complicated the precarious political situation and was indicative of the true agenda of the core (petty bourgeoisie) of the ZNP, which certainly differed from what they pontificated from the political pulpits.

The ASP also suffered from the defeats of the 1961 and 1963 elections. Its supporters were demoralised and several factions appeared within the party. One group proposed a coalition with the ZNP but this was rejected. The ZNP wanted the ASP to dissolve itself and its constituent members join the ZNP. A second group led by Abeid Karume sought to become a strong but loyal parliamentary opposition. Another faction coveted open co-operation with *Umma* and approved of protest tactics such as civil disobedience and resistance. The ASP was becoming divided and dispirited. *Umma*, though small, superseded the ASP ideologically and led an effective opposition and agitation movement against the ZNP/ZPPP government. However its support at the grassroots level was small.

The ASP gained a considerable number of votes cast in Pemba in 1963 and this was important. The gain is attributable to its campaign strategy which focused less on racial-ethnic issues, included a religious dimension and advocated principles of unity and national loyalty. This approach was not so different from the position of the ZNP/ZPPP alliance. The ASP organised and presented itself in a better light and this appealed to many of the rural Shirazi and African voters. Moreover its local leaders were recruited from within the island and the split in the ZPPP in 1961 encouraged some to join the ASP.

Meanwhile the ZNP/ZPPP government continued to suppress the opposition and legislation was passed imposing strict control and limitations on opposition activities



and the placed curbs on the media. Important positions were given to Arab supporters of the party. The Constitutional Monarchy was rapidly becoming an authoritarian regime. as the policies adopted by the government created an atmosphere of apprehension and fear.

### **6.9 Geographical Voting Patterns**

Population distribution in Zanzibar was principally distributed along ethnic lines. This is due to Zanzibar's historical development in which each ethnic group played a specific role in the island economy at various times. Also as introduced in section 6.2, it is also due to the time each group arrived in the islands and the relations they had with each other and especially so in the relations of production. These factors determined where each ethnic group settled. Land alienation further entrenched these spatial, social and economic divisions.

The voting patterns during the various elections reflect the deep rooted economic, social, racial-ethnic and spatial stratification of Zanzibari society. Voting patterns reflected the central interests of the various ethnic/racial groups as well as the privileged/underprivileged positions of those groups (see Figures 6.5, 6.6 and 6.7). This situation is summed up by Lofchie (1965:238) by stating that "Zanzibar's Islamic multi-racial political culture produced considerable Shirazi voting support for Arab leadership only in Pemba. In Zanzibar there has always been an acute awareness of a separate African political identity, generated primarily by the ethnic pattern of stratification which existed in Zanzibar's society". There was a clear difference in geographical support for the various parties reflecting inter-island and intra-island (including rural-urban) differences.

Figures 6.5 and 6.6 shows the geographical voting patterns and support amongst different ethnic-racial groups. The ASP enjoyed its support mainly from mainland Africans and the Hadimu Shirazi and consequently won all the seats in Unguja island with the exception in the far north and north-east Unguja island and the Stone Town areas of Zanzibar Town. The latter areas coincide with plantations and areas of good soil fertility while the large sections of ASP support consist of the coral rag areas, which are poor for agriculture.

On Unguja island the ZNP was supported by ethnic minorities (Arabs, Indians, Comorians - urban based) and the Tumbatu Shirazis (Figures 6.5 and 6.6). More precisely these were the non-African areas in Zanzibar Town, the two seats in the Stone Town area being the domicile of the Indian commercial and bureaucratic middle class and wealthy Arab land and plantation owners. The third constituency was inhabited by Comorians and Ismaili Asians. In the long term and with the collusion of the colonial

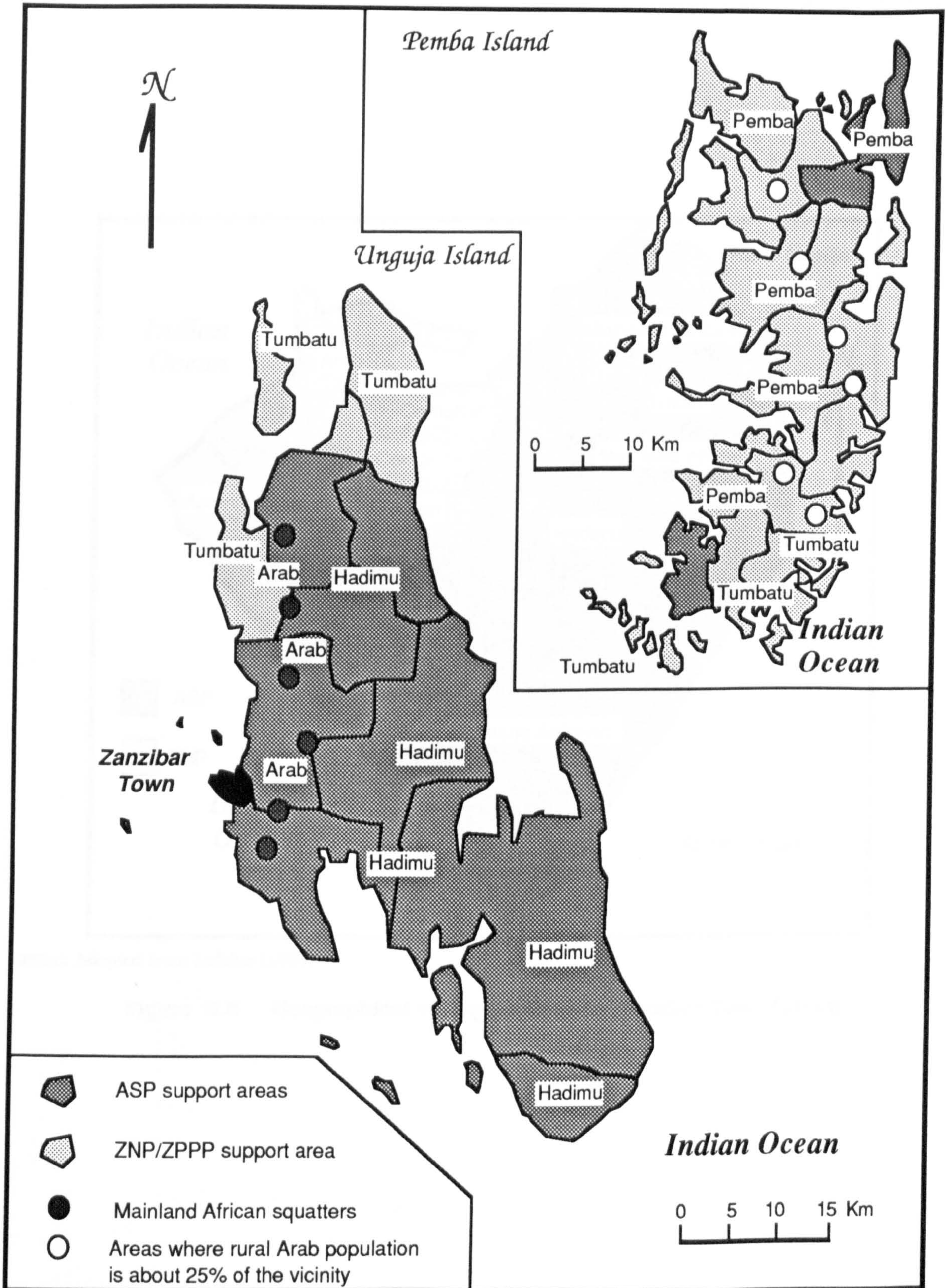


authorities, it appears that the division of constituencies was along ethnic-racial lines, working to the advantage of the ZNP (and later the ZNP/ZPPP alliance).

The situation was markedly different in Pemba where the ASP consistently only managed to win and secure two seats throughout all the post 1957 elections. The increasing voting proportions supporting the ASP (from 23.7% in January 1961 to 44.4% in 1963) in the small geographical area that it held, suggests that there was a very high concentration of population in them (Figures 6.3, 6.4, 6.5 and 6.6). The ASP constituencies are characterised by poor soils, unsuitable for intensive cultivation and not surprisingly few Arabs settled there. These are Micheweni-Kojani in the north-west and Panza-Mkoani in the south-west (Figure 6.6). Elsewhere in the island the Pemba Shirazis and Arabs predominantly voted for the ZNP/ZPPP alliance.

Arab land alienation had been more extensive in Unguja compared to Pemba. Arab immigrants displaced indigenous people from most of the fertile areas, e.g. the Hadimu were pushed onto less fertile areas on the eastern side. Lofchie (1965:245) notes that the situation was further compounded by the "relative poverty of the rural coastal fishing village as opposed to the moderate prosperity of the clove and coconut area, the hardship of country life as opposed to the comparative luxury of an urban existence". Land alienation was less extensive in Pemba where there was adequate good quality soils for both Arabs and Shirazis. In addition, as mentioned in section 6.2 the manner in which the Arabs arrived and settled in Pemba and conducted social and economic relations with the people there is quite different from what occurred in Unguja.

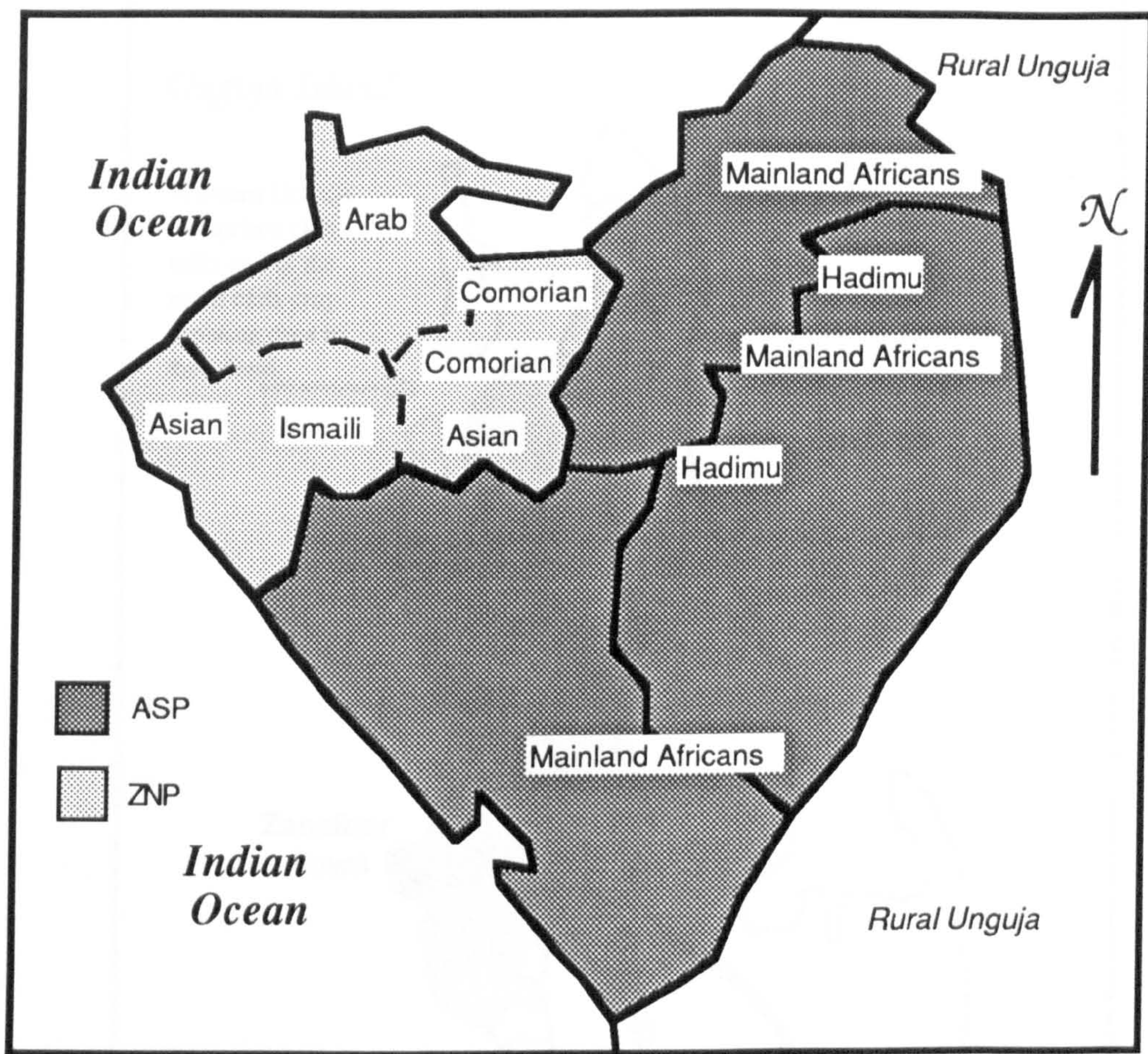




Source: Adopted from Lofchie (1965)

**Figure 6.5** Geographical voting patterns (1963)

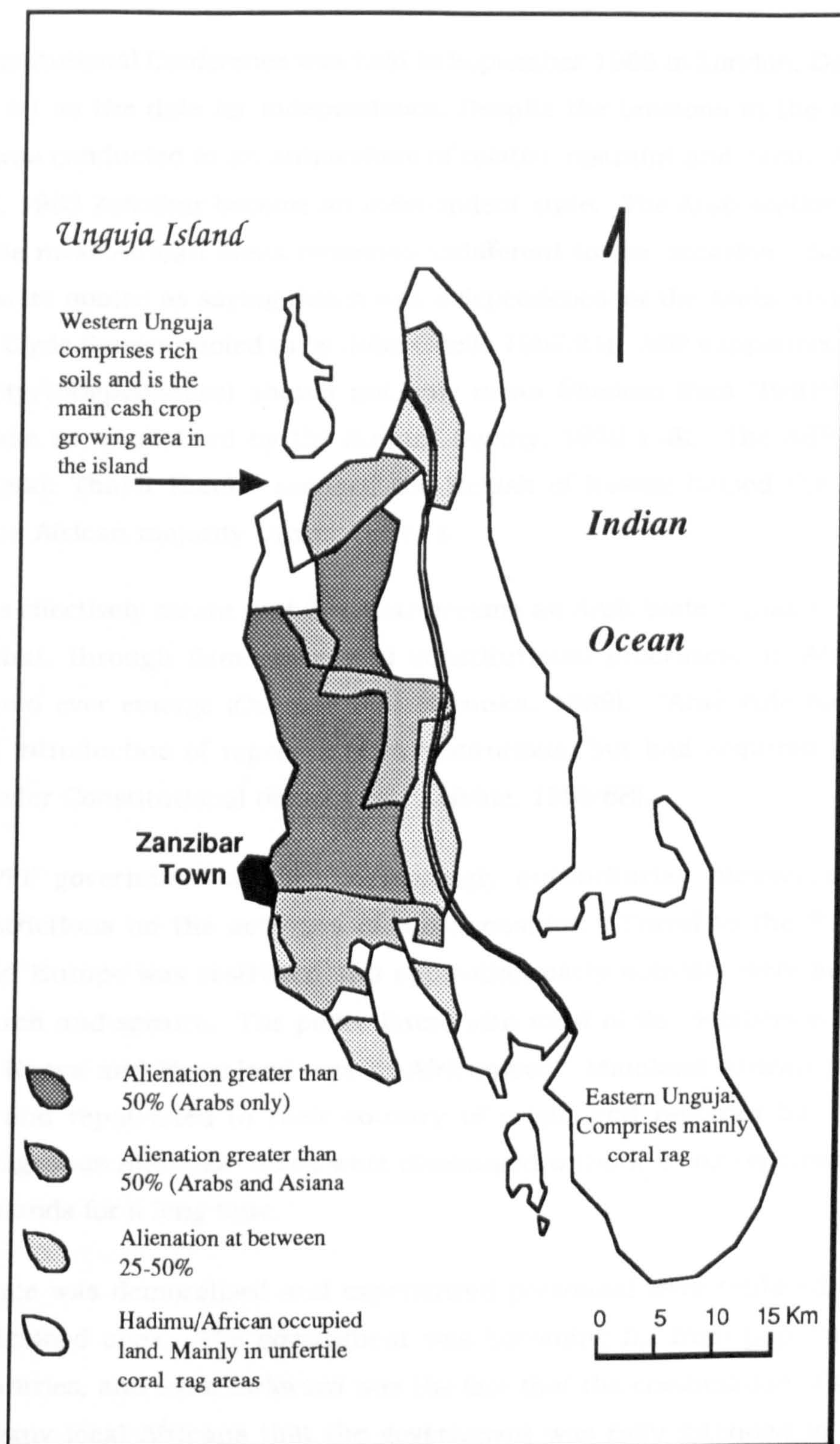




Source: Adopted from Lofchie (1965)

**Figure 6.6** Geographical voting patterns in Zanzibar Town (1963)





Source: Lofchie (1965:246)

**Figure 6.7 Degree of Land alienation on in the 1940s (Unguja Island )**



### 6.10 Zanzibar Independence (1963)

The last Constitutional Conference was held in September 1963 in London, December 10, 1963 being set as the date for independence. Despite the tensions in the islands, the conference was conducted in an atmosphere of relative restraint and calm. At midnight December 9, 1963 Zanzibar became an independent state. The Arab sections of society rejoiced while most African areas remained indifferent to the occasion. Some African taxi drivers were quoted as saying that it was independence for the Arabs and not for the Africans (cf. Clyde Sanger quoted in by John Okello 1967:21). ASP supporters stated that *Uhuru* (liberty/independence) should not only mean freedom from "British, but also from Arab rule as symbolised by the Sultan" (Ayany, 1970:118). The ASP Secretary-General, Sheikh Thabit Kombo accused the British of having helped the Arabs and neglecting the African majority (Ayany *op. cit.*).

These results effectively meant that Zanzibar became an Arab State signalling the end of any hopes that, through democratic and constitutional processes, an African-ruled Zanzibar would ever emerge (Othman and Mlimuka, 1989). "Arab rule had not only survived the introduction of representative institutions, but had acquired a degree of legitimacy under Constitutional democracy" (Lofchie, 1965:68).

The ZNP/ZPPP government applied increasingly authoritarian measures imposing crippling restrictions on the activities of the opposition. Travel to the East African mainland and Europe was restricted and opposition party activists were subjected to arbitrary search and seizure. The police force, with most of its members coming from Tanganyika, Kenya and Nyasaland was de-Africanised. Mainland African police were demobilised and repatriated to their country of origin and replaced by loyal Arab, Shirazi or indigenous Africans. Some were discharged without being repatriated having lived in the islands for a long time.

The police force was demoralised and experienced personnel were replaced by hastily recruited untrained ones. The government was becoming far from popular with the mainland countries, and most awkward was the fact that the combination of its actions "convinced many local Africans that the government was fully intended to create an Arab police state" (Lofchie, 1965:268). The manner in which the political process had been directed and developed became intolerable and with the capricious measures of the ruling party aimed at silencing the opposition, frustration and anger abound.

By January 1964 the situation in Zanzibar exhibited symptoms of a highly unstable political and social order (Lofchie, 1965; Mosare, 1969; Ayany, 1970; Yeager, 1982 and Othman and Mlimuka, 1989) i.e.



- ❑ There existed political instability which was a result of the extreme socio-economic discrepancies between the competing ethnically defined political groups.
- ❑ The ethnic/race-class division was so pronounced that it almost became the sole political issue in the country. There lacked a single overriding political issue that superseded all others and the existing political conflicts divided society into polarised segments. With no other prominent source of disagreement important enough to create overlapping and cross cutting patterns of membership or common ground between the opposing groups, there lacked political accommodation.
- ❑ The weakness of the parliamentary system resulted partially from the political fragility of the dominant elite. Colonial rule undermined and altered the political position and role of the traditional ethnic oligarchy. The oligarchy was no longer an inherently powerful political force and could not buttress representative institutions with autonomous powers of social control. In fact, if anything, they achieved the opposite.
- ❑ Parliamentary institutions lacked inherent stability because they had not acquired popular consensus validations. Despite proclamations of nationalism, there was no widespread acceptance among Zanzibaris of a basic political philosophy which might have led to a commitment to democratic parliamentary procedures. The symbolic political values were confined to party objectives and thus the preservation of the representative system was treated with broad indifference on both sides.
- ❑ Economic stagnation also contributed to parliamentary instability and regime weakness. Politically harmful socio-economic differentiation became reinforced by frustrating policies aimed at achieving gradual integration of society. Under these circumstances the government was handicapped in any effort to achieve broad popular consensus.
- ❑ Geopolitical considerations were highly relevant to its instability. The government's ability to deal with and overcome a crisis also depended upon its external relations with neighbouring countries and this was increasingly questionable.

Zanzibar's first post-independence government could not last long under these circumstances. Although the desire for independence and self-government was widespread the internal conflicts had developed considerably and cohesion was lacking. One commentator suggests that the 'incipient authoritarianism may, indirectly, have contributed to the effort to overthrow the government (Lofchie, 1965:265). The violent overthrow of the government was imminent.

### **6.11 The Zanzibar Revolution (1964)**

On January 12, 1964 a *coup d'état* took place. A small group of insurgents led by a



eccentric ex-policeman, John Okello, attacked two police stations and equipped themselves with arms. The radio station and other strategic places were taken and amidst some fighting the government of Sultan Seyyid Jamshid bin-Abdullah under Prime Minister Sheikh Mohamed Shamte Hamadi capitulated. The Sultan and his family fled to exile in Europe, as appeals for intervention from Britain were rejected.

While Okello was the leader of the insurgents and executed the coup, a short period of political ambiguity emerged in which it was unclear who exactly were behind the Revolution. Wilson (1989) reports that the insurgents consisted of ASP youth league members, together with large numbers of unemployed, angry and frustrated lumpen youth, as it succeeded ASP and Umma cadres took control. Okello announced a Revolutionary Council which consisted of both ASP and *Umma Party* members.<sup>1</sup> A Revolutionary government was formed with the ASP leader, Abeid Amaan Karume becoming the first president of the People's Republic of Zanzibar and Pemba. Abdulla Hanga the deputy Secretary General of the ASP and a Babu supporter became Vice-president and Prime Minister. Abdulrahman Babu became Minister for External Affairs.

Meanwhile Karume requested for assistance from Tanganyika in controlling the deteriorating security situation in the country and to pre-empt any counter-coup attempts. Two hundred armed police were promptly dispatched to assist. With this the regime in Zanzibar was firmly established. *Umma* merged with the ASP to form a consolidated and unified regime. Trade Union affiliates of the two parties unified to form the Federation of Revolutionary Trade Unions. The merger of the ASP and Umma leadership created a militant leadership which was to be a major force in the early post-revolutionary political development of Zanzibar.

Several measures were taken to change the social and economic relations and this included the *Africanisation* of the bureaucracy, land redistribution, elimination of all symbolic vestiges of the racially divided society e.g. racial clubs and societies, while national solidarity was to replace racial solidarity. On January 30, 1964, Karume announced that Zanzibar was a one party state under the ASP and all other parties were banned. Swahili replaced English as the national language and large privately owned businesses and assets were nationalised. The position of wealthy Arabs and Asian merchants became increasingly precarious.

The Revolutionary Government inherited serious economic problems. The economy of Zanzibar was far from healthy and had become even more depressed. The Revolution brought about a seizure in economic activity and investors and capital fled from the

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<sup>1</sup> The erratic and eccentric John Okello was soon eliminated from any leadership position and in March of that year was banned from returning to Zanzibar after travelling to Kenya. His frequent disagreements with the regime leaders and erratic nature made him an undesirable element.



country. There was going to be difficulty in maintaining the economic and even political viability of Zanzibar. External recognition of the new Republic (and regime) came quickly though in small numbers. By the end of January it was recognised by over 17 countries. The East African mainland states and a number of East Bloc countries including the Soviet Union, Czechoslovakia, Cuba, The Peoples' Republic of China, East Germany and Yugoslavia recognised it. Britain, the United States (US) and France also gave recognition to the regime, though much later.

Zanzibar was by no means stable; if anything there was a heightened external interest in the direction of political and diplomatic relations on the islands. Zanzibar was very vulnerable. Within a very short time the island state become embroiled in the on-going cold war. Most of its non-African support came from the Eastern Bloc, China and North Korea. The Western media caused concern and in the period between March to April, 1964, the major papers expressed fears about a communist or 'Cuban type' regime in Zanzibar. This situation was further compounded by a statement issued by the Soviet Union warning against foreign interference in the domestic affairs of Zanzibar. Viewing this situation against the 1961 Bay of Pigs fiasco, the 1962 Cuban Missile Crisis and the militarisation of the Indian Ocean it is plain that Zanzibar was in a geostrategic 'hot spot'.

Meanwhile the Eastern Bloc countries together with China and North Korea gave their unflinching support to the regime. However, this assistance was regarded in a negative light by the West and confirmed suspicions that the islands were being used as a base for political manoeuvres and destabilisation in the African continent where the process of decolonisation and neo-colonisation was progressing. A statement to this effect was made by the US Ambassador in Nairobi, Kenya and the regime in Zanzibar saw this as an attempt to instigate conflict between Zanzibar and its East African neighbours, which the ASP considered as important allies.

The Revolutionary Government was uneasy about the intentions of the West and fearing attempts to restore the Monarchy and the displaced Arab regime, introduced a decree in March stipulating the death sentence for anyone who might enter the Republic to organise counter-revolutionary activities or incite others to do so. The President was empowered to declare anyone a *persona non grata* without right of appeal to courts.

It appears that even if authorities in Tanganyika were aware of an imminent coup, the timing certainly took them by surprise. Prior to the revolution the Soviet Union portrayed the ZNP as a "popular anti-imperialist movement, and the ASP as the agents of the British" (Clayton, 1981:108). But overnight the latter became the party of the workers and the peasants and the ZNP the bourgeois leadership of a first-stage bourgeois independence. The shifting of policies, strategies and alliances and the intrigue involved definitely confounded external viewers of Zanzibari politics.



East German technical help arrived to assist the treasury, health services, broadcasting, shipping and education, while the Chinese sent expertise for the public works department and agriculture and rural development. The Soviet Union assisted in establishing a small defence force and re-establishing the police force (Clayton, 1981). These developments obviously increased the worries of the West, but also caused concern in Tanganyika. Moreover violent repression still continued, threatening to lead to a reign of terror.

The US had appointed an experienced career diplomat, Frank Carlucci, as the US Chargé d'Affairs, replacing the expelled Pickard.<sup>1</sup> Meanwhile Eastern and Western Bloc military assistance were being granted to various interests to fight wars by proxy and American naval activities in the Indian Ocean and campaigns of disinformation seriously threatened to compromise the security situation in Zanzibar.

Political developments in the ASP caused concern to Karume. The more radical elements within the Party consisting of ASP militants and former *Umma* radicals had considerable influence within the Revolutionary Council and dominated political developments. Their links with the East Bloc and propagation of Marxism did not comfort Karume. There was an imminent danger that he would lose control of the situation. Worried about the intentions and motivations of both East and West and the speed of developments in the political and security arena, Karume once again turned to Tanganyika.

Tanganyika too was concerned about the escalation of the Cold War politics in the region and even more concerned about the consequences should Zanzibar become firmly controlled by either the East or West, or if the ousted regime was reinstated. In addition Nyerere's Pan-Africanist ideals made it an obligation to assist Zanzibar. Clayton (1981) goes further to suggest that amongst other reasons, Nyerere's urgency for the Union was the strong distrust of the growing influence of foreign communists in Zanzibar, while externally Britain and the US may have also supported the idea. Wilson (1989) provides some interesting evidence of communications from the US Embassies in Dar es Salaam and Nairobi that show that intervention from Tanganyika was at par with American and British interests. It is under these heightened political and security conditions that the Union was conceived.

### **6.12 The Union of Tanganyika and Zanzibar, April 1964**

In April 26, 1964, three months after the revolution, the Union between Zanzibar and Tanganyika was established. Both Tanganyika and the People's Republic of Zanzibar

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<sup>1</sup> Frank Carlucci proceeded to become Counsellor for Political Affairs in Brazil (1965-69), US Ambassador, Portugal 1975-78; Deputy Director Central Intelligence Official (1978-81 and then National Security Adviser and Defence Secretary under President Reagan.



ceased to exist forming the United Republic of Tanganyika and Zanzibar, later to become the United Republic of Tanzania. The Acts of Union were hastily passed through the Tanganyika National Assembly to ratify the Act. Briefly, the Bill provided, *inter alia* :

- The United Republic of Tanganyika and Zanzibar would have Julius Nyerere as its first President and Sheikh Abeid Karume as its first Vice-President and Rashid Mfaume Kawawa as its second Vice-President.
- The new Republic would be governed in accordance with the Constitution of Tanganyika which would be modified to provide a local legislative and executive for Zanzibar, but with limited powers to enable it handle internal affairs, until a Constituent Assembly had approved a new Union Constitution.
- The Union Parliament, which would comprise representatives from Zanzibar and the Union's Executive would have reserved powers over foreign affairs, police, citizenship, immigration and external trade.

The Union allowed Zanzibar to retain the institutional autonomy which Karume was adamant to give up. Zanzibar maintained its own Ministries and Departments pursuing the broad development objectives set out by the ASP led government. It pursued its own social and economic policies and with its own budget. The Peoples' Liberation Army (PLA) was amalgamated with the Tanganyika Army (TA) to form the Tanzania Peoples' Defence Force (TPDF), and on monetary matters both countries shared a common currency. In the 1960s the East African currency was strong and stable and enjoyed parity throughout East Africa.

It appears that under these circumstances, insofar as Zanzibar was concerned, a Union with Tanganyika would be the most effective means of *preserving its autonomy*. Nyerere saw the union "as an African regaining of an area that had been lost, and who spoke of a marriage which would in time, and by sharing, would lead to a full and complete merger" (Clayton, 1981:113). Karume's concept of the Union was different, as he perceived it as achieving a new balance for Zanzibar between its two historic cultures, and not absorption by either one of them (*ibid.*). Here lies the distinct and fundamental differences in the perceptions of the Union by the two parties.

Immediately after the Union, Zanzibar continued to practice considerable independence both in domestic and even in international affairs. The islands' government unofficially maintained "an almost exclusive jurisdiction over several areas of policy which by the terms of the constitution, were assigned to the Tanzania government" (Lofchie, 1965:281).<sup>1</sup> However, according to Ayany (1970) this situation was to be expected and mentions that "the Union Interim Constitution which came into force in

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<sup>1</sup> Constitution here implies the Interim Union Constitution which, for example, stated that external affairs were the jurisdiction of the Union Government.



July, 1965 states that, until a Union between the TANU and ASP has evolved, the ASP shall continue to operate in and for Zanzibar, notwithstanding the provision in the Constitution that there shall be (only) one political party in Tanzania" (*op. cit.*: 145). The reality and evidence shows that time and again that, "Zanzibar has in actual practice resisted administrative and political integration..." (Lofchie, 1965:280). The ASP continued to exercise a high degree of autonomy.

Clayton (1981) suggests that in view of its small size, isolation, economic viability and vulnerability, it was difficult for Zanzibar to survive alone under the tension that prevailed in the region. Through the Union it could theoretically remain independent while drawing from the Mainland resources to implement its social and economic aspirations. However, there are several SIS that also faced scarcity of resources and have been economically viable and have survived. Examples include Seychelles, the Maldives and Mauritius. The argument overlooks the tendency for autonomy and the degree of insularity that often prevails in island communities. Moreover, the Arab state of Zanzibar existed for about 80 years before British rule and 74 years under British rule, though during that period the economy then was based on the role it played in the expansion of European capitalism and the situation had changed considerably since.

Internationally, there was a gradual reduction in interest in the islands by both the East and West and this in part, is attributed to the Union (Clayton, 1981). This also had the effect of creating a gap between the local radicals and whatever external support they enjoyed. However, despite the Union and the internal developments, the Revolutionary Council remained very apprehensive about both internal and external threats.

Internally the influence of the former Umma and ASP radical activists were blunted. Controversial leaders were given positions in the new Union Cabinet. Even though ideological differences between the various factions did not end, they diminished as Karume increased his influence gradually assuming significant personal power. Those who appeared to threaten his position were shrewdly removed or eliminated. He consolidated his own position and that of the Revolutionary Council (RC) in general. Soon he usurped almost total power.

### **6.13 Ethnopolitics**

This section has highlighted the emergence of political organisation and the nature of their interests and conflicts. The conflicts had distinct ethnic dimensions which often overshadowed class differentials. As a group, the mainland Africans were the lowest and most dispossessed. The Arabs were the landed gentry, engaged in agriculture the dominant sector in the island economy. The Indians were the merchant capitalists. Although the Shirazis had a superior ethnic position, paradoxically some were



economically no better off than the Africans.

The Asians formed the merchant class, conducting and controlling the business of the Island. Although much smaller in numbers and with no direct involvement in the politics of the islands, they had indirect political control through their domination of the economy. This was not a new phenomenon, indeed this trend is traced back as far as the existence of the Arab state of Zanzibar (Sheriff, 1987:247).

The ethnic groups tended to cluster together pursuing a 'common interest', and so class differences within a group paled into obscurity. The Arabs occupied the most fertile land in the islands while the Indians often resided in urban areas or where their businesses were based. Most of the Africans resided in the less fertile 'coral rag' areas. There was a marked spatial differentiation based on ethnicity as each ethnic group occupied different class positions. Ethnic divisions featured prominently in Zanzibar even before the abolition of slavery in the late 1800s and with the abolition of slavery it adopted increasingly an active political dimension. This certainly confirms Hettne's (1990) observation that politicised ethnicity is not a new phenomenon. It will be shown in the following sections that ethnopolitics is related to social and economic development in many ways.

#### **6.14 Class and social formation**

Following the analyses in the preceding sections, can it be said that the 1964 Zanzibar Revolution was merely the overthrow of an oppressive racial minority (Arab) by a downtrodden majority (African)? Not entirely. It is agreed with Sheriff, that to perceive it purely as an inter-ethnic conflict would be simplistic if not racist (Sheriff, 1991). Class differences existed in Zanzibar and continue to do so. Mlahagwa and Temu (1991) argue that it would be improper to equate race and class in analysing social formation in the Isles. However, it is Zanzibar's peculiar history that accounts for the ethnic-racial phenomenon.

Class differences and formation existed and cut across ethnic-racial differences. They developed with the complex transition from a slave mode of production that developed under capitalism to colonial capitalism developed by imperialism. Sheriff (1991:249) depicts this process graphically by stating that:



**"The old mode was partially dissolved to destroy its independence, while elements of pre-capitalists relations were preserved and articulated with the capitalist mode, but classes in general were prevented from maturing into classical capitalist forms under colonial rule. The exhausted classes of past years, such as the landlords, were neither retired from the stage in history nor transformed into a dynamic class. The peasantry was preserved in a semi-decomposed form as cheap migrant labour, but did not realise its full potential through the maturation of its component strata. The free working class that grew out of slavery was frozen in a semi-proletarian, semi-peasant condition, while the stunting of the industrialisation process in the colonial economy hindered the emergence of a true proletariat."**



The consequence of this is that Zanzibar's class character was obscured by ideologies of race and communal identities. These differences were encouraged to take precedence over the developments of class formations and identities. Thus the different segments of nationalist movements in Zanzibar became increasingly divided and by the time the 1964 Revolution erupted, it lacked the leadership of a class with a clear ideology to guide the struggle against imperialism and socio-economic development.

Three major racial-ethnic groups emerge, and these were further divided into no less than 23 ethnic and communal associations (Sheriff, 1991). These groups contained a cross-section of classes dominated by the most powerful interests (the petty bourgeoisie elites) and control was exercised through communal activities and patron-client relationships. This situation further moulded consciousness along ethnic lines. The elites of each of these groups emphasised their distinctiveness from other groups, constructing and maintaining barriers between the membership of each. When necessary, the leaders forged alliances across boundaries to promote their interests.

Zanzibari nationalist ideology emerged in the 1950s from a radical faction within the Arab Association, however it took time to mature. The conflict between the British colonial authorities and the peasant cattle-keepers led to the realisation that there was a need to overlook petty ethnic loyalties and so they formed the NPSS, which was the first nationalist movement. What is also interesting is that it emerged from the rural areas. The seeds of nationalism sowed by the NPSS were disseminated to the ZNP.

Meanwhile urban based intellectuals also developed a nationalist ideology and constructed an effective nation-wide network. They also established wide external relations. The ASP lacked this, since its focus was on exploiting the racial/ethnic divide. It obtained its support mainly from the rural peasantry of central and southern Unguja, a small part of rural Pemba and the peripheral areas of Zanzibar Town. The remaining peasantry favoured the non-racial nationalist ideology of the ZNP-ZPPP alliance. However, internal contradictions within the ZNP-ZPPP alliance lead to a split, confirming the existence of the self-interest of the petty bourgeoisie. Increasingly the predominant political issue was being taken overshadowed by ethnic/racial issues, and these camouflaged the inherent interests of the elites of each group. Thus "reactionary racial ideologies and immature class distinctions prevented the rival nationalist movements from realising the supreme need to resolve what was the fundamental contradiction of the moment...the necessity to carry through a national democratic revolution to end imperialist domination" (Sheriff, 1991:260).

With the Revolution the ASP took power. The radicals of the *Umma Party* and some of the progressive elements in the ASP attempted to steer the revolution along classical socialist lines, but the interests and influence of the petty bourgeoisie leadership were



stronger. It was only a matter of time before the radicals were eliminated. With support from the Mainland its position was secure and to enhance it a hastily arranged Union was established. Anyone or group, whether left or right, that threatened the regime was eliminated, and so, as Sheriff ended his conclusion; "Nothing was left to stand in the way of the populist autocracy" (Sheriff, 1991:261).

### **6.15 Spatial Organisation**

There are two dimensions of the spatial implications of what occurred in Zanzibar between Arab colonisation and European colonialism. The first is related to the position that it occupied by virtue of the role it played in the evolving capitalist global economic system, and the second include the internal spatial implications between the sister islands, soil rich and soil poor areas, and rural-urban.

#### **6.15.1 The external spatial dimensions**

The Omani Arabs came from a pre-capitalist social formation, but at the same time the forces of capitalism had already penetrated parts of the Middle East and Eastern Africa operating under the expansion of industrial capitalism. The settlement of the Omani Arabs was also linked to economic and political events occurring in Oman and their role in Zanzibar was akin to a comprador group serving the interests of metropolitan capital (Mlahagwa and Temu, 1991).

As a slave mode of production developing in Zanzibar in the Middle and Far East capitalist formations were developing and the necessary means of contacts and communications between Eastern Africa (Zanzibar) and India and the Middle East were being developed (Figures 6.8 and 6.9). This was the process of spatial transformation at the periphery. At the global level the peripheries were being connected by a network of steamships and communications (Latham, 1978, 1981). International steam ship routes connecting Zanzibar, the entrepôt, were developed. The same applies to the telegraph systems connecting Asia and Africa. It was only a matter of time that the slave mode of production would have to be replaced by free labour producing primary goods for export and providing a market for industrial products. The global capitalist economic system based on industrial capital was expanding and Zanzibar's role would become diminished as direct contacts were being established between its hinterland and the metropolises, thus pushing the islands into the periphery.

#### **6.15.2 The internal spatial dimensions**

Internally a plantation system had evolved gradually replacing the 'traditional' basis of the economy, that is the trade in slaves. Initially slave labour, and subsequently paid



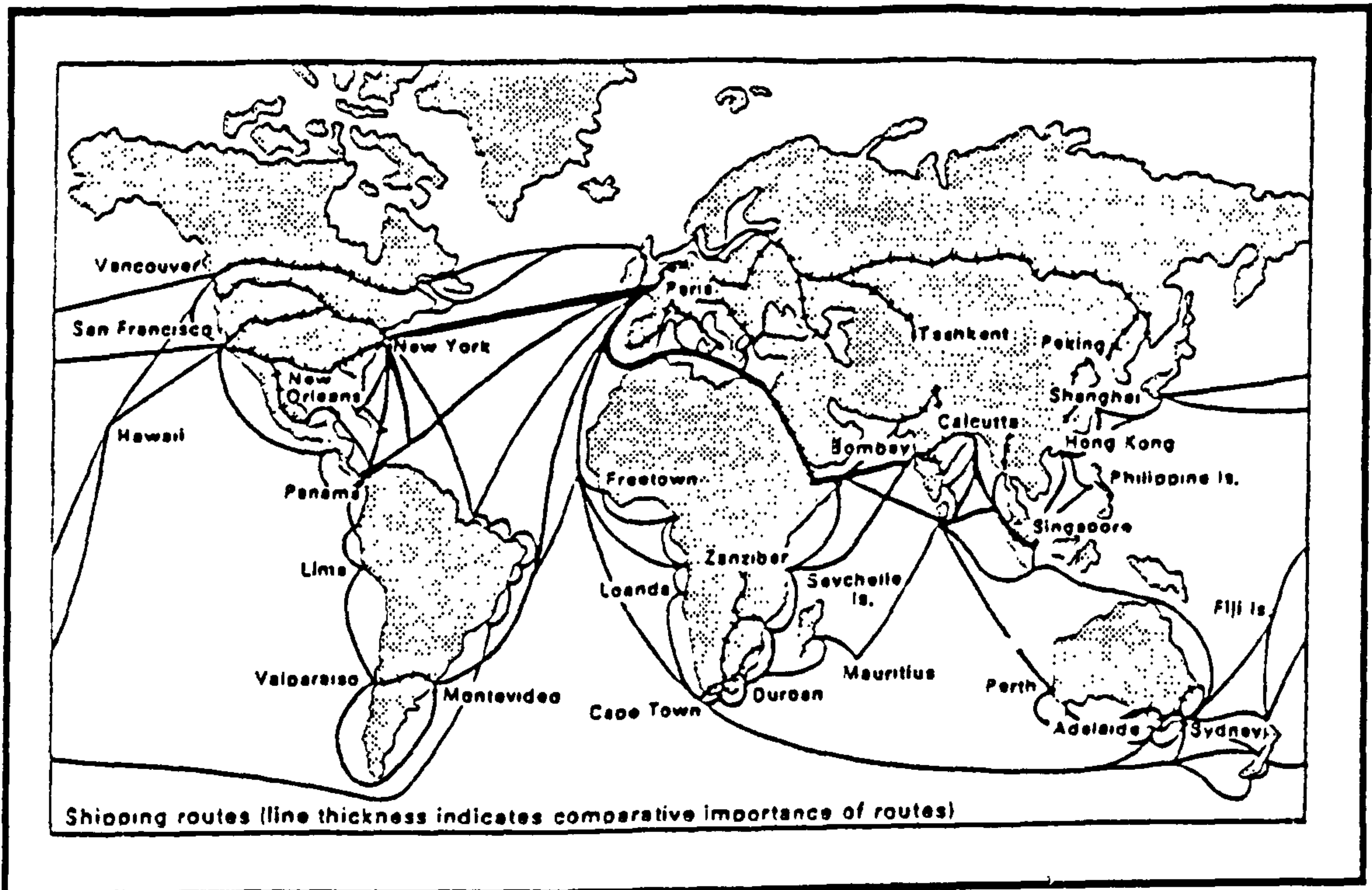
labour worked the clove plantations. However, given the small land areas of the islands and the need for larger areas to grow cloves, it became necessary to alienate much of the land for plantation agriculture. The better quality land was given to clove production and this followed the natural east-west divide, and the settlement of the respective participants in the colonial capitalist mode of production settled or resided more or less along the same lines. The Africans in the marginal areas, the Arabs and the Pemba Shirazi in the Western side and the northern parts of Unguja, and some of the large land owners and the petty bourgeoisie in urban areas. These spatial differences were effectively developed in response to external needs.

The development of the clove economy had a number of detrimental consequences and is associated with the process of underdevelopment. The first is the alienation of land, reducing the amount of fertile land for the production of food. This was especially sensitive in Unguja island where the amount of fertile land is much less. An increasing number of peasants were forced to scratch a living in the coral rag where it is only possible to cultivate pockets of land on a shifting basis (Bowels, 1991). However, gradually yields declined and many peasants were threatened with famine. These developments gave rise to the need to import food. The colonial state imported food through merchants from the Far East and so Zanzibar could not become self-sufficient in food production. The imported food was cheap and so discouraged any possibility of domestic food production and so Zanzibar suffered from endemic food shortages. By 1964 only 11% of the cultivable land was used for grain production and 90% of grain demand was being imported (Bowels, 1991).

Clove picking provided better cash incomes compared to say rice production. So during harvests many peasants would neglect their farms in favour of higher cash incomes, this resulted in a phenomenon which (Bowles, 1991) call the 'alienation of time' between the peasants' own farms and those of the clove producers. Because of the limited available time for labour and the poor quality of land many peasants sought to produce a crop that demanded less in terms of labour demand, mainly cassava. This contributed to nutritional deficiencies amongst the Zanzibari peasantry.

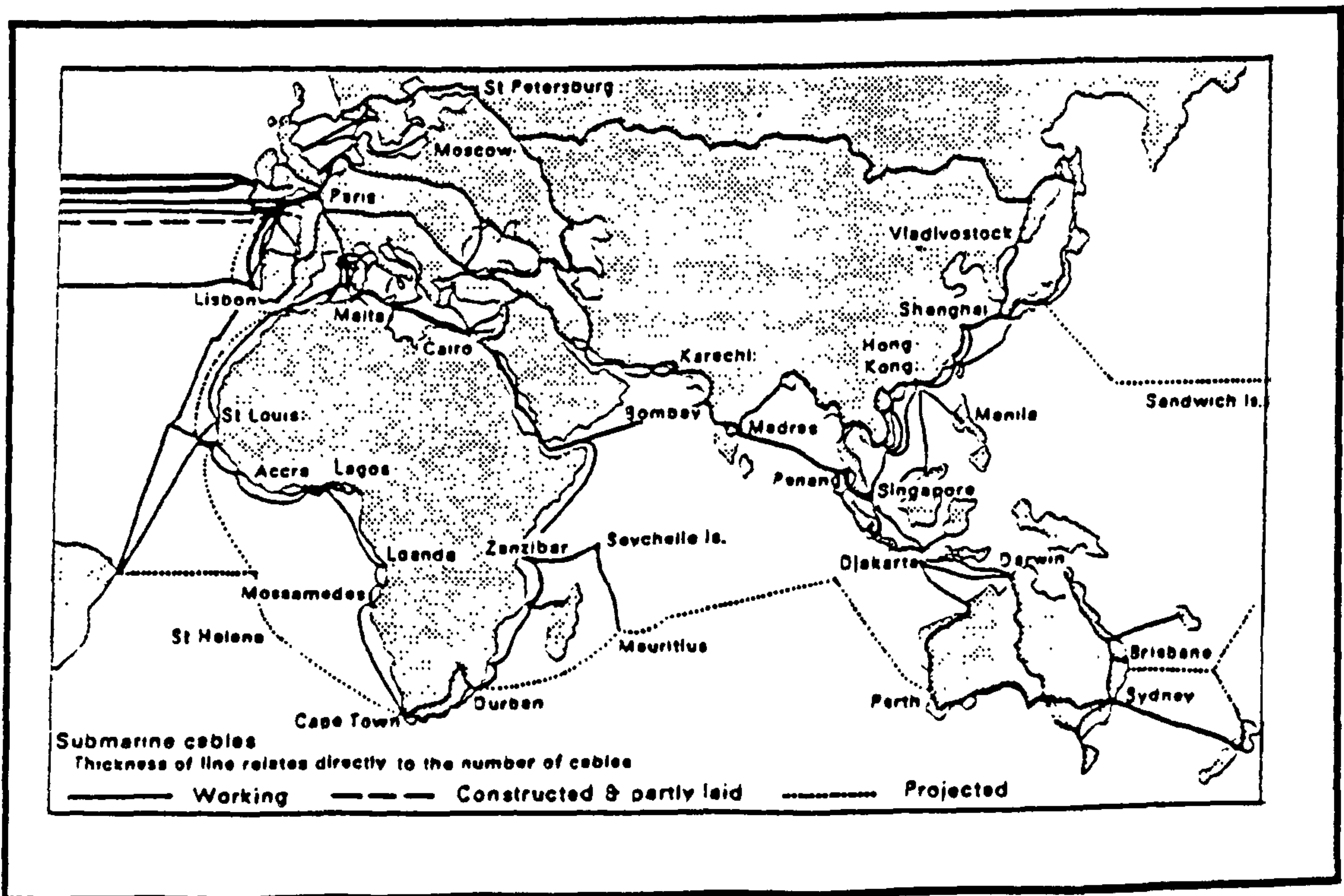
The internal spatial differentials are symptomatic of contradictions within Zanzibari society that resulted from the different modes of production exchange and distribution. It was assumed that upon independence these would be confronted, but the dominance of ethnic-racially motivated politics further exacerbated the problems.





Source: Latham (1978) Map 2, p.33.

**Figures 6.8 World steamship routes, by volume and value of trade, 1913**



Source: Latham (1978) Map 3. p.36.

**Figures 6.9 The telegraph system in Asia and Africa, 1897**



### 6.16 Summary and conclusions

Through an historical analysis, this chapter has provided the background to pre-Revolution Zanzibar. It has also revealed and analysed the underlying forces and issues leading to the 1964 Revolution. The analysis is relevant in that internally it has provided the background to social, economic and political developments after 1964 and this forms the basis of further analysis and discussions regarding the identification of development problems the constraints and the potential solutions. Externally it has shown the shifting role and position that Zanzibar occupied in its modern history and that many of its internal constraints are related to the external events and environment. In many ways it does not differ from the experiences of many other developing SIS. However in some respects, such as its role as an entrepôt to Eastern and Central Africa and its connections with the Middle and Far East and Western Europe, Zanzibar is in a unique position.

Zanzibar has experienced and played diverse roles in the global economic system ever since the penetration of Omani colonialism. Its economy was initially based on slave trade (in the 1800s) and subsequently on merchandise trade (late 1800s to 1900s) and finally to commodity production. Its importance is highlighted by the economic activities taking place. By 1871 British shipping to and from Zanzibar was greater than any other nation and Zanzibar's entrepôt role had grown with the re-export or transshipment trade reaching 2 million pounds (Bader, 1991). By the 1950s Zanzibar was a fully fledged plantation economy and its role as an entrepôt had diminished. Finally with the Eastern and Central African countries attaining their independence and forging direct links with the metropolises the islands ceased to become a node of commercial activity. At this stage Zanzibar had a severely dislocated economy, dependent on two exports, copra and cloves, both of which were experiencing erratic production and demand, and which over the long term the prices that they enjoyed in the world market were on a declining trend. Further, its domestic capability in producing sufficient food was declining. Zanzibar had effectively been moved out to the extreme periphery of the global economic system.

Even as the islands were approaching independence, internally the country lacked any popular consensus and society had become increasingly polarised. Moreover, the pre-independence policies contributed to shortages in skilled and experienced human resources and were further exacerbated by the social/ethnic/racial stratification that existed and policies which further disadvantaged the lower class and ethnic groups. The same differentiation served to erode the confidence of many in the lower stratum.

Clearly, as the case of Zanzibar shows, ethnically or racially dominated political



developments cannot simply be disregarded by development theorists as something of the past, or a matter best left to historians and anthropologists. The conflicts that were generated and the divisions that arose in Zanzibar society were derivatives of economic, colonial and imperial developments. The experience of Zanzibar highlights the role that the indigenous petty bourgeoisie played in manipulating and utilising ethnic loyalties primarily for their own economic and political interests.

External economic and geopolitical interests and influences played a key role in the direction and speed of political and social development in the islands. Nasser and the Arab league had given the Arab world confidence and interest in self-determination in the affairs of their region. Militant Arabs in Zanzibar identified with this as with socialist developments occurring in the Eastern Bloc, China and North Korea. These developments were not welcomed by some Western interests, and consequently the Revolution was interpreted as being a newly won 'sphere of influence' of the Soviet Bloc.

Class differences existed within the ethnic-racial organisations and these are characterised by the diverse interest/pressure groups within the ASP, ZNP and ZPPP. The ZNP subsequently split between a left and a right group, with the latter (petty-bourgeoisie land owning class) becoming dominant. When the ASP came into power it eliminated the opposition and internally rivalries surfaced and once again the radical group was eliminated leaving an African urban petty bourgeoisie class spearheading the Revolution. It barely had a creditworthy social and economic development programme, instead the government focused on heightening ethnic and racial rivalries. With the absence of colonialism there lacked any issue based common group which the opposition and the ruling party could focus on other than their perceived ethnic differences. The Union with Tanganyika both strengthened the position of the ASP and its leadership, but also provided security and stability to the islands, leaving the opposing sides of the super power rivalry content.

Even as Zanzibar achieved its independence it was a plantation (monoculture) economy, increasingly dependent on food and energy imports. The economy lacked scale, entailed high transport and factor costs as it lost its strategic role in the global economy and had a shortage of experienced skilled personnel for government and business. Zanzibar was structurally dependent. It also had functional dependency with the wilful neglect of food production and its failure to attempt to diversify and develop locally owned capital investment. Moreover, Zanzibar's bourgeoisie were merchants rather than entrepreneurs, a characteristic accentuated by the restrictions of its size on the profitability of industry. Since most of them belonged to one of the opposing ethnic groups, they too were eliminated from participating in the socio-economic development of the SIS. It is under these debilitating circumstances that Zanzibar set out on its 'First Phase' of its post-Revolution development.



## CHAPTER SEVEN

### 7.0 Evolution after the Revolution, 1964-1972

#### 7.1 Introduction

The first eight years after the 1964 Revolution are analysed in this chapter, a period in which some critical events occurred affecting Zanzibar's development circumstances. However, before looking at these some background information is provided which will assist in further understanding the development constraints in contemporary Zanzibar.

The period between 1964 and 1972 is termed by the party in Zanzibar as the *First Phase* of the Zanzibar Revolution.<sup>1</sup> It was to be dominated by the presidency of Sheikh Abeid Amaan Karume.<sup>2</sup> One of the outstanding aspects of this period was the meteoric rise of the ASP President, who through the coup d'état came to control Zanzibar. The ASP had considerable support albeit predominantly from the indigenous and mainland Africans in Unguja and some areas in Pemba. Amidst the furore of the first few weeks of the Revolution, sweeping changes in the class and socio-economic structure were declared, emanating from the radical Umma activists who had joined the ASP bandwagon.

Of particular relevance to this period is the character of Sheikh Karume. With little formal education and having been a merchant seaman, he was a charismatic elderly person who led the ASP during difficult times. One analyst suggests that the ASP, at least until the period of the 1964 Revolution, should be regarded as a petty bourgeoisie party (Bowles, 1991). This implies that Karume too was part of the petty bourgeoisie. His style of leadership increasingly emphasised the individual rather than the party or any radical ideology, which in a way is not surprising given the lack of a specific ideological base. In time he became increasingly despotic his speeches and policies being based on notions of a populist autocracy.<sup>3</sup>

<sup>1</sup> Information sources for this period are difficult to obtain and therefore limited.

<sup>2</sup> There are three *phases* of the post revolution era. The first is the period under Karume and characterised by the iron fist of the Zanzibar Revolutionary Council (ZRC). The second is the period under Sheikh Aboud Jumbe, which saw the relaxation of some of the excessive powers of the ZRC and the Presidency/Chairman of the ZRC. This period also saw a slightly higher degree of tolerance and the re-introduction of elections, albeit in a single party system. The statist approach to development was enhanced. The current phase, the third has been under three leaders, i.e., Sheikh Ali Hassan Mwinyi, Sheikh Idris Abdul Wakil and currently President Salmin Amour. This period is characterised by a greater degree of tolerance, a gradual democratisation process, economic liberalisation, freedom of movement and to some extent expression. The current period is expected to herald the re-emergence of multi-party politics (multipartism), hopefully without the negative aspects of *Zama Za Siasa*.

<sup>3</sup> Clayton (1981) gives the following summary of the attributes of populism: Attitudes may be judged more important than achievements and leaders must represent their attitudes in style. Populist leaders tend to establish a special bond with the masses and the movement may be loosely organised and defined, anti-intellectual and both anti-establishment and counter-establishment. Conspiracy fixations may lead to mindless violence and yet it is still opposed to class conflict. Over time leaders may be corrupt with success. The economic aims are small



The process of democratisation was abandoned as it was felt that it had served no useful purposes for the majority of the people. The crude manipulation of this process by both the colonial government and the Arab oligarchy had nullified its usefulness. To the majority of the people, the revolutionaries promised far more than the *status quo*. These dramatic changes implied that Zanzibar was to commence on a new phase in its historical development, a period which was to be deeply affected by the ripples and swells of the Cold War and of regional politics.

There are a number of reasons which, in combination, were to determine the path Zanzibar would take in its social, economic, cultural and political development during the *First Phase*. To comprehend this process, it is pertinent to understand the character of its leadership and the internal and external pressures which bore on the new African island state. All these would subsequently affect both the internal development policies and strategies and the external relationships which the Isles had with other countries and particularly mainland Tanzania.

There is little doubt that the intrigues of the Cold War affected the state of affairs in Zanzibar and especially the integration of Zanzibar and Tanganyika. Plans for the Union were quickly drawn up and it was implemented. Some analysts have since shown that Super Power politics on the side of the US and Britain strongly influenced this (Wilson, 1987). However, this notion has been denied by Nyerere, in an address to his National Assembly. He insisted that, "the move was inspired by the desire for African unity and had nothing to do with cold War Politics:" "There is no other reason. Unity in our continent does not have to come *via* Moscow or Washington' " ( Smith, 1973:127). However, Nyerere is also reported to have been long worried about the closeness and possible influence of Zanzibar to Tanganyika, and is said to have responded to a question about the turmoil in the islands and their repercussions by stating that, "If I could tow that island out into the middle of the Indian Ocean, I'd do it ." (Smith, 1973:90). Nyerere predicted even before Tanganyika's Independence (1961), that one of the country's biggest problems in later years would be Zanzibar, and especially its vulnerability to external influences, presumably referring to the influences emanating from the Gulf and the radical philosophies of the leftists in Zanzibar. Nyerere was under no delusion about the consequences of the growing East-West conflict and what this could entail for the country and the region. He would do all he could to keep both sides apart, so that Tanzania was deemed to be a 'Communist' state in the West and yet also not a 'Marxist' or a 'close ally' by the Eastern bloc.

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co-operatives with little capital (presumably to contain any political aspirations of indigenous capital). Foreign finance is opposed though small local capital may be permissible. Populism is often urban, especially amongst artisans and recent immigrants. Populists do not object to either a strong state or economic inequalities so long as they serve populist interests. Populism is isolationist, religious, opposed to science and technology, often nostalgic for a vision of a lost past, and on occasions mildly racial if facing an oligarchy of a different ethnicity. Post-Revolution Zanzibar contained all of these traits with the exception of allowing small local capitalists to function and it did not explicitly oppose science and technology.



Even if the union had taken place as part of the process of unifying Africa, there cannot be any doubt that there were the influences, both overt and covert, internal and external, which served to accelerate the unification process. Moreover, where the terrible effects of the Cold War were apparent elsewhere in Africa, as in the Congo, envoys of the opposing sides were active in Dar es Salaam. The pro-Western media meanwhile kept a close watch on matters in Zanzibar. A considerable part of the reportage at the time was either a gross misunderstanding and misrepresentation of the situation, which was unlikely, malicious misinformation or a combination of all these.

Comments emanating from the pro-Western media and often hostile to Zanzibar infuriated the Karume regime and fuelled the distrust towards the West. On Nyerere's part, it certainly caused concern about the intentions of the West, bringing Zanzibar to the centre of Cold War politics. The focus of the Cold War conflict was at Tanganyika's front door. Smith (1973:129) points out that "Nyerere resented the way in which the British and American press characterised him as a 'moderate' and 'pro-Western'". He had been congratulated for fighting communism by seizing the islands! Such statements embarrassed the Zanzibaris and threatened to split relations between the Isles and the Mainland.

The Revolution had created an African state of Zanzibar. A number of measures were taken to restructure the economy and relations of production, exchange and distribution. Development strategies focused on the provision of basic needs and redressing the gross imbalances in Zanzibari society. Moreover, Zanzibar would also make its mark in the international arena. But the first steps would be difficult as the regime was attempting drastic socio-economic changes in the light of some serious disadvantages that included shortages of skilled personnel and a frail economy. Between 1961 and 1963 Zanzibar sustained a trade deficit averaging about £ 0.8 million.<sup>1</sup> There was also a budget deficit of nearly £ 0.4 million over the same period (IMF;1969).

## **7.2 The First Phase of the Revolution**

One of the first moves that Karume took was to reinforce his position and weaken that of his adversaries. He announced that Zanzibar had become a one party state, the ASP would represent the interests of Zanzibaris and banned all opposition parties. The leader of the *Umma Party*, Abdulrahman Babu immediately announced his party's merger with the ASP. The intentions were to consolidate the Revolution and 'unify' the country. It was also an attempt by the more progressive elements in Zanzibar to participate in and steer the socio-economic development of the SIS. The merger provided Karume with advisers and administrators, and in the early years Zanzibar was seen as a budding Marxist enclave. However, Karume, like most populists, distrusted the

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<sup>1</sup> At the time £1 = TShs. 20 = US \$ 2.80.



well educated elites in Zanzibar, most of whom were of Arab descent and he resolved to eliminate their influence. The paradox is that as the situation became hostile to them, many moved to the mainland and elsewhere to seek employment and security, while at the same time Karume would need educated people around him to help him run the country.

As in many other Revolutions, the new government seized the 'commanding heights' of the economy. It took over and distributed large quantities of plantation holdings owned by Arabs to African peasants. Karume had the island's rickshaws collected and he ceremoniously burnt them promising £100 compensation to each owner (Smith, 1973). This act made him highly popular and it was a symbolic end to the degrading practice quite prevalent in Zanzibar in which humans worked as animals. Such gestures gained him immense grassroots support.

The economic system was radically transformed from a being a hybrid; a combination of an open free market system combined with a feudal agricultural economy, to a 'closed' centralised economy increasingly divorced from the world economy. The inherited legal system was changed not to suit the needs and requirements of the Zanzibari people, but instead the aspirations of the ruling regime while the democratic structures that existed were abolished and replaced by an autocracy.<sup>1</sup>

### 7.3 Autocratic Rule

The early period of the revolution saw much violence and hostilities against supporters of the ousted regime, mainly Arabs and Asians. It is reported that over 1,200 Arabs and Asians fled from the isles, most of whom were the élite and those who had valuable experience in running business, commerce and government (Smith, 1973:122). While Karume may have seen this as getting rid of undesirable elements who would probably cause more trouble than good, their departure was to have detrimental effects on governance and indeed did adversely affect the overall development process in Zanzibar.

The process of eliminating the opposition and even potential opposition elements occurred even within the ASP (Throup, 1988). The individual who conducted the coup, Field Marshal John Okello, had left the isles to visit his family in Uganda.<sup>2</sup> Passing through Nairobi, Okello indicated through the press that he was quite willing to start revolutions in southern Africa wherever there were colonialists still in power (Smith, 1973:123). Such statements coupled with his extraordinary handling of the situation

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<sup>1</sup> The ASP, twice denied the right to govern by an electoral process imposed and shaped by the colonial power, felt that there was no option but to seize power. Being denied twice left the ASP leadership (particularly Karume) with no faith in Western style democracy (Westminster-Lancaster).

<sup>2</sup> John Okello was a Ugandan, who worked in Pemba as an ASP activist and according to several sources lead the revolution. However, the official ASP version challenges this notion stating the head executed the coup, and did not lead the Revolution. For further reference see, Okello, J. *Revolution in Zanzibar*, (Nairobi, EAPH, 1967) for his own version, Lofchie, (1965), op cit. Smith, (1973) op cit. amongst others.



during the revolution clearly indicated that he was an unstable element and that his presence caused considerable concern in Zanzibar. So while he was out of the country it was made known to him that he was unwelcome in Zanzibar. Karume's rule became increasingly harsh and authoritarian and this was caused by the paranoia that there were elements plotting against the government, both internally and externally.

There were also attempts, often crude to say the least, to redress the excesses and imbalances of the previous regimes. The following measures, which moulded the new character of Zanzibar as well as determine social, economic and development trends on the isles, were taken. They also served to reduce the non-African status and influence on the islands and consolidated Karume's own power.

Deportations of Asians and Arabs took place arbitrarily beginning immediately after the Revolution. Though in small numbers, in 1971 all non-citizen Asians were required to leave the country within a year. This was motivated by the belief that Asians were still trying to control the economy and therefore it was necessary to curtail their economic power. They were also prevented from leaving with money or moveable property. The regime was obviously trying to curtail the influence of the merchant class, who were predominantly Asian.

The Arabs and Asians were not the only ones to suffer under authoritarian rule. The Comorians, known locally as the *Ngazija (Wangazija)*, were required (in 1968) to renounce their country of origin, and government officials of Comorian ancestry had to resign at once and repay their earnings.<sup>1</sup> Comorians were singled out and harassed in the suspicion that there existed a conspiracy amongst them against the regime. From the previous chapter, it will be recalled that the Wangazija (Comorians) tended to reside in a particular part of Zanzibar Town, in a constituency in which they had assisted to swing the vote in favour of the ZNP. Socially and economically, they were in the higher classes, and as emigrants they were often the elite of Comorian society (in the Comoros). They were educated and worked in the civil services.

Interestingly enough, one of the main intellectuals and organisers within the ASP, Abdulrahman Babu, was also affected by these measures. Babu was part Comorian and such measures coupled with the lack of general popular support for his radical group were to ease him out of the political limelight. Moreover he did not support the Union and his opinions did not go unnoticed by the ASP leadership and the Revolutionary Council since before the Union he had actually advised Karume it. Babu's fear was that Zanzibar would be absorbed by Tanganyika. These and other contradictory opinions were unacceptable to Karume and Babu's motives became suspect. Given Babu's

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<sup>1</sup> According to Clayton (1981), the majority of Comorians had earlier tended to support the ZNP and their loyalty was therefore suspect. The alliance of the Comorians with respect to race was also doubtful. At times they insisted on their rights as French subjects, having originated from the French colony of the Comoros. They also they appeared to align themselves with the Arab Nationalists. Karume did not consider them as Africans.



background, political acumen, leadership and organisational qualities, he would become more of a burden than an asset to Karume and would have to be removed. Initially he was posted to the Union Cabinet where his influence on island matters would be diminished. Later fearing for himself and seeing that the revolution was heading in a different direction, Babu moved to the Mainland, never returning to the islands for fear of arrest and possible elimination (Smith, 1973; Clayton, 1981; Thorn, 1988).

#### **7.4 The Union of Tanganyika and Zanzibar**

Karume's attitude and indeed that of the Zanzibar Revolutionary Council (ZRC) towards the Union was that Zanzibar should retain considerable degree of autonomy without interference from the Mainland. The Mainland-Isles links were often tense and even before the Union was instituted, the very mention of a merger between the two countries was vehemently resisted. These anxieties were expressed in several instances. Before independence, for obvious reasons, the ZNP and ZPPP made it known distinctly that they would not condone any thought of establishing such political links with Tanganyika. They also pointed out that the ASP was interested in doing just that and that this was an attempt by the Mainland to take over Zanzibar by assisting mainland Africans on the islands.

The ASP however, attested that there were historical links with the Mainland and it was in their interests to encourage them. Without doubt, the ASP enjoyed considerable support from the Tanganyika African National Union (TANU), the dominant political party on the Mainland. Moreover a substantial number of its own supporters originated from the mainland. Insofar as Karume's actions showed, however good the relations with the Mainland were, this did not necessarily imply the islands were to be absorbed by Tanganyika. The ASP wanted to establish links with the African mainland since they perceived Zanzibar as an African state temporarily taken over by an Arab monarchy which then came under British rule during the expansion of Imperialism. On the Mainland the views about the Union differed. The idea was to form and consolidate a unitary state in which Tanganyika and Zanzibar would cease to exist and replaced by the United Republic of Tanzania. Whatever the case, the Union was going to be a controversial issue and a subject of extreme political propaganda from the regime's opponents, both in the short and the long term.

A number of observers have noted that consistently, Karume argued that it was the wishes of Zanzibar to retain a considerable degree of autonomy (Smith, 1973; Clayton, 1971; Othman and Mlimuka, 1989). We can see this, for example, through Zanzibar acting independently on several Union issues, much to the embarrassment of the Mainland partner. In 1968 Karume made it known that as far as he was concerned, the



Union had been carried as forward as was necessary and that no further measures limiting island autonomy should to be taken. Zanzibar was not going to be another 'district of Tanganyika' or another region of Tanzania, as it was alleged by ASP's opponents. Earlier, in 1965 Nyerere mentioned that Zanzibaris were a proud people and that no one intended that Zanzibar should become simply the Republic's eighteenth region. Nyerere understood their apprehension and had to handle the situation with a great degree of tact and tolerance.

Through the Second Interim Constitution of Tanzania, foreign affairs, defence, police, banking, external trade and borrowing, taxation and customs, constitutional revision, emergency powers, currency, posts and telecommunications, harbours, aviation, exchange control and movement of citizens were firmly established under the umbrella of the Union government. Despite this, the Union gave considerable leeway to Zanzibar and Clayton (1981:131) mentions that in practice, "Zanzibar continued to follow its own path in every field". In reality Zanzibar changed little following the Union. Karume was still the President and absolute leader, Mainland travellers to the island had to go through elaborate entry procedures much the same as they would if they were to go to a foreign country. Visas were required to go to Zanzibar, although these were eventually stopped.

In one way or another disagreements or contradictions within the Union emanating from Zanzibar reinforced Karume's convictions that Zanzibar's internal, and external matters were the express concern of the Zanzibaris alone. For example, regarding democracy and elections in Zanzibar, Karume placed Nyerere in a difficult position. Along with banning the opposition, Karume suspended the democratisation process and any elections. The official position from Dar es salaam was that "once enemies of the Revolution had finally disappeared, it would be possible to have elections in Zanzibar".<sup>1</sup> Nyerere was obliged to defend Karume's position stating that the islanders were still afraid that attempts might be made to subvert the regime and return Zanzibar to minority control. In 1968 he indicted that he did not expect free election on Zanzibar for fifty years and felt that elections are "a tool of the imperialists to sabotage the people," (Clayton, 1981:132).<sup>2</sup> He claimed that the colonial power introduced the electoral system only to prolong its rule, not listen to the voice of the people and therefore there was need for it.<sup>3</sup> He was referring to the pre-independence elections where gerrymandering occurred and the ASP won a popular majority but could not form a government.

Zanzibar was preferentially treated in its representation in the Union government. In

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1 Hint given by Lawi Sijaona, Union government's Minister for Home Affairs to question raised in parliament in 1965.

2 It is reported that Karume declared that there would be no elections for sixty years, see e.g. Othman and Mlimuka (1989b:164). Whatever the period, there would be no elections for a considerable time.

3 Interview he had with *The Standard* in 1968.



1967 seven of the 22 Cabinet members and 40 of the 183 MPs were from the islands.<sup>1</sup> There was a disproportionate number of members of parliament and cabinet from Zanzibar from 1965 and this has since increased. Zanzibar was 'over represented' in the Union parliament as well, with the proportion of representatives from Zanzibar increasing over time (Tables 7.1 and 7.2). Moreover, until recently, most of the Mainland members had been elected whereas the Zanzibari members gained their positions in the ZRC or Zanzibar government.

Area	Members/Representatives	Percent
Mainland	143	78.1
Zanzibar	40	21.9*
Total	183	100.00

Source: Clayton, 1981

**Table 7.1 Composition of the National Assembly (1967)**

Area	Elected	Nominated/appointed/representing mass organisation/ Ex-Officio members	Total	(%)
Mainland	119	45	165	(68.5%)
Zanzibar	50	26	76	(31.5%)
Total	169	71	241	(100.0%)

Source: Statistical Abstract (1987)

**Table 7.2 Composition of the National Assembly (1986)**

Despite the large numbers of representative in the Union parliament, the contribution of Zanzibaris to the proceedings were occasional and sometimes even attendance by the ZRC nominees was quite low, suggesting that interest towards Union matters were given a low priority by the Zanzibaris (Clayton, *op. cit.*). This confirms for Zanzibaris, that internal (or 'national') matters had precedence over Union issues.

Perhaps as a matter of appeasing the islanders, they were given a larger proportion of official posts, for example in diplomatic missions. The idea behind this was to increase their confidence in the Union and reinforce it. Zanzibar was allowed to establish its own foreign relations and negotiate sources of aid, financial and technical assistance.

Despite the attempts to reduce political conflict within the Union, on several occasions relations between the two sides were tested. Several incidents were to strain relations between Zanzibar and Dar es Salaam, such as those concerning human rights violations and repression. The regime took severe measures by eliminating any opposition, to the embarrassment of the Mainland authorities. A state of virtual lawlessness existed in Zanzibar in which the islands were ruled by decree. Many people were jailed and killed

<sup>1</sup> In other words about 22% in the Parliament represented 2.7% of the population of the United Republic.. Zanzibar's population was about 350,000 compared to 12,000,000 on the Mainland.



(Smith, 1973; Clayton, 1981). Estimates of imprisonment, disappearances and presumably deaths vary and probably may never be fully known. Clayton (1981) reports that detainees who were in detention at the time of the Union who numbered around 2,000, had almost all been released, "but capricious arrests and reports of conspiracies, real or imagined, provided a limited but steady supply of new ones" (*op. cit.*: 124-125).

Some of the events were preposterous. In 1966 Karume issued a decree making it illegal for parents to withhold consent for their daughters' marriage. This was aimed at Arabs and Asians to make their daughters available to any person who chose to marry them. The controversy surfaced again in 1970 when a number of young Asian girls were forcibly married (*Africa Report*, December, 1970). This increased the anxiety amongst the minorities in Zanzibar and relatives who protested were jailed and flogged and some Asian families were threatened with deportation. To Karume this appeared to be an effective way of overcoming ethnic-racial differences and stratification in Zanzibari society, both of which were a legacy of Arab and colonial rule. No doubt this was a crude way of solving the 'ethnic-racial' problem and there is little doubt that there was also an inkling of reprisal for the humiliation that they had to undergo under the Arabs and Asians. Karume is reported to have said that, 'In colonial times the Arabs took African concubines without bothering to marry them. Now that we are in power the shoe is on the other foot' (*Africa Report: op. cit.*) Nyerere's position was compromised increasingly and despite his disgust and contempt for such actions there was little that he could do other than appeal to Karume to stop such actions.

Perhaps not surprisingly, there were numerous rumours of plots to overthrow the regime, some real and others imagined and those who happened to be accused of conspiracy were dealt with mercilessly. For example, in 1964 seventeen leading plotters were arrested, placed before a 'kangaroo' court and were executed. In 1969 another plot was revealed and fourteen people were accused of plotting. This time some prominent members of Karume's own regime were implicated. Amongst the alleged plotters were a former Union Minister and the former Tanzanian Ambassador to the U.S.A., both of whom were Zanzibaris. They were arrested in Dar es Salaam and detained. Pressure was applied to repatriate them to Zanzibar and Karume was ready to break up the Union if they would not be returned (Clayton, 1981:133). Nyerere complied and after a secret trial four of the alleged plotters were executed. Much to the displeasure of the Union President, the two who were returned from Dar es Salaam were amongst those executed. Nyerere's expectation that they would be given at least a fair trial were disappointed.

The federation between the Mainland and the islands were characterised by sensitive political relations which were constantly being upset by the Karume regime for their interests. The regime in Zanzibar needed the Union for political stability and maintenance of the status quo. The mainland government remained under pressure



from Zanzibar to keep exiled Zanzibari elements under detention, often for their own safety. Although under the Union a common defence force existed, Zanzibar continued to maintain its own military units.

The dilemma that the Mainland government faced was that it was imperative that relations with the islands continue and the Union survive despite the costs this entailed. Amongst other aspects, geographical location and security considerations dictated that it was important that the Mainland have a regime that was sympathetic and co-operated with it. Smith, (1973) reports an interview given by a senior Tanganyika government official, Oscar Kambona, in which he comments about events in Zanzibar and their possible consequences in the region. Kambona stated that "Our first concern was the growing Communist presence and, second the danger of the Cold War coming in ... The problem was how to isolate Zanzibar from the Eastern countries, yet not to be used by the West for its own purposes" (*op. cit.* :128). This statement shows where the Mainland's underlying interests with the Union lay.

Apart from guaranteeing the security of the regime in the islands, the Union had other benefits for the islands, which were directly and indirectly economic. First it provided an umbrella of general security for the island state, enabling it to focus on development. Zanzibar contributed 10 million Shillings (£500,000) towards Union services in 1964/65 (17.8% of its recurrent budget expenditure). The following year this proportion fell to 15.6% and by 1966/67 it was 13.5% (IMF, 1969).<sup>1</sup> The contributions covered defence, home affairs, air services, currency, posts and telecommunications and overseas representation. Zanzibar maintained its own bank and all local revenues were held there. Foreign reserves were held independently in banks in London and Moscow. Zanzibar could purchase goods and services from the Mainland without expending foreign currency, and this included fuel and some food. Obviously the Zanzibar treasury got considerable relief and could divert resources that were 'saved' into development expenditure. The price of cloves experienced a sharp increase in the world market which enabled the *First Phase* government achieve a significant economic recovery and make considerable public investments. There is some unsubstantiated information which suggests that towards the end of the 1970s, Zanzibar did not keep abreast with its contributions, suggesting that Karume was perhaps fed up with the Union. However, Union services continued uninterrupted.

It is obvious that apart from the threat of losing autonomy and sovereignty, there were benefits and other considerable positive potential for Zanzibar in the Union. The main difficulty has been the different interpretation of the objectives for the Union by each side. Such a situation has meant that Zanzibar was unable to adequately exploit the economic advantages. *Nevertheless, the economic advantages emphasise the special*

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<sup>1</sup> Its current contribution amount to less than 10%.



*position of Zanzibar as a developing SIS*



### **7.5 The Zanzibar Revolutionary Council (ZRC)**

The Zanzibar Revolutionary Council (ZRC) began as a powerful body ruling over post-revolution Zanzibar from the day its members were announced immediately after the coup. It consisted of persons known as the "Committee of Thirteen". The group is said to have been formed a few weeks before the Revolution and comprised several radical elements of the ASP Youth League. The ZRC comprised the members of this committee, John Okello and the members of government. In total it had about thirty members under the chairmanship of Sheikh Karume. The members were appointed by Karume although from time to time some would be dropped and new members would be selected. The members of the ZRC effectively had absolute powers and enjoyed considerable privileges. The islands were ruled by decree and legislation appeared in the name of the ZRC with a presidential approval to each decree. However, this situation was to change as the President became increasingly powerful the authority and influence of the ZRC declined steadily as the ZRC became more of a ratifying body for the execution of the President's wishes. Autocracy was becoming established.

Popular elections within Zanzibar were suspended and the original idea of convening a constituent assembly was shelved in 1965. To enact such a constitution implied limiting the powers of the regime and obviously this was not in the interests of the ZRC hierarchy. Technically, the government was not answerable or accountable to the people. Far from being a representative body, the ZRC became a kind of hereditary body where its members were nominated or dismissed at the whims of the Chairman.

As early as 1965 in an attempt to give predominance to the ruling party (ASP) some changes were made to the constitution. A Central Committee (CC) was formed comprising of a number of ZRC members with the President of the ASP as the chairman. Although the CC operated in the name of the ZRC it was above it and operated through clientelism, patronage and terror. In 1972 a decree was enacted to merge the Party with the government and as a result some party departments were to perform governmental functions instead of Ministries. There hardly existed any distinction between party and government and as such even the size of the party's executive wing expanded in size considerably. The party reigned supreme over government. Even personal often petty aspects of life were dictated for by the ZRC. For example, hairstyles and dress followed ZRC directives. Any divergence was punishable, often severely.

Of government itself there was a general lack of continuity. Portfolios were changed frequently and there was no guaranteeing how long an individual, whether a Minister or ranking civil servant, would last in a position. Consequently this affected the implementation of government policy and development programmes. In this state of



fear, apprehension and uncertainty, ultimate decision making converged on the ZRC, which itself was constrained by the lack of skilled management necessary for development purposes.

In fact by the end of the *First Phase* virtually all power was vested in the Presidency. For eight years Karume survived as what Smith (*op. cit.* :136) calls "the phlegmatic but oppressive dictator of Zanzibar". The period is characterised by Karume's, charismatic yet controversial, cunning, ruthless approach

## 7.6 External relations

Foreign relations were intricately tied to aid, technical assistance, loans and grants. Zanzibar's sources of aid and loans were largely from Eastern Bloc countries which recognised its separate existence from the beginning. The immediate post-revolution period saw substantial flows of aid from China, East Germany and the Soviet Union. China was the largest aid donor from the outset and Chinese aid was mostly interest free. As early as February 1964 Zanzibar received £185,000 from China (Smith, 1973:124). A series of other loans followed amounting to \$12,000,000 by 1970 (*Africa Record*, December 1970). Other forms of aid comprised military equipment and training personnel for Zanzibar's new army. Prior to the Revolution the main source of grants and loans originated from the United Kingdom. After the Revolution the People's Republic of China and East Germany became the largest donors and sources of loans (Table 7.3).

Over the next few years Zanzibar received substantial non-military aid and loans from China. Bailey (1975:42) notes that "a 100 million Shillings loan was produced for Zanzibar, a sum which represented nearly 300 Shillings *per capita* for Zanzibar's small population".<sup>1</sup> The money was for financing and constructing a shoe factory, a cigarette factory, a major sports stadium, the Upenja state farm, water supplies programmes, a tractor repair station, a printing press and the transport sector. Large numbers of Chinese instructors and officials were involved in the various projects. Clayton, (1981:149) notes that Zanzibaris also benefited from the Chinese supported projects on the Mainland, through purchases of consumer goods, shipping services from the China-Tanzania Shipping Line. Considerable quantities of rice were sold to Zanzibar and this is an important aspect given the fact that Zanzibar has always been dependent on food imports and especially rice, wheat flour and sugar.

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<sup>1</sup> About £5,000,000.



	1961/62	1962/63	1963/64	1964/65		1965/66	
Sources	<i>(In Millions of Tanzania Shillings)</i>			Estimated	Actual	Estimated	Actual
<i>Loans</i>							
Eastern Germany	-	-	-	3.4	-	5.7	3.0
Mainland China	-	-	-	1.6	-	1.9	17.3
United Kingdom	-	1.0	5.1	-	-	-	-
<i>Total Loans</i>	-	1.0	5.1	5.0	-	7.6	20.3
<i>Grants</i>							
Eastern Germany	-	-	-	10.0	-	-	10.3
United Kingdom	2.3	2.2	1.0	1.2	0.3	1.5	-
United States	-	-	-	1.7	0.7	-	-
Mainland China	-	-	-	1.6	1.6	-	-
<i>Total</i>	2.3	2.2	1.0	14.5	2.6	1.5	10.3
<i>Total External Sources</i>	2.3	3.2	6.1	19.5	2.6	9.1	30.6

Source: IMF, 1969:289.

**Table 7.3 Sources of external finance on Capital Budget (1961-66)**

The Chinese assisted in the provision of essential social and economic services such as health care and agriculture. In view of this, it comes as no surprise that Karume regarded and looked to China "not as a friend, but as a brother" (Smith, 1973: 125). China's position as an ally transcended the other major donors such that by 1969, Soviet and East German military assistance had been phased out and since then external aid was mainly provided by China (Bailey, 1975:45).

East Germany established diplomatic representation in Zanzibar, the first in Africa, much to the dismay of West Germany which protested to Tanzania, stating that this event contravened the Hallstein Doctrine, of which the West German government adhered to strongly.<sup>1</sup> The Tanzania government found itself in a dilemma and attempted to reach a compromise which inadvertently failed, while the West German government showed its disapproval of Tanzania's position by promptly cancelling military and other aid, which included £4 million in technical assistance. The proposed compromise in which the East German embassy in Zanzibar become a trade mission was unacceptable to Karume. Nyerere offered East Germany one consulate-general either in Zanzibar or Dar es Salaam, but this too was unacceptable to East Germany. Karume in turn demanded that Tanzania should recognise East Germany. At one point according to

<sup>1</sup> Basically that doctrine recognised the fact that only one Germany exists despite the East-West divide, and as such diplomatic accreditation could only be with 'one Germany'



Clayton (1981:147) it was reported that the East Germans advised Karume that "the break-up of the Union would be preferable" than reverse what had already been achieved in Zanzibar. Smith (1973 :138) comments that the "West German response represented precisely the sort of clumsy diplomatic bullying of a weak nation by a powerful one that Nyerere deeply resents". The rift between West Germany and Tanzania was to take a long time to heal. While the West Germans expected that the Union of Tanganyika and Zanzibar would further exacerbate the problems of German unification through the formal recognition of two separate and independent 'Germanys', they clearly failed to see that the state of the Tanganyika and Zanzibar Union at the time was not dictated from Dar es Salaam and served only to further complicate the situation in Zanzibar and increase tensions with the mainland. Ironically, it was important enough to achieve German re-unification at the expense of the rupture of Tanzanian unity! Of course this was part of the Cold War conflict being fought in the periphery. However, this particular event underscored Zanzibar's desire to retain and practice its autonomy even though in view of the articles of Union what Zanzibar did was erroneous.

Having established its first embassy in Africa, East Germany continued to pour aid into Zanzibar. A new radio transmitter was provided and an entire modern township was built in N'gambo.<sup>1</sup> They provided technical assistance in telecommunications, education, housing and health. Assistance was given to the fisheries sector. A dairy project was established in the agricultural sector. Freighters laden with consumer goods arrived. Other technical assistance including the formulation of a Zanzibar's first post-Revolution development programme.

Between 1964-65 East Germany became Zanzibar's second largest aid donor after China. By 1970 over 100 East Germans were in Zanzibar on various projects. However, by the end of the year a rift developed between Zanzibar and East Germany and the East German consul was expelled and with that most of the East German experts departed. It is not clear as to what caused or what was the nature of the rift. Clayton (1981:148) suggests that the rigidity and impatience of the East Germans against the less sophisticated Zanzibari style of administration, coupled with the failures of some of the projects and heavy loan charges may have been responsible. In personal interviews with officials it is clear that the failures of many of the German (planned and funded) projects made Karume disenchanted and suspicious of the Germans. The East Germans had little understanding of the historical developments in Zanzibar and how it arrived at its current position. Post-revolution Zanzibar experienced conspicuous shortage of trained and experienced personnel in many fields, and for most of the projects established, this was an essential input. Yet many of the projects did not adequately cater for this element nor many other cultural aspects.

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<sup>1</sup> This area was cleared and several large blocks of flats were constructed. The area (Michenzani) is a landmark in contemporary Zanzibar town and is a relic of the Karume epoch.



The Soviet Union's position on Zanzibar also gave considerable concern to the West. Soviet statements warning the West to keep their hands off Zanzibar did not serve to tone down the confusion about and within the islands. In fact quite the contrary. Moreover a considerable number of the progressive elements in Zanzibar, from both the ASP and Umma maintained ties with the Soviets.<sup>1</sup> Soviet support tended to be towards the provision of military assistance. They assisted in the training and equipping of the People's Liberation Army. Despite this, Karume developed a dislike and scepticism towards the Soviets and by the end of the 1960s most of the Soviet advisers were replaced by Chinese personnel. Apart from military aid, a tuna fishing project was to be established by the Soviets.

Zanzibar developed diplomatic relations with several countries from the East-West and North-South divide which included, Cuba, Czechoslovakia, Egypt, Pakistan and Sweden and many other countries with diplomatic relations with the United Republic of Tanzania.

Zanzibar's links with the East Bloc and China emanated from links established by the radical elements of both the ZNP and ASP during *Zama Za Stasa* (Babu, 1991). Ideologically, Zanzibar increasingly drew from the Mainland and emulated some of its policies. On the Mainland a philosophy based on *Ujamaa* (African Socialism) and self-reliance was followed. The ASP's ideology was based on populism with emphases on self-reliance. Prior to Independence there were discussions and negotiations between TANU and ASP. There was also considerable influence from PAFMECA meetings which both the ASP and ZNP attended.<sup>2</sup>

Britain and the United States ultimately recognised the regime in Zanzibar, albeit too late to benefit the West Bloc. Zanzibar's relations with the West were far from cordial. In January 1965 a crisis arose when two US diplomats were accused of complicity in a plot to overthrow the government.<sup>3</sup> The US authorities claimed that the accusation was based on a misunderstanding of monitored telephone conversations. However, the diplomats were expelled, and in retaliation Tanzania's counsellor in Washington was expelled too. Relations diminished between the two countries and US aid was limited to one small project.

Despite its enmity with the West, Zanzibar developed a limited but nonetheless important trading relationship with Britain. It contracted a British company to

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1 An interview with a defecting K.G.B. officer, I. Dzhirkvelov by *The Times* of 27 May 1980, suggests that Kassim Hanga, a Minister in the first Union government was probably amongst a group of Tanzanians, both in the Isles and Mainland who maintained close ties with Moscow.

2 PAFMECA is the acronym for the Pan-African Freedom Movement for East and Central Africa which consisted of a group of political organisations which spearheaded the struggle for independence in Africa. The ASP and ZNP had been counselled during PAFMECA meeting to co-ordinate efforts aimed at decolonisation in Zanzibar.

3 The two who were implicated in the plot were said to be Central Intelligence Agency (CIA) employees. They were Robert Gordon a counsellor of the US embassy in Dar es Salaam, and Frank Carlucci, the chargé d'affaires in Zanzibar.



construct its colour television broadcasting station and other contracts with the airports at Zanzibar and Pemba. It also had an agreement with Britain for use of the Crown Agents facilities. This was perhaps the single important relationship that Zanzibar had with the West.

By virtue of it being part of the Union Zanzibar had relinquished its independent membership of the United Nations (UN) and its affiliated bodies. In spite of this, it was able to obtain the assistance of the UN bodies. Although in theory Zanzibar ceased to exist as an independent state, in practice, as can be seen this was far from the case, often to the embarrassment of both parties in the Union. It unilaterally decided with whom it wished to have economic, trade and other links. For example, when it developed trading links with Britain, the Mainland side was in dispute with Britain over the Rhodesian issue regarding the Unilateral Declaration of Independence (UDI) by Ian Smith and his cronies. Also when Zanzibar developed economic and political links with China, the Soviet Union and East Germany, the Union government was put under pressure by the West since it was expected to have control or leverage over the islands. This shows how the superpowers and indeed many other states misinterpreted the real relationship between Zanzibar and the Mainland.

Subsequent action taken by the West with respect to Zanzibar was to affect the political and social development processes which were to take place on the islands. In response to the general reaction of the West, it can be argued that Zanzibar had acted in a rational manner and made use of whatever resources and options that were available to ensure internal political and social stability and minimise both internal and external attempts to destabilise the regime. It also explains the cause and nature of its external relations and why it persistently embarked on a programmes geared towards economic self-reliance and social development.

The essence of foreign relations and aid delivery to Zanzibar were similar to many other SIS, that is, the interests of the donor do not necessarily converge with those of the recipient. Clearly, regional and Cold War relations played an important part in moulding Zanzibar's position, but it must also be recalled that prior to independence the former colonial power, Britain had attempted unsuccessfully to create a normal neocolony. The failure also contributed to the complex situation leading to the *First Phase* of the Zanzibar Revolution and Zanzibar's unique experiences amongst the developing SIS.

There is little doubt that as far the Eastern bloc countries were concerned, the building of an effective donor-recipient relationships was significant to their objectives of developing political and strategic alliances through aid and other links (Table 7.1). Regardless of the geopolitical influences linked to the grants and loans, Zanzibar, like many other SIS, enjoyed exceptionally high *per capita* aid flows from the Eastern bloc.



It is also important to note that whenever such aid or economic and diplomatic relations were deemed to be suspect, Karume did not hesitate to reduce or even terminate them, perhaps revealing an innate suspicion of foreigners perhaps stemming from the frustrating experiences with the colonial authorities during *Zama Za Siasa*. Thus although much of the aid and links were with the Eastern bloc, these too diminished as an increasing level of autocracy and autarky surfaced.

Zanzibar benefited from the 'small country bias', as observed by De Vries (1975). Perhaps this is not so surprising when one considers that aid given to small states assumes a much higher 'visibility' than in larger states (Connell, 1988:76) and many donors believe that it is much easier to effectively evaluate the effects of aid in small countries (Eisen, 1973). Its position just off the East African coast was strategic to the interests of both the East and West Bloc and this was especially important given that the militarisation of the Indian Ocean was taking place.

### **7.7 Development Policies and Strategies**

During the *First Phase*, Zanzibar had two development plans, the First Three Year Plan (1966-1969) which was not implemented, and the Four Year Plan (1967-1971). Both plans emphasised on self-reliance. The major weakness of both plans is that they failed to identify the sources of financing the programmes in them. The programmes outweighed local capacity to fund them.

The development policies were characterised by a conviction in self-sufficiency and de-linking from the external economic system that it can be best described as autarky. Self-reliance was paramount. This is not unique to Zanzibar, since self-reliance as a strategy is quite common for many SIS, "usually stressing the limited objectives of a more self-reliant approach through the development of domestic resources: agriculture, fisheries and where possible, minerals" (Connell, 1988). However, there was a lack of an efficient and appropriate development programme to support the autarkic policies and nor did the personnel exist to implement them.

In Zanzibar the self-reliance approach was abrupt, with little concern about the range of consequences. For example, when the government wanted to curb extensive expenditure on food imports (rice), rice imports were abruptly cut in the anticipation that somehow domestic production would respond to fill in the shortfall. This did not happen and instead drastic shortages of food occurred, so that rice had to be rationed and consequently real prices rose sharply. In turn this precipitated frustration and resentment against the regime and the islands were nowhere nearer self-reliance in rice production.

A close look at the Capital Budget for Zanzibar between 1961 and 1966 shows a drastic



change in emphasis in investment and expenditure patterns. Agricultural investment is estimated to have increased three-fold from 7.7 million shillings, just before the Revolution (1963/64), to 35.5 million shillings in the following year (Table 7.4). Total expenditure increased nearly five fold. Agriculture and natural resources and works and communications (schools, hospitals, roads, agricultural extension, and small projects) were the sectors which received significant increases in expenditures (IMF, 1969:288).

Expenditure	1961/62	1962/63	1963/64	1964/65		1965/66	
		(In Millions of Tanzania Shillings)			Estimated	Actual	Estimated
Agriculture and natural resources	0.9	1.7	3.3	11.2	2.5	9.1	-
Social services	0.9	1.3	0.7	3.6	1.0	0.3	-
Works and Communications	2.8	1.3	1.4	1.5	1.7	-	-
General services	0.3	1.3	1.4	1.5	1.7	-	-
Planning, development, and trade	-	-	-	1.7	0.5	-	-
<i>Total capital expenditure</i>	4.9	6.4	7.7	34.3	9.8	11.7	35.5

Source: IMF, 1969:289.

**Table 7.4 Zanzibar's Capital Budget (1961-66)**

Contrary to expectations, towards the end of the *First Phase* the island economy became structurally even more lop-sided and more dependent on a single agricultural export crop (cloves). Of course this situation contradicted the self-reliance objectives compounding the islands' vulnerability.

Central economic planning was introduced. In 1965 "the government approached the government of the German Democratic Republic to assist in the preparation and formulation of economic plans that would result in the optimum utilisation of economic resources" (GoZ, 1989a:14). Table 7.4 shows that in 1964/65 some resources were set aside for planning purposes although it lasted for only one financial/planning year, confirming the regime's abandonment of such an approach. The economic situation was reviewed by a group of East German experts during 1965 and a preliminary report entitled 'The Analysis of the Economic Problem in Zanzibar' was produced. It served as a working paper for formulating a systematic and comprehensive economic plan covering the period from 1966/67 - 1970/71. In May 1966 the plan was formally submitted to the government. According to GoZ (1989) the plan focused on:

- *Establishing domestic resources of accumulation.* Implying that the productive sectors of the economy come under state control so that they can generate income which can be reinvested in various other sectors and programmes.



- ❑ *Increasing the share of commodity production in the gross sector.* This meant encouraging manufacturing of consumer goods so as to offset imports (import substitution industrialisation) and also as a means of diversifying the economy. The long term objectives were to produce both for domestic consumption and export.
- ❑ *Utilising available economic and natural resources.* The economy was dependent on primary export of two crops, one of which had declining potential (copra). Other potential sectors such as fisheries, tourism, alternative crops in agriculture, and trade were making small contributions to the economy. Diversification of the economy was essential.
- ❑ *Reduce unemployment and train skilled labour.* With the implementation of the above, it was anticipated that employment would be generated and much of the human resources would need to be trained. Increasing the number of employed and their income generating potential would mean a wider and larger tax base for government would become available, and this would in turn finance further socio-economic growth.

The total capital investment envisaged was £4,232,800.<sup>1</sup> However, in spite of the plan being "scientifically prepared and ... very comprehensive" (GoZ, 1989:15), it was never implemented. Although no specific reason is given for its non-implementation, there were a number of constraints facing the plan. The main problems facing the regime was an acute shortage of the required skills to enable it to implement development programmes. Funding, it was assumed, would come from a variety of sources, but the complexity of its external relations meant that these would have to come in the form of loans from East Germany which entailed high interest rates. Moreover, the governmental institutions necessary to implement such a plan did not exist.

The shortages of personnel can be attributed to the colonial government's pre-independence policies, the deliberate policy of holding back the educational and social development of those in the 'lower' class-racial strata. Its impact now hindered the development efforts in Zanzibar. However, the regime itself was not without blame. Some of the drastic measures it took such as deporting undesirable elements thought to be not loyal to the Revolution drastically reduced the trained labour pool.

Meanwhile the government proceeded with development targets and budgets set on an annual basis without specific medium or long term objectives. This state of affairs continued until 1973 and would reflect the lack of a specific programme of action to set Zanzibar on the path to appropriate development. Projects were simply conceived at the

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<sup>1</sup> Estimated to be about 84,656,000 shillings.



spur of the moment or as a need became manifest. Inevitably the result was a series of projects and programmes which lacked co-ordination between relevant sectors. The annual plans were characterised by a distinctive emphasis on investment in the services sector. There was land redistribution and increased agricultural investment. The agricultural sector remained dominant, indicative of the failure to diversify the economy.

### 7.7.1 Nationalisation

Nationalisation took place widely as it was part of the programme of the state to take control of the dominant sectors of the economy, including the major financial and economic institutions (local and foreign). In 1965 many Arab and Asian owned stores, small businesses and plants were taken over. This included garages, petrol stations, small factories and the like. Private businesses were banned by 1971. The objective was to reduce the economic power and influence of the remaining merchant class.

The People's Bank of Zanzibar was established in 1966 and became the state bank.<sup>1</sup> Internal distribution and external trade were all through state corporations (parastatals). External trade came under a parastatal called *Bizanje*, the acronym for *Biashara za Nje* (external trade), ports came under the Zanzibar Wharfage Corporation, the Clove Growers Association (CGA) although already a parastatal corporation, became the Zanzibar State Trading Corporation (ZSTC). A number of other corporations were formed dealing with tourism and hotels, construction, industries, transport, rice and milling.

The public sector expanded as the private sector was absorbed by the state. There was a proportionate decrease in private sector contributions to the economy and a concomitant increase in public sector contributions. About 70% of all registered employees were employed by central government and nearly 90% by government and public enterprises. This high proportion is symptomatic of many other developing SIS where employment is concentrated in the public sector (Bertram and Waters, 1985, 1986). Many of the development projects had a high profile and were in urban areas (e.g. mass housing, television where there lacked rural-electrification and dual-carriageways in a country with less than 1000 vehicles). Increasingly there was an urban bias in government programmes and employment which also meant an expanding bureaucracy.

The regime was clearly adopting a statist approach to governance, in which the petty bourgeoisie controlled the state and development philosophies and programmes would be conducted in the name of the state. Such an approach had become quite common in

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<sup>1</sup> Income from the sale of cloves was paid into it for onward joint holding by National and Grindlay's Bank, London and the Narodny Bank, Moscow. The People's Bank of Zanzibar was independent and not a subsidiary of the Central Bank of Tanzania.



many newly emerging Sub-Saharan African states. Thus the statist approach contributed to subsequent course of events, compounding the inherent problems of a peripheral developing SIS.

### 7.7.2. Agriculture.

The agricultural sector was and remained the dominant sector contributing 81% of national income (1966). It was based primarily on the production and processing of cloves for export. The regime inherited a troubled economy, one report stating that "The value of exports to Asia (excluding the sub-continent of India) has steadily fallen since 1957 (except in 1961 when a poor clove crop in Madagascar helped to boost Zanzibar sales)." (Smith, 1966:68). To make matters worse, between 1964 and 1966 the main importers of cloves, India and Indonesia, suffered foreign exchange shortages, which resulted in a depressed market for cloves and some stockpiling (IMF, 1969). In response to this, the government attempted to diversify into other agricultural products. The objectives were to increase production of cocoa for export and production of rice and pulses for domestic consumption to reduce foreign exchange expenditure on food. Food has always been the leading category of imports, accounting for an average of 37% of total imports between 1961 and 1965 (Table 7.3). This proportion increased to 41.5% of total imports by 1965.

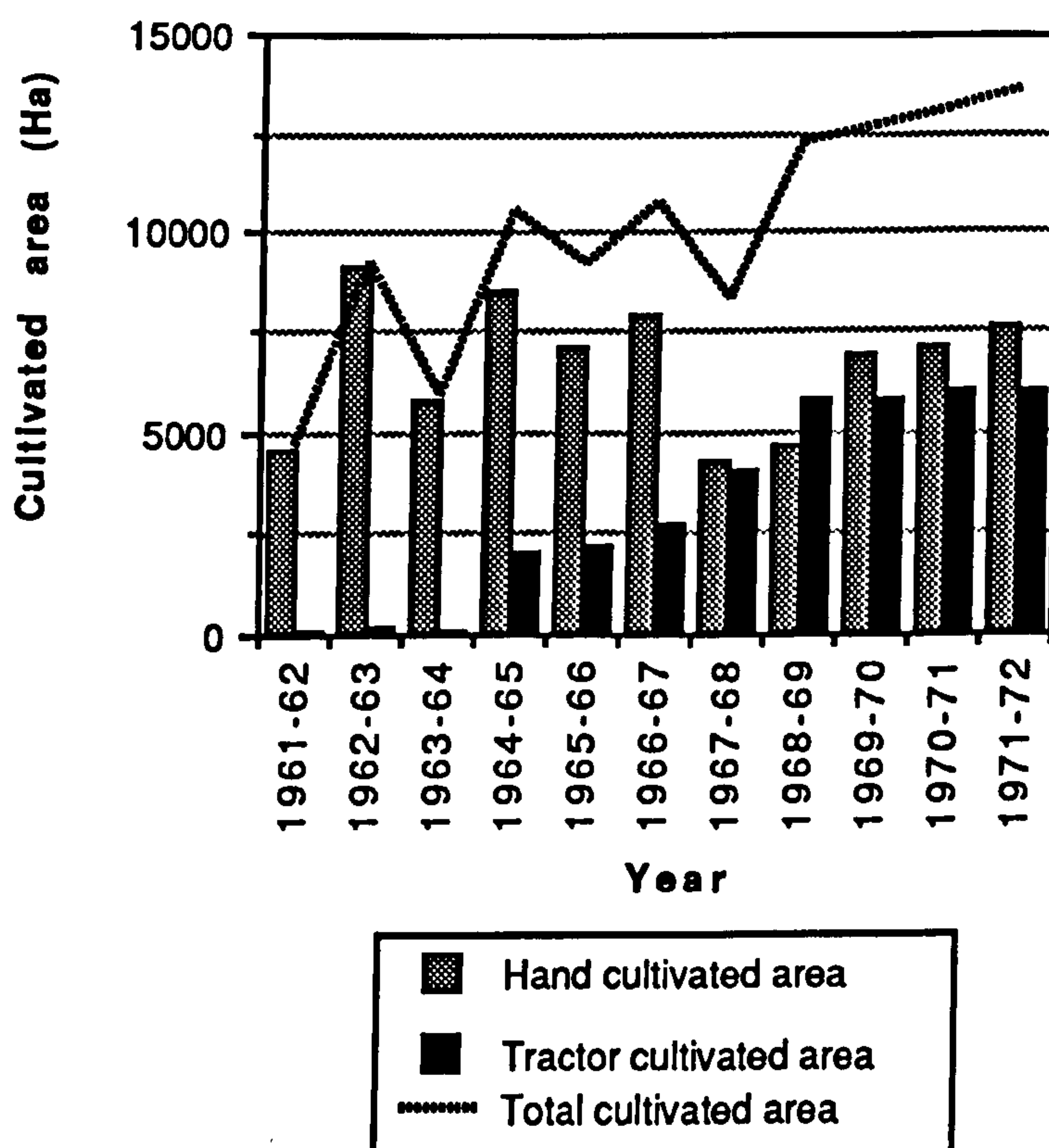
It was mentioned earlier that the agricultural sector was affected by a widespread land redistribution exercise which according to Clayton (*op cit* :137) bore the "hallmark of Karume's own populist thinking prevailing over socialist doctrinal theory". Zanzibar's land/agricultural policies were different from that operating on the Mainland. Whereas on the Mainland communal production and communal settlements were to form the basis of modified Tanzanian society, in Zanzibar, individual peasant producers were the essence of peasant production and land occupancy/use. This approach could have attained a considerable measure of success if only it had followed other policies such as utilising producer price incentives. However, official policy disregarded price incentives and state set prices merely discouraged agricultural production. The agricultural sector was based on peasant production with the state taking a large share of the surplus generated and the peasants receiving less and less. Moreover, apart from price, there was also a lack of other incentives. Although it may be argued that the government provided a pool of tractors for hire, these alone were not sufficient. Agricultural credit, appropriate technology and extension services were lacking.

There were about 49 major estate owners in Unguja and Pemba islands, with the larger estates located in Unguja. In Pemba farms tended to be smaller in size. About 284 farms of various sizes were expropriated and redistributed by the end of 1965 (Clayton, 1981). The land redistribution exercise was generally based on the division of existing estates



into three-acre plots issued with title deeds. The plots were distributed to peasants, usually those who had previously share-cropped in the area. By the end of the *First Phase* over 26,716 hectares were redistributed to some 22,262 peasants (SMZ, 1983:10)<sup>1</sup> However all land was owned by the state and the peasants simply grew what they could, although the government could also direct the peasant farmers what to grow.

Some villages owned tractors and where these did not exist, tractors were leased out from a central pool for a charge. The period immediately after the land redistribution exercise saw a considerable increase in the area under cultivation and especially under mechanised cultivation (fig. 7.1). Between 1963-64 there was over an eleven-fold increase in the area cultivated by tractor and a doubling of total land area under cultivation. Although the total amounts of food grown increased slightly, a parallel increase in locally grown rice did not materialise.



Source: GoZ (1983) *Sera Ya Kilimo Na Mifugo*, Buku la Kwanza, Zanzibar, p.228. November, 1983.

**Figure 7.1 Zanzibar: Area under cultivation (1961-1972)**

State farms were introduced to produce strategic crops (e.g., cloves, rice and sugar-cane). This was a secondary production system to the peasants producing both food and cash crops. A 1058 acre rice farm was established with Chinese assistance. Several other state run projects were established, including a poultry unit, a dairy farm and a ranch. However, for a variety of reasons including poor management and technological skills, the performance of the state farms was not satisfactory (SMZ, 1983).

<sup>1</sup> Government Land Decree No. 13 of 1965 stipulates that all land is the property of the state.



The over dependence on food imports was an unhealthy situation for the economy. Apart from redistributing land and encouraging smallholder production, severe restrictions were placed on food imports and a rationing system was introduced. At times the shortages became quite serious. There was not an absolute lack of food; rather the government did not appreciate the population's preference for rice, wheat and sugar. The regime was adamant about food dependency and determined to save vast amounts of foreign exchange spent on food imports and persisted in taking Draconian measures to achieve reduction on food imports. There was some purchase of food from the Mainland, but this constituted only a small proportion of total food imports. The Mainland was not self-sufficient in rice or wheat, and these were the most preferred foods in the coastal parts of the Mainland too.

Food riots broke out occasionally, which were put down harshly. Various other alternatives were attempted to increase domestic food production with little success. These included irrigation farming and opening a youth agricultural camp. On the whole the secondary production sector in agriculture failed, and especially so in rice. Meanwhile the government maintained relatively stable prices through controls (IMF, 1969). The potential of the traditional sector was never fully exploited as it is obvious that inadequate crop prices and coercive methods in encouraging domestic food production did more harm than good.

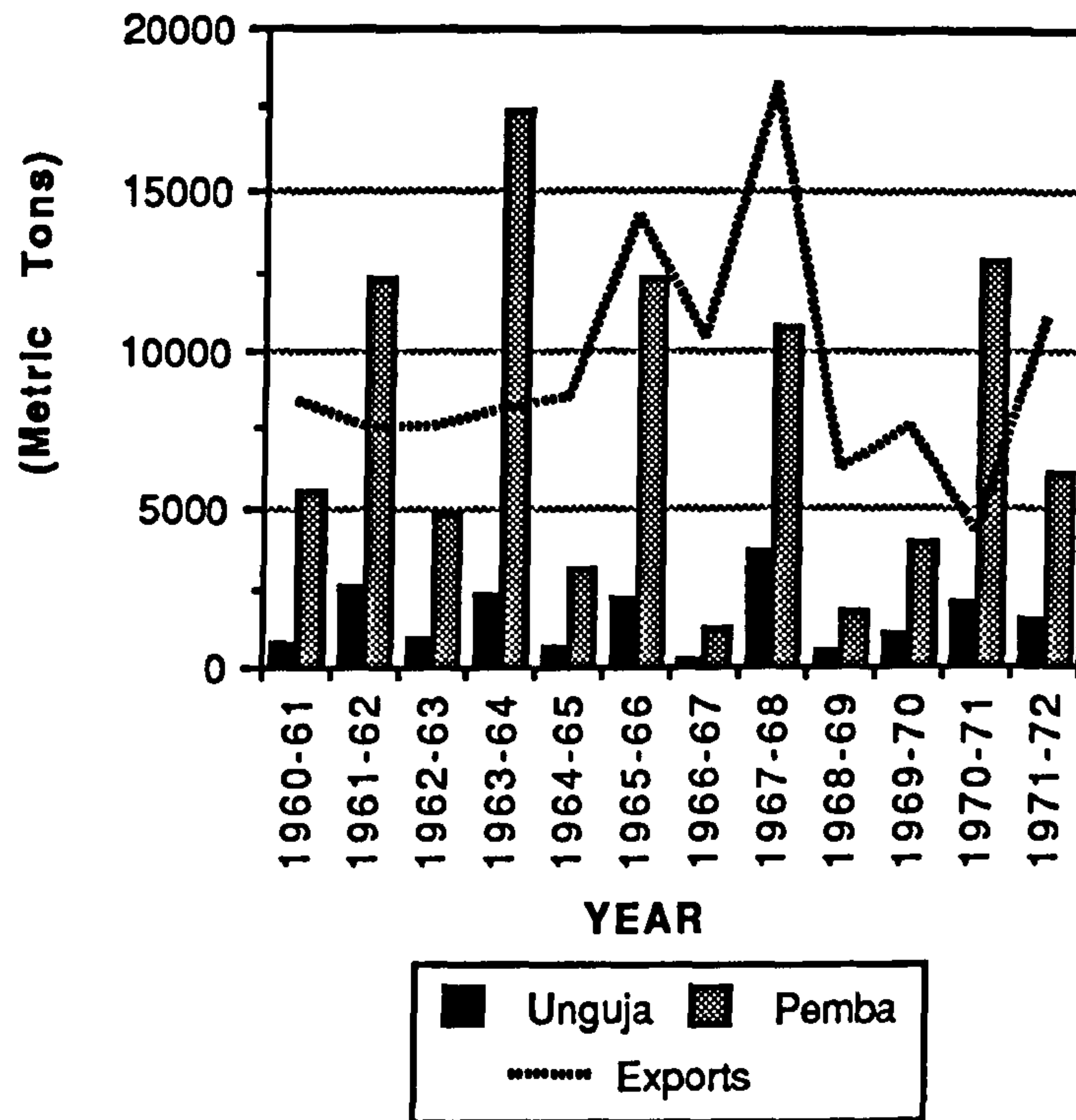
Despite their falling prices and demand, cloves played a vital role within the economy. During the first half of the *First Phase* both clove and coconut production were on the increase (IMF, 1969). For example, in 1964/65 6,000 tons of cloves were harvested increasing to 14,000 tons by the following year. Cloves tend to have fluctuating (cyclic) trend in output, from one year to the next (see Figure 7.2). However, general trends exhibited increasing output.

There was also an increase in the production of coconut, the second export crop. Both cloves and coconuts produced other products after being processed. These include, clove oil, coconut oil, coir fibre, copra and copra cake and a considerable proportion was exported. Despite this, Zanzibar's range of export produce remained very narrow.

The *First Phase* enjoyed a remarkable good fortune in which it saw an unexpected and dramatic increase in demand and an upturn in the world price of cloves. Zanzibar produces a particularly high quality crop fetching premium prices. Apart from the vast stocks which Zanzibar held, production also increased substantially and remained high until the mid-1960's (Table 7.2). In 1966/67 prices rose almost three fold from about \$550 per ton to over \$1,500. In 1969 the latter figure almost doubled to nearly \$3,000. In response, Zanzibar raised the amounts exported between 1966 and 1968 (Fig. 7.2). Although between 1968 and 1970 production and exports fell substantially, income levels from cloves remained high since prices had trebled. The islands also held



substantial amounts of cloves in reserve which they could release when production was low or demand was high.



Source: Department of Statistics, Ministry of Finance and Planning, Zanzibar, 1990.

**Figure 7.2 Total production and export of cloves in Zanzibar (1961-72)**

Since the 1963/64 record output, production has been lower and by 1969 exports also plummeted. Despite the attractive prices, production trends were gradually falling. In part, this was the outcome of attempts to diversify the agricultural economy into growing food and other crops. It was also a response to agricultural policies in which the benefits of the higher world prices were not passed onto the producers. Clove growers were paid around or even less than 10% of the overseas purchase price (Clayton, 1981). Labour shortages, careless cutting by unskilled pickers and clove bush disease further compounded the problem (GoZ, 1983). Smuggling of cloves was rife because of the poor domestic prices paid to growers. For example, on the Mainland cloves fetched around six times the price paid in Zanzibar, where in 1971 it was only TShs. 1.50 per lb (*Africa Confidential*, October, 1971).

By the early 1970's other major producers of cloves produced substantial amounts of cloves and the world market became glutted. Moreover, Indonesia, Zanzibar's major consumer was expanding its own production to offset its high expenditure on importing the spice. This was detrimental to Zanzibar's future foreign earnings especially as the country had become almost totally dependent on the crop. It had entrenched itself into a monocrop economy, a position from which it would be difficult to withdraw.



### 7.73 Marine and Fisheries

Being an island state, it is natural that the country should seek to exploit one of its most obvious natural resources, the fisheries sector. The Zanzibari fisheries sector was, and still is, characterised by artisanal fisheries using traditional fishing gear and aimed primarily at subsistence. The post-1964 period saw an attempt at introducing a modern fishing sector aiming at coastal and deep sea fishing. External assistance towards fisheries in most small island states has generally favoured large-scale fisheries rather than artisanal operations (Kent, 1986). Zanzibar was no exception to this, although the degree of success has been very limited. Assistance was sought from external sources and Soviet technical assistance was provided in the case of the deep sea fishing project. However, the project proved to be a failure probably because of the poor planning by the Soviet advisers (Clayton 1981:135). East German assistance was also provided in the case of small coastal fishing vessels and this too had limited success. The development of the fisheries sector was hampered by infrastructural problems such as cold storage and distribution, which reflect failures in planning in terms of co-ordination and inefficiency. A fishing parastatal organisation was established but it soon began to operate at a loss. There was no export of fish and despite the attempts at modernising the sector, it has remained largely artisanal and contributes mainly towards only domestic consumption.

Perhaps one of the greatest errors in the fisheries sector was that the artisanal fisheries sector itself was not adequately developed despite its potential. Artisanal fishing suffered from inappropriate policies and inefficiency. For example, the prices offered (set) by the government were below that offered on the Mainland, so it was more attractive to sell there. However, fishermen faced bureaucratic problems and competition from Mainland fishermen when selling there and this reduced the incentive to fish. Also there were few attempts to exploit alternative marine resources such as lobster and shrimp fishing, and the harvesting and exporting of seaweed. Meanwhile, fisheries has remained the single largest contributor of protein to the islands' diet.

One other aspect that has been in contention for some time is that in forming the Union problems arose from the delimitation of maritime boundaries - the declaration of the respective EEZ's. This has developed into a potentially controversial issue as both the Mainland and Zanzibar governments have claims over maritime jurisdictions. Although during the *First Phase* this issue did not emerge as a major issue, more recently it has been a subject of debate between the two governments so that Tanzania has still not declared its Exclusive Economic Zone (EEZ).

### 7.74 Trade and Industry



Historically, Zanzibar has enjoyed a long trading tradition especially when it was the entrepôt for East Africa, linking the coast and hinterland of Eastern and Central Africa to the metropole (Sheriff, 1988). After the revolution the private sector was effectively eliminated from participating economic activities in the region. Consequently, Zanzibar's share of regional trade declined significantly, mainly through self imposed regulations and restrictions. Imports were confined to *Bizanje*, (the parastatal concerned with imports of essential items) and exports to the Zanzibar State Trading Corporation (ZSTC). The main imports comprised rice, wheat flour, sugar, other food items, building materials, clothing, bicycles and a number of other consumer goods (IMF, 1969). However, the parastatal organisation entrusted with internal trade and distribution became unprofitable and faced numerous problems, including inadequate storage and skilled personnel to run it efficiently (Clayton, 1981).

The ZSTC had essentially taken over the hitherto quite prosperous Clove Growers' Association (CGA). In fact, the CGA was already a parastatal, but perhaps out of political rhetoric more than anything else, it too was nationalised, renamed and given additional functions. ZSTC had many functions the main ones being:

- ❑ the purchasing of agricultural produce for export from farmers and the produce included cloves, cloves stems, chillies, spices, and sea shells.
- ❑ transportation of goods to stores.
- ❑ selling directly to customers as distributors and wholesalers.
- ❑ purchasing numerous commodities from the mainland for sale in Zanzibar and vice versa.
- ❑ operating distilleries processing from agricultural produce.

As in the case of *Bizanje*, certain aspects of the operations of ZSTC were loss bearing. In both cases government subsidies were provided and this was possible given the relatively good incomes derived from clove exports and significant external development assistance.

Trade and commerce have always been more important than manufacturing. Prior to the revolution Zanzibar's bourgeoisie were more merchants than entrepreneurs, a characteristic accentuated by the constraints of the small domestic market. In a study of the potential of developing manufacturing industry in Zanzibar, Selwyn and Watson (1962) emphasised the limitations of market size, infrastructural constraints, the unfavourable attitude towards foreigners and the government's attitude towards immigration, and especially of technicians, which has not been as liberal as might be anticipated. In their report, they suggest that the prospects for introducing other



manufacturing industries "depend entirely on the size of the market, and at present we consider the possibilities limited" (*op. cit* :9). They recommended that the first priority should be to expand the market and this implies looking towards the Mainland. They recommended that the government enter into negotiations with the governments of Kenya, Tanganyika and Uganda for the abolition of import duties on goods originating in Zanzibar and discouraging Zanzibar harmonising its import duties with those of the Mainland. This has since been followed, enabling Zanzibar to have a substantial re-export sub-sector.

Between 1961 and 1965 re-exports constituted an average of 19.6% of the islands' exports (Table 7.5). In 1961 re-exports were nearly 19% of total exports peaking to 28.9% in 1962. By 1965 this proportion declined to 15% with the withdrawal of the private sector in the import-export trade. What is clear is that Zanzibar had lost its position as a major participant in regional trade and commerce, and indeed with the outside world. Its external trading partners were limited and trade flows were increasingly with the Mainland. The main external trading partners (exports) were Indonesia, India and the Mainland and in the case of imports - UK, China, and the Mainland.

Prior to the revolution Zanzibar had a diminutive manufacturing sector which was mainly in the private sector. The existing plants were involved in processing coconut oil, soap and detergents making, food processing, soft drinks, coir fibre and carpet making and beverages. Production was predominantly for domestic consumption. These were all nationalised after the Revolution.

The Revolutionary government set out on a drive to expand the islands' industrial sector and established factories for making shoes, cigarettes, soft drinks, animal feeds, sugar, dairy products, spare parts for tractors, basic medicines, and furniture making. In 1964/65 the manufacturing sector was allocated about 5% of the development budget and this proportion increased gradually on an annual basis reaching almost 20% by the mid-1970s.

Manufacturing in Zanzibar has always been consumer oriented aimed at the domestic market (i.e., import substitution). The post-Revolution manufacturing expansion occurred with the expanding foreign reserves and most of the plants depended on importing most inputs and spares and could only continue provided there were adequate foreign reserves. This was possible up to the end of the *First Phase* through the incomes generated by cloves and the savings derived from drastic curtailment in expenditures on food imports. However, the demand for foreign exchange to facilitate local production would cause serious problems and hinder industrial development in the future.



(In Millions of Pounds)	1961	1962	1963	1964	1965
<i>Domestic Exports</i>					
Cloves	2.4	2.1	3.1	2.2	2.3
Clove oils	0.1	0.1	0.1	0.1	0.1
Copra	0.4	0.4	0.6	0.5	0.8
Coir	0.1	0.1	0.1	0.1	0.1
Coconut oil	0.2	0.2	0.1	0.2	-
Coconuts	0.1	0.1	0.1	0.1	-
Cake	-	0.1	-	-	-
Others	0.2	0.2	0.1	0.1	0.2
Total domestic exports*	3.6	3.2	4.3	3.2	3.4
Re-exports	0.8	1.3	0.8	0.8	0.6
Total Exports*	4.3	4.5	5.1	4.0	4.0
<i>Imports</i>					
Food	1.8	1.9	1.9	1.5	1.7
Beverage and tobacco	0.3	0.2	0.2	0.2	0.2
Crude materials	0.4	0.5	0.5	-	-
Mineral fuels	0.3	0.4	0.3	0.3	0.3
Chemicals	0.2	0.2	0.2	0.1	0.1
Manufactured goods	1.6	1.4	1.6	0.5	0.6
Machinery and transport equipment	0.8	0.5	0.4	0.2	0.2
Miscellaneous	0.2	0.2	0.3	0.9	1.0
Total imports*	5.5	5.3	5.4	3.7	4.1
<i>Balance of trade</i> [surplus or deficit (-)]	-1.2	-0.8	-0.3	0.3	-0.1

\* Because of rounding, figures do not add to all totals.

Source: IMF, 1969:292.

**Table 7.5 Zanzibar's External Trade (1961-65)**

It has been observed elsewhere that the establishment of import substitution industrialisation in SIS has been difficult and that the main restrictions include high transport costs, market size, capital shortages and the requirements of foreign exchange for the upkeep of such plants. Other constraints include the small size and fragmentation of islands, low earnings of the domestic market, limited skills, few raw materials, inadequate access to appropriate technology and investment capital, the high cost of energy and the lack of customs protection for new industries (Connell, 1988). Zanzibar is no exception to this, although through the government monopoly it enjoyed a high degree of protection. However this also entailed the consequences of over protection, which include poor quality goods, high manufacturing costs and inefficiency, all of which meant that local industries were unable to compete with external products and therefore also unable to export. This contention is supported by a 1986 UNCTAD report in which it highlighted the paradox facing industrialisation efforts in small economies. It stated that; "In a small country with no free trade, industrial growth may be inefficient, however, with free trade a small country may experience no growth at all and may in fact de-industrialise" (UNCTAD, 1986:25).



The main impacts of the expansion of manufacturing in Zanzibar are the change in its contribution to GDP from around 1% to an average of 5% towards the end of the *First Phase*, and the considerable employment that was created. Despite contributing to an urban emphasis, in the short term employment was available. The failures include the fact that manufacturing efforts were not matched with concomitant efforts aimed at manufacturing for export and generating foreign exchange and therefore also achieving some degree of diversification. Despite the existence of the Union, manufacturing and trade failed to exploit the market potential on the Mainland. It appears that the notion of autonomy at times overruled economic interests and prospects.

#### 7.7.5. Services

Substantial investments were made in the services sector, and particularly education, housing and health, in that order. The Karume regime was determined to expand educational opportunities for the African section of the community, which until then had been the least favoured. Although a similar situation existed in Tanganyika and indeed in the other newly emerging East African states, the African section in Zanzibari society was particularly disadvantaged.

Initially a ratio system of educational opportunities was introduced which closely reflected the racial proportions in society. Universal primary and upper education was declared and provided free. This was based on a 10 year free compulsory education. By the end of that phase, pupils in primary school numbered over 45,000. Those in secondary education (up to secondary 3) approached 10,000 whilst those in colleges were about 600.

There were extreme difficulties in meeting the needs of the programme, particularly in providing quality teaching staff. Following the exodus of the majority of the non-African teachers (and other skilled civil servants), there was difficulty in obtaining personnel and handling the good though ambitious objectives set out in the various sectors. To achieve the target teachers from overseas had to be drafted in.<sup>1</sup>

Although the provision of education in primary schools was impressive, the same could not be said about secondary and other schools and colleges. This situation continued right through and after the *First Phase*. A report recently pointed out that as a result of a shortage of adequately qualified teachers, the quality of post primary education has deteriorated resulting in fewer children being accepted into higher secondary schools. The report further notes that the "decline in the number of children gaining ordinary and advanced level passes has meant that there are a lack of Zanzibaris possessing the

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<sup>1</sup> These came from Cuba, Czechoslovakia, China, Pakistan, Egypt, East Germany and Ghana. Very few came from the Mainland, as that country itself faced a shortage of teachers.



minimum entrance qualification required by institutes of higher education on the mainland and abroad. As a consequence all sectors of the economy are now suffering from acute skill shortages" (GoZ, 1989:92).

It was Karume's long cherished ambition to establish a university, impractical as it may sound (as a consequence of the small size, costs, infrastructure and other inputs). However, by the end of the *First Phase* fewer Zanzibaris than anticipated managed to acquire a higher education, especially at university level. This was due to several reasons: Apart from the difficulties of achieving the required entry grades and obtaining tuition support, travelling outside the islands was difficult especially if this was not with the approval of the state. For example, in 1969 it was announced that anyone marrying a Zanzibari girl and taking her away from the islands, would be required to reimburse the state all educational and medical costs incurred on her by the state. The following year a decree was enacted imposing hefty payments and even the imprisonment of parents whose children left the islands. The idea was for those who benefited from the state should remain and contribute to the country. However, the incentives for this did not exist; on the contrary with the repression there was every reason for some people to emigrate.

Migration was strictly controlled to curtail the outflow of the young and educated. Of course the undesirable elements of society were 'weeded out' and encouraged or permitted to leave the country. This group comprised mainly of political opponents and their families.

An ambitious housing programme modelled on the East European approach to state housing was implemented. Zanzibar received considerable East German finance and expertise for the project. Although the programme was predominantly urban, there was also a number of rural town housing projects. In 1972 some 21 million shillings was earmarked for housing alone.<sup>1</sup> Eleven new towns were planned and implemented to various degrees. Some of these 'new towns' were in the rural areas and it can be assumed that there were intentions of creating competing urban areas to Zanzibar Town.

The houses and apartments that were constructed were allocated to the population either on a rent free basis for those who had their houses demolished or else just a nominal rent was charged. At around 36 shillings (£1.80) per month, the rent is said to have been amongst the lowest in Africa (Clayton, 1981). So much emphasis was paid to the housing scheme that by the end of the *First Phase*, nearly 70% of the country's development resources were allocated to it alone! (SMZ, 1987).

Health services were expanded with the assistance of foreign aid particularly from

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<sup>1</sup> About £1,050,000.



China and East Germany. Compared to the education sector, staffing difficulties were even more severe and often the same donor countries provided personnel. In terms of infrastructure, rural and urban clinics, a paramedical and nursing school and a small drugs manufacturing unit were established. An attempt was made to extend primary health service centres all over the country. However, these efforts were hindered by the lack of staff and shortages of drugs. Private practitioners were banned in 1970.

There was an on-going project to combat malaria under the World Health Organisation, but this was terminated abruptly for unknown reasons and Zanzibar has become an area with a high prevalence of malaria.<sup>1</sup> In the long term however, Zanzibaris were to suffer significantly from the inadequacies of the health system which focused on curative rather than preventive measures, so that it is characterised by relatively high infant and maternal mortality rates and general morbidity rates.

With high fertility rates and restricted emigration, the population continued to expand rapidly. Significant factors affecting this were the relatively large number of children desired by women, the role of the dominant religion, which is natalist, and the lack of contraception. The possession of contraceptives was declared illegal, of which Clayton (1981:122) stated that; "Karume's objections were neither moral nor theological: He simply wanted the population to increase" (*op cit* : 122).

Between 1964 and 1977 an average of 65% of Zanzibar's development budget went into the provision of education, health, housing and provision of water supplies. This was an important and impressive beginning for the ASP government as hitherto, most Zanzibaris had limited access to these services. This was a deliberate effort aimed at ameliorating the poor social conditions of the majority of the population. There is no doubt that there was a bias towards the provision of services and basic needs, and this was at the expense of the productive sectors.

#### 7.7.6. Tourism

The tourist sector had considerable potential and yet it was neglected.<sup>2</sup> Apart from its natural attractions, Zanzibar also enjoys a rich heritage in its Arabic buildings, architecture and history. It has been suggested that one aspect which may have contributed to the lack of emphasis of the tourist sector is that it would entail a free flow of visitors who may have political reasons for visiting the islands.<sup>3</sup> The regime was not happy with such a state of affairs and so although the need for tourism was

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1 Karume is reported to have said that Zanzibar did not require the WHO staff/input. However, he was highly suspicious of foreigners whom he did not invite personally and that position is further complicated by a paranoia that he had against agents working for his downfall and the return of the Sultan.

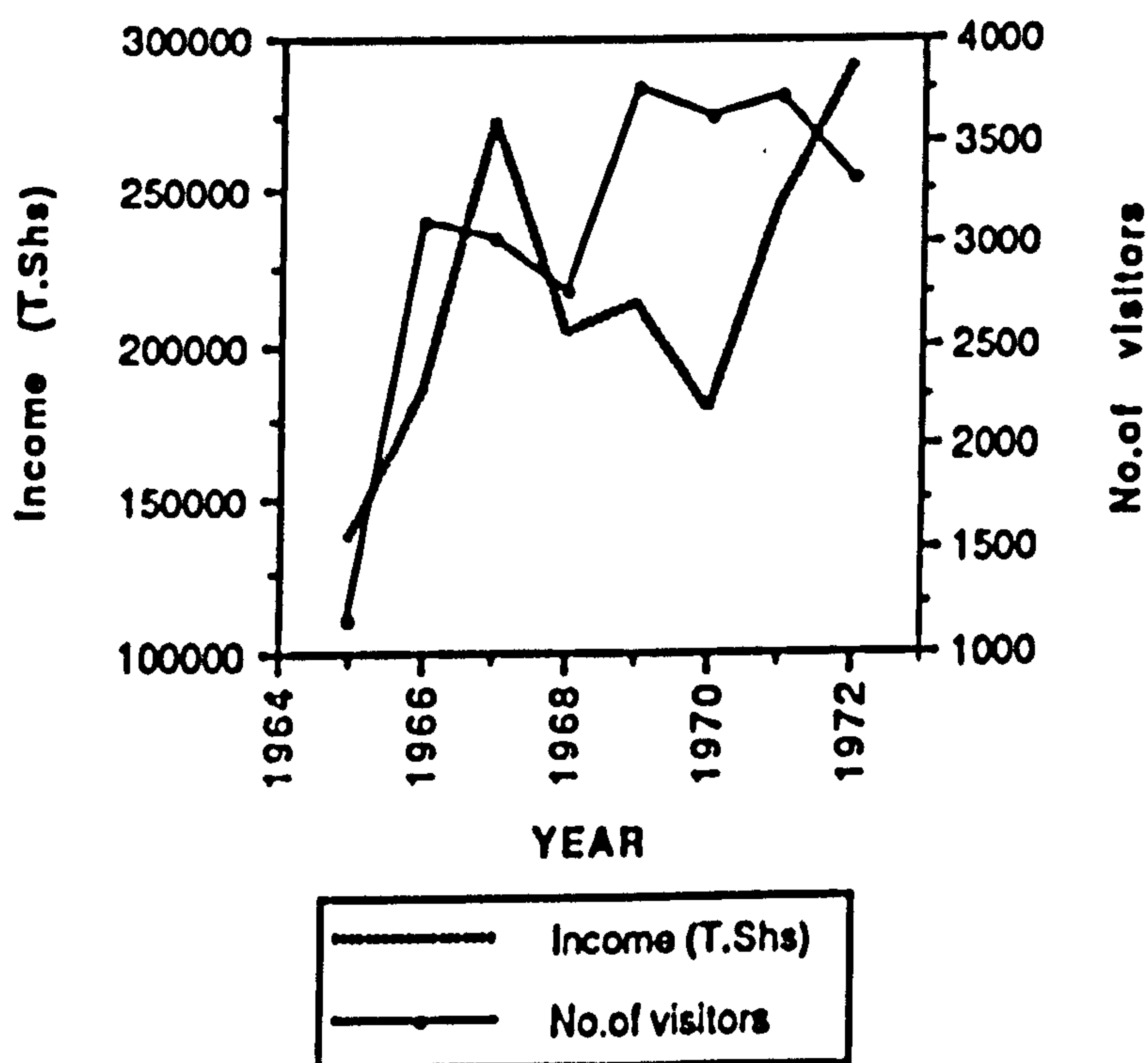
2 A World Tourism Organisation (WTO)/ United Nations Industrial Development Organisation (UNIDO) report, 1983, entitled "Zanzibar Tourism Development Plan" stipulates quite clearly that there exists a significant potential for tourism in Zanzibar.

3 In discussions and interviews with government officials.



acknowledged, it would have to be regulated and monitored very closely.

Tourism was given low priority, apart from the construction of one large state owned hotel and embarking on plans for one just north of Zanzibar town and another in Pemba Island. Tourists were permitted to arrive, initially on day trips and later in 'controlled' parties, reminiscent of the style in the former East Bloc. The total number of visitors on business and tourist visits jumped from just over a thousand the year after the Revolution peaking in 1969 with about 3,750 and then as restrictions and difficulties in movement to the islands increased, numbers began to fall (Figure 7.3). Income derived from tourism followed trends in arrival up to 1966/67 and then dropped sharply. Thereafter, although the numbers of visitors increased incomes continued to fall until 1970. This perhaps indicates that there lacked a link between tourism and local tourism related activities and so there was little for tourists to spend on. However, after 1970 tourism incomes rose sharply (Figure 7.3). The duration of stay was very short. In general the number of visitors remained low and so the contribution of tourism to GDP was negligible.



Source: GoZ, (1977)

**Figure 7.3** Tourist arrivals and revenue in Zanzibar (1965-72)

The First Three Year Development Plan (1978-81) notes that the tourist sector has been beleaguered with problems and that it has been unsuccessful since 1964. The failure to exploit the tourist sector meant that the country lost an opportunity to increase its foreign exchange generating capacity, to create employment through related activities, and to diversify the economy. The strong influence of Islamic culture and the concerns about the Cold War are also said to be factors which inhibited tourism development. Zanzibar's neglect of tourism links with an observation made by one expert, noting that



"The status of economic development in IMS is symbolised by the increasing economic and social influence of tourism, and the massive dependence upon it. The few countries where tourism is unimportant, in the Atlantic IMS, Comoros and the central Pacific..., are amongst the poorest of all LDCs" (Connell, 1988:62). This observation is relevant to Zanzibar.

However, one might also argue that one positive aspect of the policies of the *First Phase* is that the people and culture has remained 'unadulterated' through the absence of tourism as has occurred in coastal Kenya. However, given the limited resources which the islands have and the numerous constraints facing socio-economic development, and the need to maximise its scarce resources, the failure to develop and exploit this sector can be considered as a major failing.

#### 7.7.7 Spatial Aspects of Development

Zanzibar had no definite spatial development policy during the *First Phase*. Any spatial implications of development were the result of either the unintended outcome of sectoral policies or the result of applying negative ones in the attempt to redress class and ethnic-racial inequalities. Despite the lack of the spatial dimension in planning, there was a concern for the rural area which were predominantly in a disadvantaged position during pre-Revolution Zanzibar. Thus social policies and strategies were geared to this rectify this situation. However, what determined different areas receiving preference in development investments over others was based on subjective decisions of the upper hierarchy of the Party. This, of course, further contributed to the spatial imbalances in the island economy, with dire consequences in terms of internal migration and the economic, political and spatial polarisation of society.

Consequently, industrial establishments, housing development, educational and health projects which aimed at improving the quality of life of the impoverished class and expand the economy were arbitrarily located, broadening existing, and creating new, spatial inequalities. Despite policy measures aimed at supporting the rural population and the traditional sector, relative incomes then declined and living conditions deteriorated.

Between 1967 and 1978 internal migration trends have been predominantly rural-urban, particularly towards Zanzibar West region which includes Zanzibar Town, the largest urban centre. During that intercensal period, over 35% of the population was involved in inter-regional migration and all regions with the exception of Zanzibar West experienced net losses, the latter gaining. Zanzibar North and Pemba South had the lowest net losses (see the section on migration in chapter 11).



Repressive and coercive measures were taken by authorities in certain areas, especially in some rural areas of Pemba, to enforce government policies. This generated fear and uncertainty. Food and other shortages made the quality of life in many rural areas worse. Migration towards towns and particularly Zanzibar town was inevitable given the better conditions there and the possibility of better paid wage labour.

By 1967, 50% of the population of Unguja island lived in and around Zanzibar town. This was about 20% of the island, ultimately putting immense pressure on the town's infrastructure and management, demanding a disproportionate share of the country's resources. The implications are that resources were increasingly diverted from rural to urban areas. Political authority was at the centre and increasingly under the control of one individual. With the centralisation of power and decision making came the convergence of urban biased projects (Lipton, 1977). This phenomenon is quite common to many LDCs, as many a politician tend to favour the more prestigious and visible projects. Examples include Zanzibar Town's dual-carriage-ways, the monumental multistoried housing projects reminiscent of European housing estates, ill designed for Zanzibari lifestyles, factories and other projects. There was a trend for a disproportionate share of public investment towards urban areas.

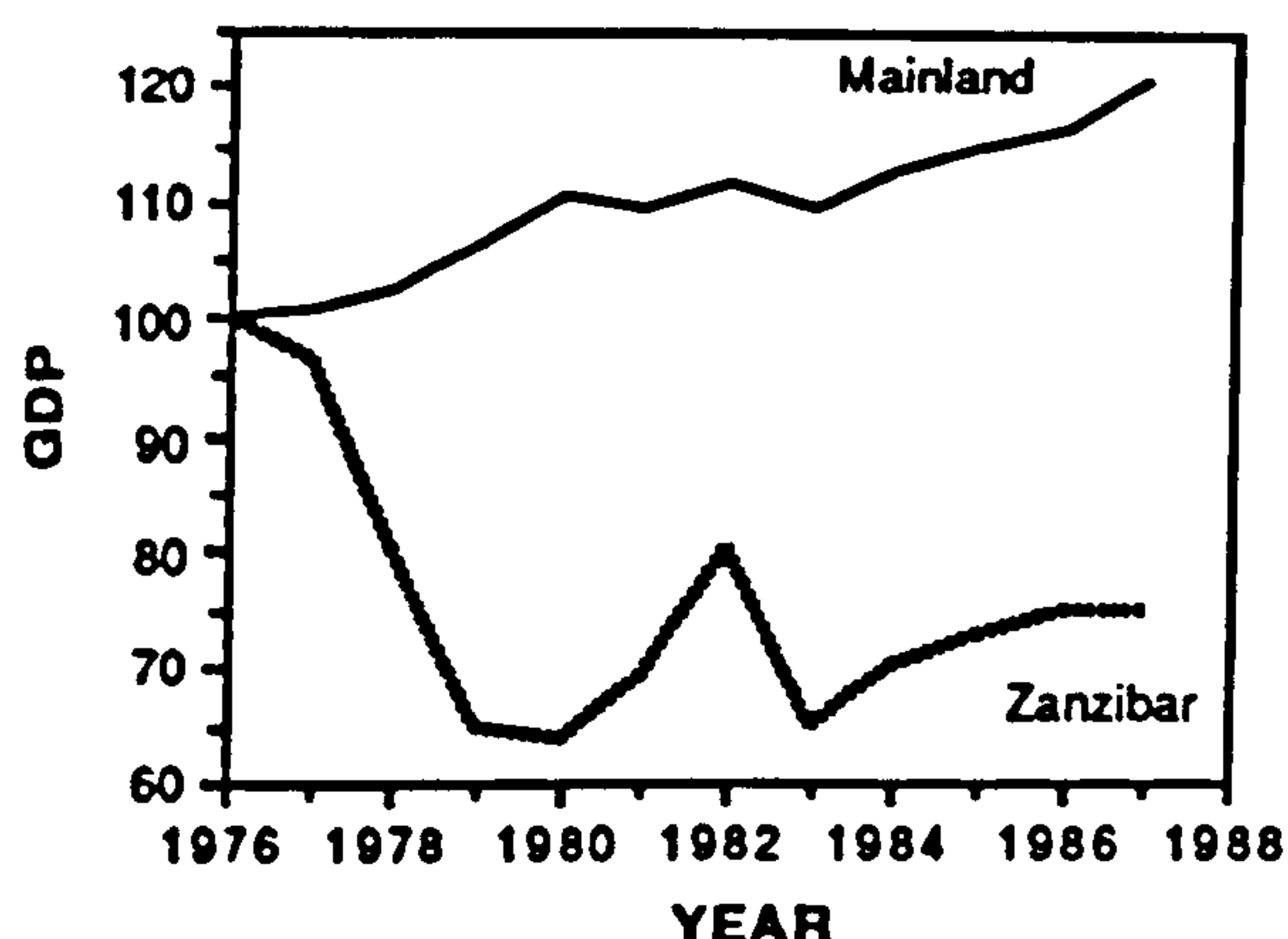
Spatial inequalities also increased between the main islands, with Unguja benefiting at the expense of Pemba. Infrastructural development was already uneven and in favour of the Unguja, and yet no measures were taken to redress this imbalance. On the contrary, some vindictive policies carried out during the *First Phase* augmented the difficult conditions in Pemba. Apart from being the most likely area from where political opposition would stem, it was also where most of Zanzibar's cloves are grown. Pemba had more than four and a half times as many trees as in Unguja island a situation which remains the same (thus a recent census of cloves trees by the Ministry of Agriculture shows that Unguja island has 18% of the clove trees and Pemba island 82%).<sup>1</sup>

Public investment and development projects did not reflect this, nor did they aggressively seek spatial egalitarianism. Instead a disproportionate investment was made in Unguja. With the centralisation of power and decision making came also the centralisation of urban development. Clayton (1981) notes that a Rural Settlement and Village development Fund was established in 1967, in which workers in rural areas contributed 3% of their monthly earnings and traders a sum equivalent to 10% of their tax. The Fund was for financing rural and village initiated projects. However, the disbursements of funds was lop-sided and according to one observer, "The fund was however used to benefit Unguja farmers more than those in Pemba, again a reflection of the base of Karume's power" Clayton (op. cit. :139). Karume never extended his power or

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<sup>1</sup> Figures quoted by an official of the Ministry of Agriculture.





Source: GoZ (1981, 1982, 1984; JMT, 1988, 1989)

**Figure 8.10 Trends in GDP in Zanzibar and Mainland Tanzania 1976-1987**  
Index numbers (1976 = 100)

Barring any adverse climatic conditions, its domestic food production capability could offset the large food imports. During the same period an average of 8% of the value of the Mainland imports comprised food, compared to Zanzibar's 40%. Although there was some scope for diversification within the agricultural sector through increased production and exports in other food and cash crops, this failed to occur. Diversification could have reduced the food import bill and the extreme dependency on food imports.

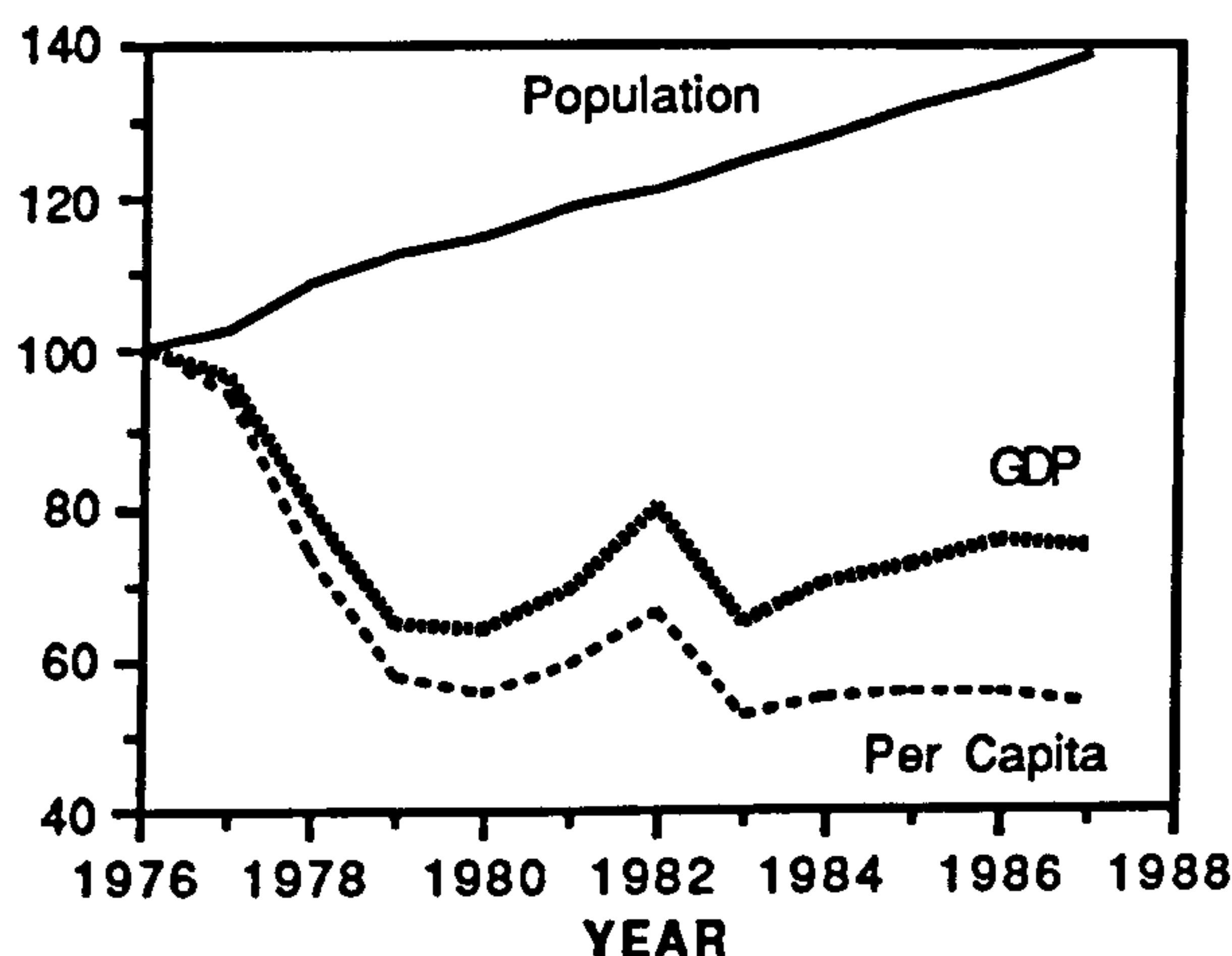
By the early 1980s the state of the Zanzibari economy was ailing and with adverse socio-economic consequences and the future looking bleak. The existing social and economic infrastructure deteriorated for want of maintenance. One government report assessing the state of the economy noted that "buildings such as schools, and other physical infrastructure, particularly the water supply system, have deteriorated badly through lack of maintenance and spare parts" (GoZ, 1987b:88). The report concludes that "There is, therefore, a major gap between the resources required to provide the social services that the government would wish and the resources available" (*op. cit.*). The productive sectors were equally affected and their declining contribution is reflected in figures 8.8, 8.9, 8.10. Population was growing faster than anticipated (2.7% p.a. as opposed to 2.3% p.a.), and with a net migration rate of -0.5 the doubling time is 25 years. Thus by 2006 the population could reach the one million mark and with the fast growing population having the effect of further depressing *per capita* incomes.<sup>1</sup>

*Per capita* incomes in both parts of the United Republic were falling by the end of the *First Phase* and continued into the *Second Phase*. However, the rate of decline in Zanzibar was sharper than in the Mainland and consequently trends in GNP diverged. Taking 1976 as the base year, *per capita* GDPs depict falling trends (Figures 8.11 and

<sup>1</sup> The 1988 census shows an even higher growth rate of 3% per annum, suggesting that it will take a shorter period to get to 1 million.



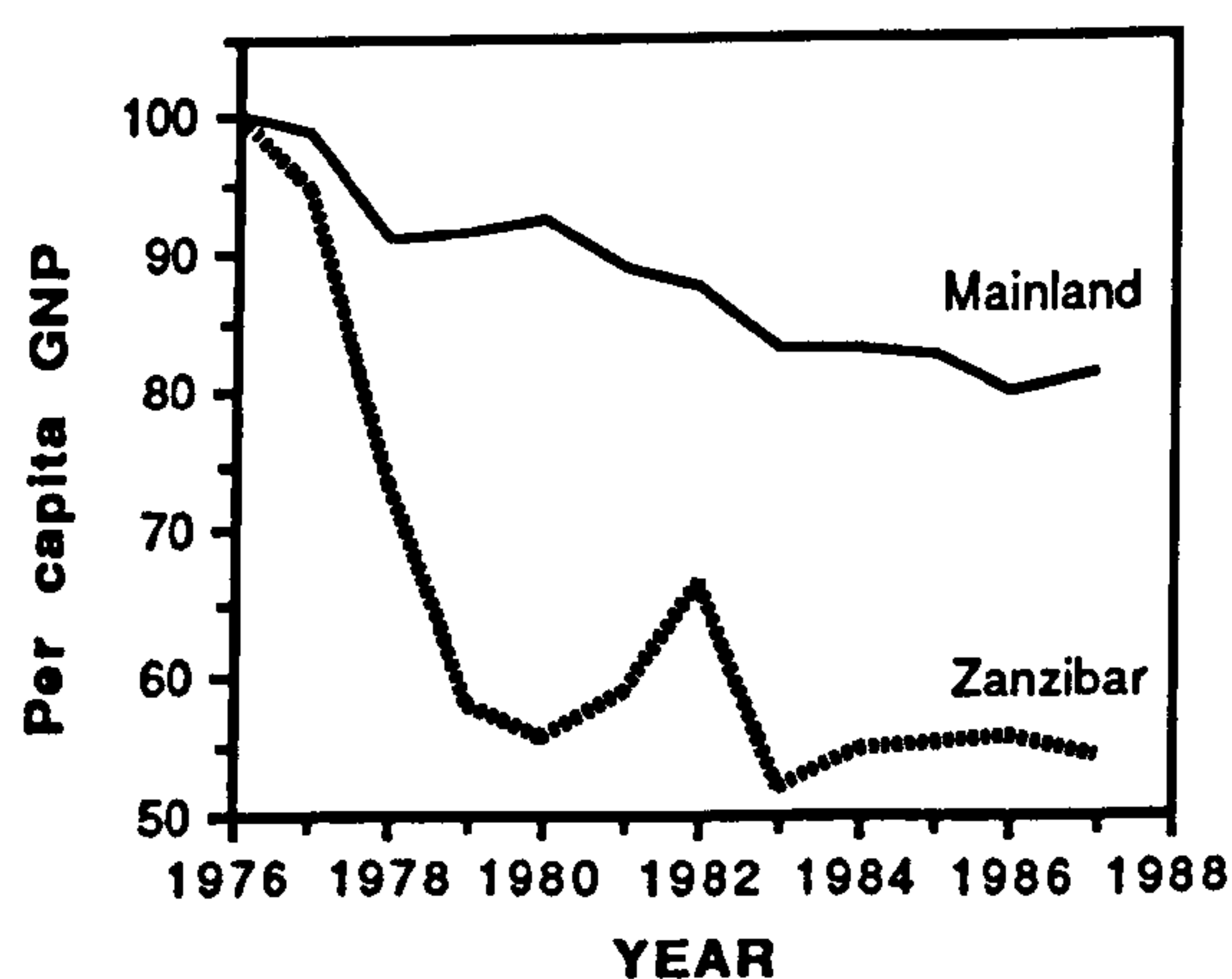
8.12). In the case of Zanzibar, in 1981 there was a brief upswing lasting to 1982. By the following year (1983) GDP was nearly a half of what it was in 1976. Thereafter the declining trend continued (overlapping with increasing clove exports revenues - see also Figure 8.9).



Source: GoZ (1981, 1982, 1984; JMT, 1988, 1989)

**Figure 8.11 Population Growth, GDP and Per Capita GDP in Zanzibar 1976-1987**  
(1976 = 100)

The sharp decline had adverse economic and political repercussions. First, it meant that a range of imports had to be curtailed and from the experiences of the previous regime, food would not be the first. Manufacturing, which was largely import substitution based, was already facing management and operational problems due lack of skilled personnel, capital, power and excessive control by the state, was affected immediately. Following this were funds for infrastructural development projects. At the same time there were limited prospects of additional assistance from the Mainland since the economy there was also undergoing a gradual but persistent decline.

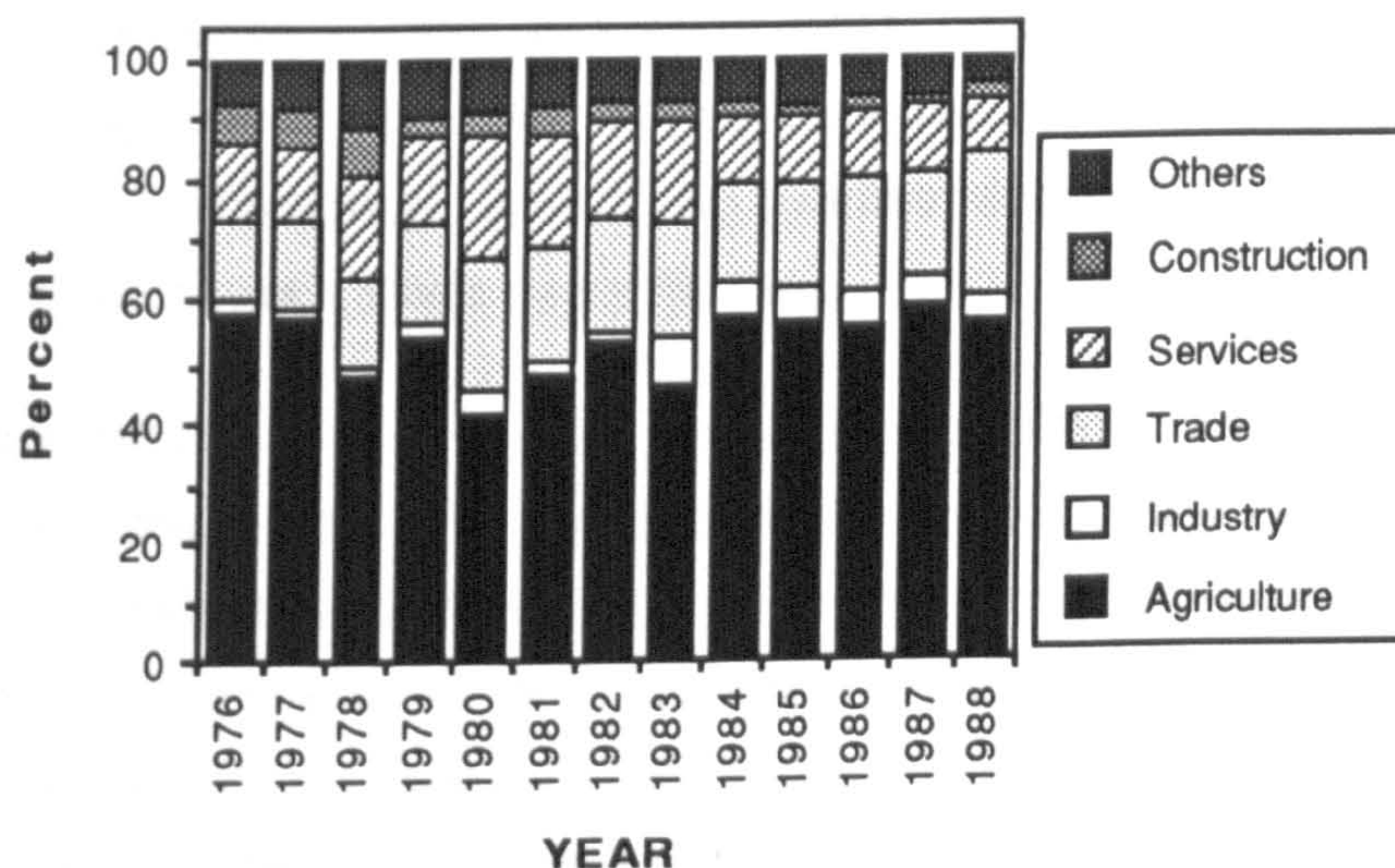


Source: GoZ (1981, 1982, 1984, JMT, 1988, 1989)

**Figure 8.12 Per Capita Incomes of Zanzibar and Mainland Tanzania 1976-1987**  
(1976 = 100)



The slump in world prices and production of cloves is but one factor that contributed to the poor performance of the Zanzibari economy. In 1973/74 oil prices rose sharply, and in Zanzibar crude oil rose from TShs. 98/= per ton in 1970 to 633/= in 1975, a rise of 546%!. There were also increases in food, spares, consumer and capital goods, all of which seriously affected the import capacity of the economy. Within a very short period real income and foreign exchange earning capacity declined drastically while the costs of imports rose sharply, adding more pressure to the beleaguered economy. Moreover, the generous incomes Zanzibar enjoyed in the early 1970s and 1980s affected the terms of trade. Obviously, it tended to import larger amounts than it could export and when revenues permitted imports also rose. Then there was the gradual erosion of real monetary values as a result of gradual devaluation of the Tanzania Shilling. In this respect, arguments and advice propagated by the World Bank, IMF and indeed neo-Liberal economists, that devaluation and appropriate agricultural policies would encourage peasant producers to increase production and export more, are largely inappropriate, irrelevant and misleading for the SIS economies such as Zanzibar. Further production in cloves in a glutted market is meaningless, while the costs of imports, of which it is highly dependent are set to rise steeply. Even if it could diversify, the range of potential crops is already approaching a glut in the market.



Source: GoZ (1989c)

**Figure 8.13 Sectoral contributions to the economy 1976-88**  
(Percentage)

The government's sources of revenues were very narrow indeed. Traditionally this came from the marketing of cloves and other agricultural exports, taxes and profits generated by parastatal organisations. However, particularly between 1980 and 1983, the contribution of the agricultural sector became smaller and revenues generated from trade and services increased their share although in general these too were restricted (Figure 8.13). After nearly two decades and several attempts at restructuring the island economy, agriculture remained the mainstay of the economy, followed by services. With



state control, there was a limited amount of trading activity occurring, while services were characterised by inefficiency and overstaffing. The very low contributions of construction and industrial activities reveals the low level of investment and productivity. The share of manufacturing arose only when clove revenues increased reflecting a tendency in import substitution industrialisation, e.g., 1975/76 and 1980/81. Sectors such as tourism, that were forming the foundation of economies such as Seychelles and others in the Caribbean had been ignored and contributed minutely to the Zanzibari economy. By 1979 foreign aid and loans amounted to only 5% of the development and recurrent budget, and thus in failing to attract the necessary resources to create a foundation from which it would have proceeded to build the economy, it left a legacy with severe structural disadvantages. All this translated into the failure of development policies and programmes which in the long term resulted in low revenue generating capacity by the government and an overall low level of economic activity in the country.

## 8.6 Summary and Conclusions

The economic and social problems that occurred during the *Second Phase* culminated with widespread political and social discontent which in turn made those in government uneasy. This period resulted in the so called "polluted political atmosphere" which covered the period between 1983 and early 1984, culminating with Sheikh Aboud Jumbe's forced resignation. Blame for the "polluted political atmosphere" was placed on Jumbe for letting the situation get out of hand (Othman and Mlimuka, 1989b). However, it is unlikely that there was a single cause for this.

It has been suggested that the true causes for this situation lie further back in 1977, when TANU and ASP merged to establish CCM as the sole political party in the Mainland and Isles. Certain prominent people who prior to the Union accumulated considerable powers and were virtually answerable to no one, were not happy with this. Others lost senior party position with the first post-Revolution elections and more lost again in the 1982 CCM elections (Othman and Mlimuka, 1989b). In a small island society this would have severe implications given the high degree of *personalism and patron-clientelism* which was practised in various degrees and at various levels. Moreover this situation took place with the apparent approval, if not inspiration of the Mainland placing its motives under suspicion by the various petty and bureaucratic bourgeoisie classes in the islands. The merging of the ASP and CCM signified the usurping of political power by the Mainland bureaucratic bourgeoisie. Considering the historical experiences and events during *Zama Za Siasa* and the *First Phase*, it comes as no surprise that the "political atmosphere" became polluted and that quite often the geographical source of discontent was Pemba island, first given its historical experiences and background, but more importantly given its deprived status (more on this in chapters 11, 12 and 13).



It was suggested in the previous chapter that one of the main incentives for consenting to the Union, at least insofar as Zanzibar was concerned, were the security guarantees that it provided the regime on the Isles. This does not necessarily imply that there was an overall willingness to surrender autonomy, in fact quite the contrary. First, there were obviously different objectives for the Union on either side and second, clearly the notions of *insularity* and *obsessive autonomy* that are very common in small states have been underestimated. The operation of these factors in other small island societies have also been observed by Lowenthal (1987).

The social and economic indicators presented in this chapter show that a combination of political, economic, social and even physical factors lead to the island's state of economic stagnation and as suggested extensively in the literature review, many of those factors are inherent within a small island developing economy. It has also been shown by the model in chapter two how these parameters are interrelated in a fairly complex manner and are especially sensitive in small societies. For example, the shortage of expertise in the formulation and implementation of development strategies and programmes led to inappropriate strategies and programmes being adopted, management constraints and inefficiency. This in turn contributed to a shortage of revenues to enable further domestic investments to be made in more productive sectors and therefore in the long term there was no diversification of the economy. The self-preservation of the *status quo*, also meant that both the potential of the merchant class and foreign investments were barred from participating in the economy, thereby debilitating the already vulnerable economy which is characterised by extremely limited potentials.

The island economy, like many others, was laboured under its heavy dependency on imported food, energy, consumer and capital goods, all of which made it susceptible to external fluctuations in demand and prices. Despite the economy being weak, and its low capacity for income generation, the size of the government bureaucracy continued to grow partially because of various programmes being implemented but also because of the influences of *familism* and *personalism*. There was also growing urbanisation, which by the end of the *Second Phase* was over 32%. Ironically, the provision of employment in government, which was generally located in urban areas, to some extent further attracted the disenchanting and youthful rural populations, which in turn increased pressure on the government to 'create' employment for the expanding urban population. This situation reflects the ineffectiveness and lack of sustainability of rural development programmes implemented during both periods.



The implications of emigration restrictions is that remittances were lacking or 'invisible' in the economy.<sup>1</sup> It follows that there no evidence of domestic economic activities such as investments in housing, small businesses, artisanal fishing, or consumer goods, which can be said to have been catalysed by remittances. Everything was almost totally dependent on the patronage of those in the establishment and created a culture of expectation from the government all of which in a curious manner contradicted with the spirit of self-help and self-reliance which had evolved in the Isles.

Restricting private sector entrepreneurship limited employment opportunities, and the generation of taxation revenue, in turn contributing to the shortage of resources for reinvestment into the economy. The problems of skilled personnel was obviously not limited to functional managers. It also affected policy and decision makers. However, it must also be borne in mind that two decades after the 1964 Revolution the potential for the re-emergence of an opposition based on the class-ethnic differences remained a distinct possibility threatening the *status quo*. The period in the which there was an absence of any opposition or consultation signified that the Revolution had been taken over overtly by a petty bourgeoisie class within its own ranks, a class which now transformed itself into a bureaucratic bourgeoisie, akin to that existing on the Mainland.

As it shall be shown in chapters 11 to 13, rural-urban migration and inter-island migration were both high, while emigration was very low in comparison to other small island states where it is a characteristic of their economic structure. Although a considerable degree of freedom of expression and movement was allowed, the lack of skills and the nature of social and economic developments on the Mainland were not particularly attractive to facilitate emigration, while movement to Kenya was restricted by the break-up of the East African Community. The combination of a very low degree of emigration and high fertility rates contributed to a high degree of urbanisation, also a platform for emigration once conditions allow.

Moreover, with the Party merger and constitutional changes, the development philosophy and subsequent development policies mimicked those occurring on the Mainland.<sup>2</sup> However, many of these did not appreciate the unique conditions facing a small island economy and so failed to address them appropriately. Both sides of the Union proceeded with more or less uniform development policies as though they shared more in common, whereas in reality there were considerable differences. The problems

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<sup>1</sup> The term 'invisible' is used because there is no clear evidence that there was much movement of remitted moneys or goods. However, in informal interviews with some households a small number of respondents admitted that with some difficulty money and goods were remitted.

<sup>2</sup> For example, the Three Year Plan (1978/79 to 1981/82) makes mention of implementing the programmes under the *Ujamaa* and Self-reliance philosophy, yet as mentioned earlier no villagisation (resettlement) programmes such as those that were implemented in the Mainland, were executed.



inherent in peripheral developing small economies were not noticed and thus largely ignored.

During this phase the economy of Zanzibar was characterised by high level public expenditures in social services, public sector employment and some investment in the productive sectors. Manufacture consisted of import substitution industries, while agriculture (cash cropping) remained central to the economy with no diversification in the economy. There was a considerable degree of migration, mainly inter-island and rural to urban and the absence of significant emigration contributed to a high degree of urbanisation. Compared to many other SIS, there lacked remitted incomes and there was no plan to establish a rentier economy (e.g. tourism and financial services). Development aid was not sought and there lacked an indigenous class of entrepreneurs. As such Zanzibar was following a unique path uncharacteristic of most SIS elsewhere. It projected an image of a Revolutionary regime, undergoing a major social and economic transformation largely based on self-reliance, and determined to create an egalitarian society. However, after the two phases, this objective remained elusive. Although it had set out seeking room for manoeuvre, this process was never fully achieved.

In summary then, while elsewhere many SIS were transforming into MIRAB economies (Bertram and Watters, 1985, 1986; Connell, 1988), the same cannot be said of Zanzibar. Although **Migration** was taking place, it was largely internal and so **Remittances** from overseas were largely lacking. However, there was a high degree of **Urbanisation** and **Bureaucracy** through expanding **Government Employment**. External **Aid** to sustain the bureaucracy and government employment was small. Admittedly, the high income generated when clove prices rose steeply managed to sustain the government and to some degree allowed Zanzibar to pursue this unique path, no matter how unsustainable it was. The other important factor is the absence of innovative strategies and policies to guide the social and economic development of the Isles onto a more appropriate path given the range of development constraints it faced and make the best use of the relative prosperity it enjoyed for a short time. In fact, many of the policies occurring in the *First* and *Second Phases* restricted a number of other possibilities which were exploited fully elsewhere (e.g., tourism, financial services, philately, private sector investments etc.) and this in part, explains the differences in economic development between Zanzibar and the more successful SIS facing similar constraints (e.g. Maldives).

The *Second Phase* ended with the abrupt summoning of Sheikh Aboud Jumbe in January 1984 to Dodoma, the Capital of Tanzania to attend a special session of the National Executive Committee (NEC) of CCM. Its agenda was to discuss the deteriorating and precarious political developments in Zanzibar. It ended with the forced resignation of Aboud Jumbe as President of Zanzibar, Chairman of the Revolutionary Council, Vice-President of the United Republic of Tanzania and Vice-Chairman of CCM. The NEC



proceeded to appoint Ali Hassan Mwinyi as the Interim President of Zanzibar. The appropriateness of this appointment made by a body on the Mainland consisting of persons who were predominantly non-Zanzibaris has been questioned (Othman and Mlimuka, 1989a). However, Ali Hassan Mwinyi was formally elected in the 1984 Presidential elections and this process set Zanzibar out in yet another direction, this time taking a bolder approach to its social, economic and political developments.



## CHAPTER NINE

### ***9.0 The Third Phase, Adjustment, Recovery, Liberalisation and Re-linking to the Global Economy***

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#### **9.1 Introduction**

This chapter analyses and summarises the political and socio-economic developments that have occurred (and are still evolving) during the *Third Phase* (post-1984). The economic problems and constraints affecting the Isles that culminated with a *Third Phase* of the Revolution are identified and explained. *The Third Phase* signals a divergence from the preceding period with its socio-economic policies and results, and a general movement towards a greater democratisation of political decision making. Also important is the continuing debate for improved exchange between the developed and developing worlds. This is happening under the shadow of a global change in the balance of power in favour of the so called 'free world' and in economic terms this translates into neo-liberalism. Zanzibar too is affected and thus the post-1984 period has seen some major changes in the approaches adopted in confronting its development problems. Though without explicitly stating this, it appears that the SIS is resigned to some form of dependency, albeit 'a negotiated one'. *The Third Phase* is distinct from the others in the search for room to manoeuvre, though the challenge remains how to move towards interdependence and self-reliance.

#### **9.2 The *Third Phase* government**

The economic, social, political and cultural developments of the Second Phase of the Revolution climaxed with the abrupt removal of the President of Zanzibar in 1984. Insofar as political developments are concerned, the unity of the two political parties in power (TANU and ASP) and the consolidation of the Union had facilitated direct intervention in the political developments of Zanzibar. Intervention was facilitated by the gradual reduction and transfer of some decision making powers from the Zanzibar government to the Union government through four amendments of the Union Constitution between 1964 and 1977 (Shivji, 1990) and the merger of TANU and ASP to form CCM in 1977. Zanzibar continued to retain considerable autonomy, and internally the government and Isles' side of CCM extended the system of representation and participation to bolster its political legitimacy.

By the end of the Second Phase the Union government had made some inroads into



Zanzibari autonomy. Proponents of a stronger and closer union saw autonomy as an obstacle to strengthening the Union. While 'strengthening' the Union, the political leadership of Zanzibar gained an increasing say in Union matters although at the expense of its own autonomy.<sup>1</sup> During the first phase, a high degree of autonomy had been a central objective. What appears to be an obsession with autonomy is a significant characteristic of many island communities and intrusions are rarely entertained. This is demonstrated by the number of times the Zanzibari leadership pursued matters crucial to their socio-economic development in their separate ways and particularly during the first phase.

Between the end of 1983 and the beginning of 1984, the political situation in Zanzibar had become tense (Othman and Mlimuka, 1989:60). The Party (CCM) solicited the opinions of the people of Zanzibar regarding the 1979 Constitutions of Zanzibar and the 1977 Union Constitution, and to propose amendments if there was need. The responses were contrary to Party expectations. The existence and purposes of the Union and the role of CCM itself were both questioned. People were allowed to air their views freely and the results shook the proponents of the Union and threatened the *status quo* in Zanzibar.<sup>2</sup> Several explanations are provided for such reactions, including Aboud Jumbe's increasing nationalistic stance. Othman and Mlimuka (1989:61) suggest that most of the ASP members wanted the Union, but a few leaders (phase one protagonists) had lost their prominence and powers as a result of the ASP-TANU merger and this was an opportunity to work against the recent developments. The enactment of the 1979 Zanzibar Constitution further eroded their remaining influences and privileges.

The greater amalgamation of the two sides enabled the National Executive Committee (NEC) of CCM to hold a special session in January 1984 on the Mainland that took the drastic measure of forcing the resignation of the President of Zanzibar, who was also the Vice-President of the United Republic of Tanzania and Vice-Chairman of the Party. This was done to eliminate threats to the Union and establish stability in the Isles. The process of 'democratising' the Isles had begun to falter, and the political atmosphere in the Isles had become 'polluted' with wishes to break the Union and change the political system,

The same CCM National Executive Committee session nominated an interim President from its Zanzibar members. This was Mr. Ally Hassan Mwinyi, a prominent Zanzibari politician who had once served in the Union Cabinet. He was later (through the 1984

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1 Shivji (1990) notes that despite the several measures aimed at transferring powers of the Zanzibar Government to the Union Government and the justifications forwarded for these measure, that is consolidating the Union with the objective of complete fusion and eventually creating a unitary state, nothing of the kind was envisaged in the original agreement, through the 1964 Acts of Union.

2 This period is referred to as the time when the Islands' "political atmosphere became polluted". This generally implies that the accepted levels of tolerance were being exceeded and the security of the state was being undermined. Certain elements within and outwith Zanzibar were taking advantage of the situation and fuelling dissent. The Islands were in danger of falling into a state of anarchy.



Presidential elections) 'confirmed' by the electorate through the One Party electoral system already operating in Zanzibar.<sup>1</sup> The merger of the political parties had asserted its authority and shown that it had a considerable degree of 'supremacy and influence' in the political aspects of the Union.

President Mwinyi inherited a government and an economy that were on the verge of collapse, the socio-economic situation of the whole country having deteriorated immensely. His coming into power was partly as a result of the deteriorating socio-political developments in the Isles. The first tasks of the new leadership were to attempt to salvage the economy of Zanzibar and in the process also gain the political legitimacy and the confidence of the people.

The Mainland economy was also in a poor state, undergoing a series of structural adjustment and economic recovery programmes (ERPs). Meanwhile Zanzibar implemented a number of crises austerity measures to cope with the situation at hand. Although the overall development problems of the two sides in the Union were generally the same, the choices for the islands were limited and its development experiences were different from those of the Mainland. There lacked an awareness that a slightly different approach would be required in confronting Zanzibar's development problems.

The Union government too was in serious economic difficulties during the same period. It was locked in discussion with the International Monetary Fund (IMF) and extreme pressure was put on it by the World Bank, the IMF and donor countries to restructure its economy and readjust its development objectives. Initially the Mainland was not in agreement with some of the prescribed austerity measures and attempted its own internally designed measures. However, these fell far short of those prescribed by the IMF, and it was denied access to funds from the monetary organisations, Zanzibar being part of the Union, is automatically subjected to the same conditions.

The *Third Phase* government felt that it had little option but to restructure its economy and embark on an austerity programme. As a severely underdeveloped SIS it faced limitations in the necessary expertise and resources to design and implement an ERP. Assistance was solicited from developed countries and multilateral organisations and by 1986 the Economic Recovery Programme (ERP) had begun.<sup>2</sup>

To arrest and reverse the deteriorating socio-economic situation the Zanzibari government embarked on a set of unconventional strategies. First there was the recognition that the inherent development constraints required solutions that would be

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<sup>1</sup> Sheikh Aboud Jumbe was appointed by the Special Committee of the Central Committee of the ASP after the assassination of Sheikh Abeid Karume. In 1984 when the Presidential seat became vacant the name of the candidate was decided on the mainland by a body which was mainly non-Zanzibari (Othman and Mlimuka, 1989).

<sup>2</sup> The funding for the study came from Western countries, the 'experts' came from the same sources too and consequently proposed an Economic Recovery Programme quite similar to what was generally being prescribed elsewhere in other developing countries and SIS.



quite different from those on the Mainland, and second, in view of the severely limited domestic resources, the whole process would be dependent on external assistance.

It is relevant that perhaps for the first time there was a formal recognition that Zanzibar had slightly different sets of problems to the Mainland which would require a different approach and special consideration when dealing with them (Government of Zanzibar, 1986; Government of Zanzibar, 1987a; 1987b; 1987c). The *Third Phase* government gradually regained the confidence of the people, while playing on the economic and security advantages the Union offered.<sup>1</sup> By a twist of political ingenuity and political developments on the Mainland it also continued to assert its autonomy and make economic and social gains from the Union.<sup>2</sup> The Union was to take on a more pronounced dimension so that it could not remain at the level of purely political and security matters. From the Zanzibari side it was determined to maximise the positive aspects which could be gained from the Union. Before these aspects are outlined, an overview of the macroeconomic situation of Zanzibar during the early and mid 1980s is necessary.

### **9.3 Overview of the Macro-Economy of Zanzibar in the 1980s**

By 1983 Zanzibar's *per capita* income was about US \$ 170, qualifying it as one of the poorest countries in the world. *Per capita* income was not too different to that of the Mainland. By 1988 the United Republic of Tanzania was ranked the fourth poorest country in the world (World Bank 1990).<sup>3</sup> Comparing the basic indicators for countries with population under 5 million, statistics for Zanzibar show that in terms of *per capita* income alone it is the poorest country with a population of under a million. However, compared to more populated or larger countries its position is about as poor as Bangladesh (World Bank, 1990).

From the 'peak' economic conditions of the late 1960s and early 1970s Zanzibar has deteriorated immensely. Compared to a selection of small and larger LDCs, its position has fallen (Table 9.1). On the whole it is in a precarious social and economic situation.

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<sup>1</sup> We shall continue with the terminology being used by the Party leadership in identifying the governments/regimes, and call Mr. Mwinyi's government the Third Phase of the Union. First, because in the United Republic this is the 'standard' terminology and therefore is understandable there and, second, it coincides with the major changes and approaches in the Isles contemporary development experiences and therefore distinguishes clearly between the different stages.

<sup>2</sup> The Union government established a Union ERP and a change in leadership was on the verge of taking place with President Julius Nyerere about to step down. As it happened the Zanzibar President, Ally Hassan Mwinyi was to succeed him.

<sup>3</sup> This *per capita* income is the average of the two sides of the Union. Prior to the mid-1980s the *per capita* income of Zanzibar had often been well above that of the Mainland.



COUNTRY	Population (000) mid-1988	Area (000 Km Sq.)	GNP per capita			Life expectancy at birth (years)	Adult illiteracy		
			Dollars 1988	Average annual growth rate (%) 1965-88	Average annual rate of inflation (%) '65-'80    '80-'88		Female 1985	Total 1985	
1. Guinea-Bissau	940	36	190	-1.9	..	49.0	40	83	69
2. Gambia	822	11	200	1.1	8.1	13.9	44	85	75
3. Equatorial Guinea	336	28	410	..	..	..	46	..	63
4. Maldives	202	(<500)	410	2.3	..	7.1	60	..	..
5. Guyana	799	215	420	-4.4	8.1	15.9	63	5	4
6. Comoros	442	2	440	0.6	..	5.8	56	..	..
7. Sao Tome' & Principé	119	1	490	-0.1	..	18.1	65	..	..
8. Solomon Islands	303	29	630	..	7.7	13.1	64	..	..
9. Western Samoa	159	3	640	..	..	10.5	66	..	..
10. Kiribati	67	1	650	..	..	5.7	55	..	..
11. Cape Verde	360	4	680	..	..	8.9	65	61	53
12. Swaziland	735	17	810	2.2	9.1	11.4	56	34	32
13. Tonga	97	1	830	..	..	..	66	..	..
14. Vanuatu	147	12	840	..	..	4.3	64	..	..
15. St. Vincent & Grenadines	112	(<500)	1200	2.0	10.9	4.3	70	..	..
16. Zanzibar	600	2	170	-2.4*	..	28.3	55	46	..
17. Mainland Tanzania	24.1	881	160	-0.5	9.9	25.7	53	..	..

\*(for 1976-1988)

Source: World Bank (1990), JMT (1988), JMT (1989)

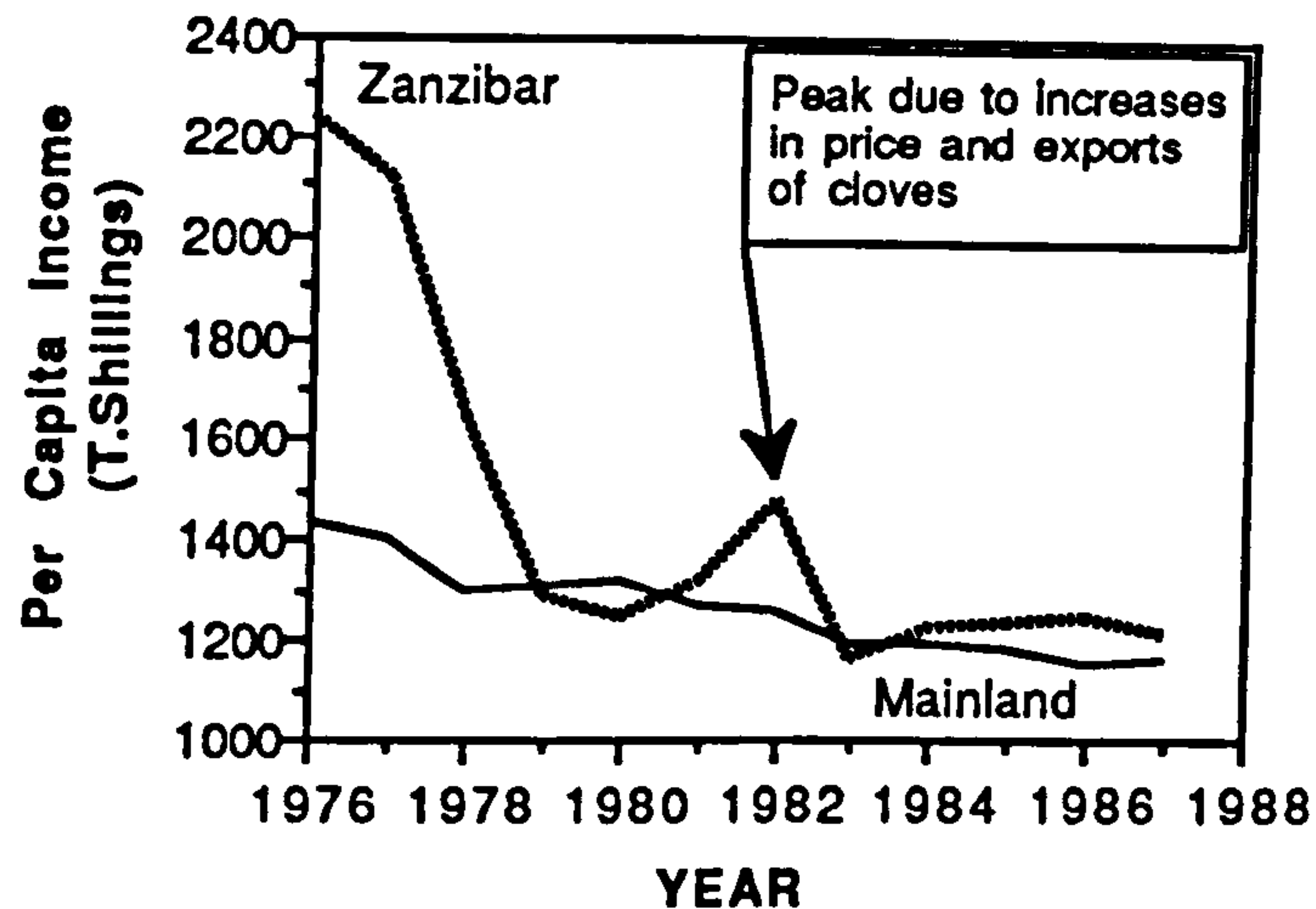
**Table 9.1 Basic indicators of development for selected small countries (plus Mainland Tanzania).**

In contrast to Zanzibar's position, Lowenthal (1987:33) observes that: "Few small states are found among the world's poorest countries. Most of them enjoy levels of living substantially above those of larger Third World states....In sum, small states account for half the global total but only one-fourth of the least prosperous moiety". He also concludes generally that in view of their small size, they might be expected to experience extremes of destitution but this is not so. The concomitants of persistent poverty that afflict larger developing countries are not to be found in most small states. However, Zanzibar (and the Comoros) appear to be amongst the exceptions to the rule. This is the first of a number of indicators which show it was facing serious problems, a reflection of the position that it occupies in the global economy, and of the structural dislocation of its economy.

### 9.3.1 Economic indicators

Prior to the 1970s, Zanzibar enjoyed a higher *per capita* income level compared to the Mainland (Figures 9.1 and Table 9.1). By 1975/76 a relatively sharp downward movement has occurred in Zanzibar with *Per capita* incomes falling by half in eight years. Subsequently there have occurred wild fluctuations, reflecting the erratic production and exports of cloves and other structural problems within the economy.





Source: JMT (1989)

**Figure 9.1 Per Capita Incomes, Zanzibar and the Mainland (1976-1987)**

Amongst others factors, the plunge in Zanzibar's *per capita* income between 1976 and 1980 is attributable to three factors. First, is the drastic fall in the demand for its principal primary export, cloves and related to this is a concomitant decline of clove prices in the world market. Also related to the previous two, is the decline in production trends of the crop. The average production level was about 20,000 tons *per annum* in the 1960s, falling to an average of 12,000 tons *per annum* in the 1970s and the current average level stands at about 7,000 tons *per annum*. Second are the effects of the devaluation of the Tanzania Shilling over the same period which has seriously affected the costs of imported goods including agricultural and manufacturing inputs and did not help with clove exports since both demand and prices were falling in the world market anyway and, fifth, is the rapid population growth rate which increased at an average of 3.0% *per annum* over this period.

Because of their relatively small population and resources to population ratios, the narrow range of economic activities and higher *per capita* aid flows, it is common for the majority of SS and SIS to exhibit higher *per capita* income levels (Lowenthal, 1987). This did not apply to Zanzibar, that is until quite recently. Even when comparing with the Mainland it can be seen that in the 1970s *per capita* incomes were considerably higher for the Isles (Figure 9.1). However, by the 1980s they were similar, and Zanzibar has had to confront this reality by calling for significant external assistance. By 1989/90, the government was forced to call for an international donor's meeting to attract funding for its development programmes.



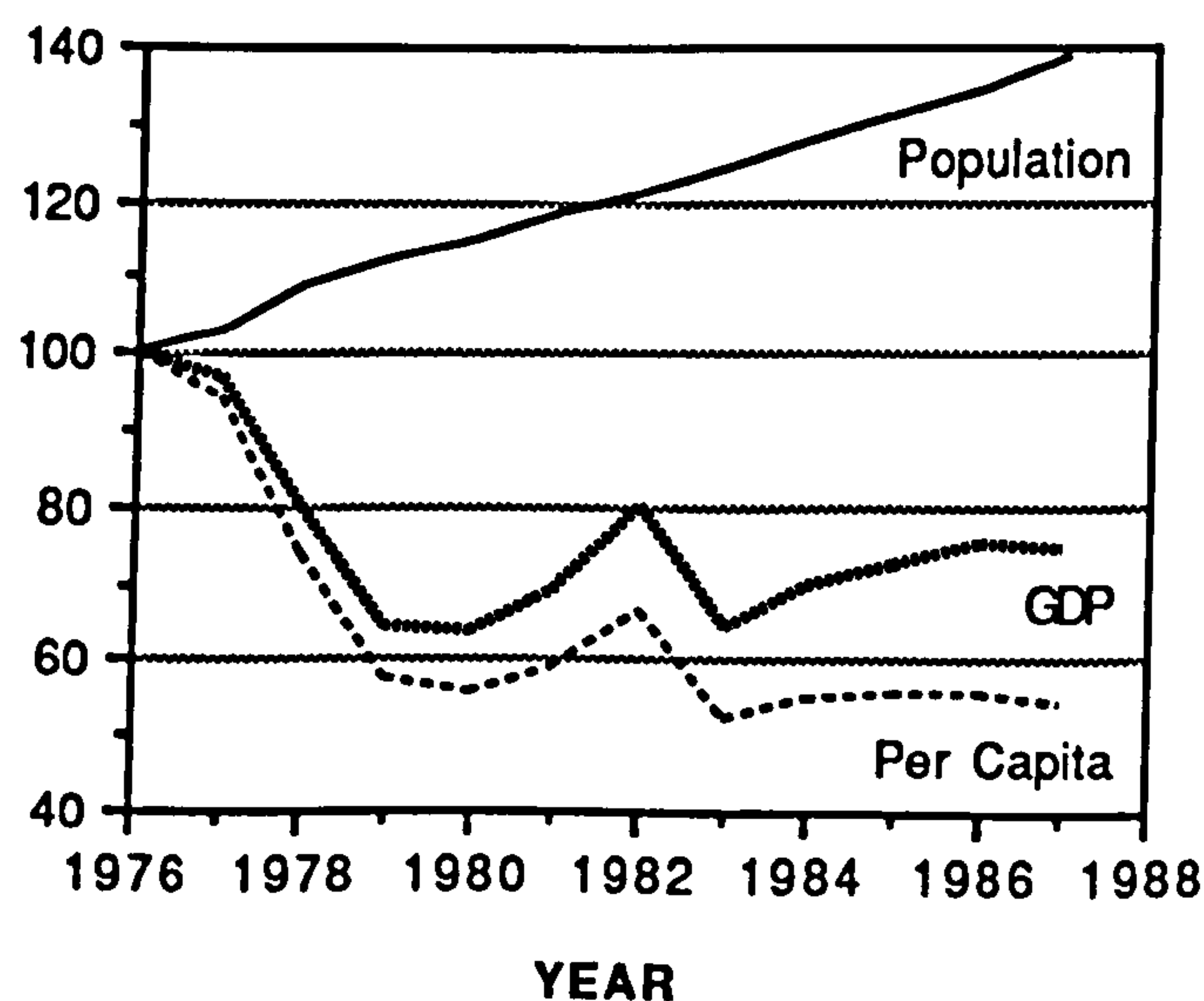
YEAR	GDP at factor cost (Million T.Shs.)	Growth rates (% change)	Per Capita Income (at 1976 prices)	Percentage Change (at 1976 prices)	Exchange rates (US\$)
1976	978.8	-	2,240	8.4	-
1977	946.4	-3.4	2,110	-5.8	8.0
1978	784.8	-17.0	1,040	-50.7	7.7
1979	632.4	-19.4	1,290	+24.0	8.3
1980	623.2	-1.5	1,240	-3.9	8.2
1981	677.3	+8.7	1,313	+5.9	8.3
1982	783.9	+15.7	1,479	+12.6	9.3
1983	688.5	-12.7	1,229	-16.9	11.3
1984	685.0	+2.5	1,225	-0.3	15.5
1985	726.4	+6.0	1,238	+1.1	17.4
1986	748.5	-3.0	1,271	+2.7	34.2
1987	773.7	+3.4	1,279	+0.6	85.1*
1988	783.4	+1.3	1,222	-4.5	124.5*

\* Compiled from figures obtained from GoZ (1990)

Source: GoZ (1981, 1984, 1986a, 1988f); JMT (1989) GoZ (1989c, 1990a).

**Table 9.2 Trends in GDP in constant (1978) prices, Zanzibar (1976-88)**

Taking 1976 as the base year and comparing trends in population growth, GDP and *per capita* incomes, a persistent downward trend of the economy of the Isles is clearly defined (Figure 9.2). These trends highlight the economic vulnerability and dependent nature of Zanzibar. Population growth rates (Isles 3.0% *per annum*, 1978-1988) have increased at a faster rate than in the Mainland (2.7% *per annum*, 1978-1988) thus affecting *per capita* income levels and increasing demands on diminishing government revenues. Between 1981/82 and 1985/86 government revenues fell by 52% in real terms, attributed to by a parallel decline in cloves revenues. Over the same period revenues from cloves declined by 91% while revenues from other sources maintained their real levels.



Source: JMT (1989)

**Figure 9.2 Zanzibar, Population Growth, GDP and Per Capita Incomes**



1976-1987 (1976=100)

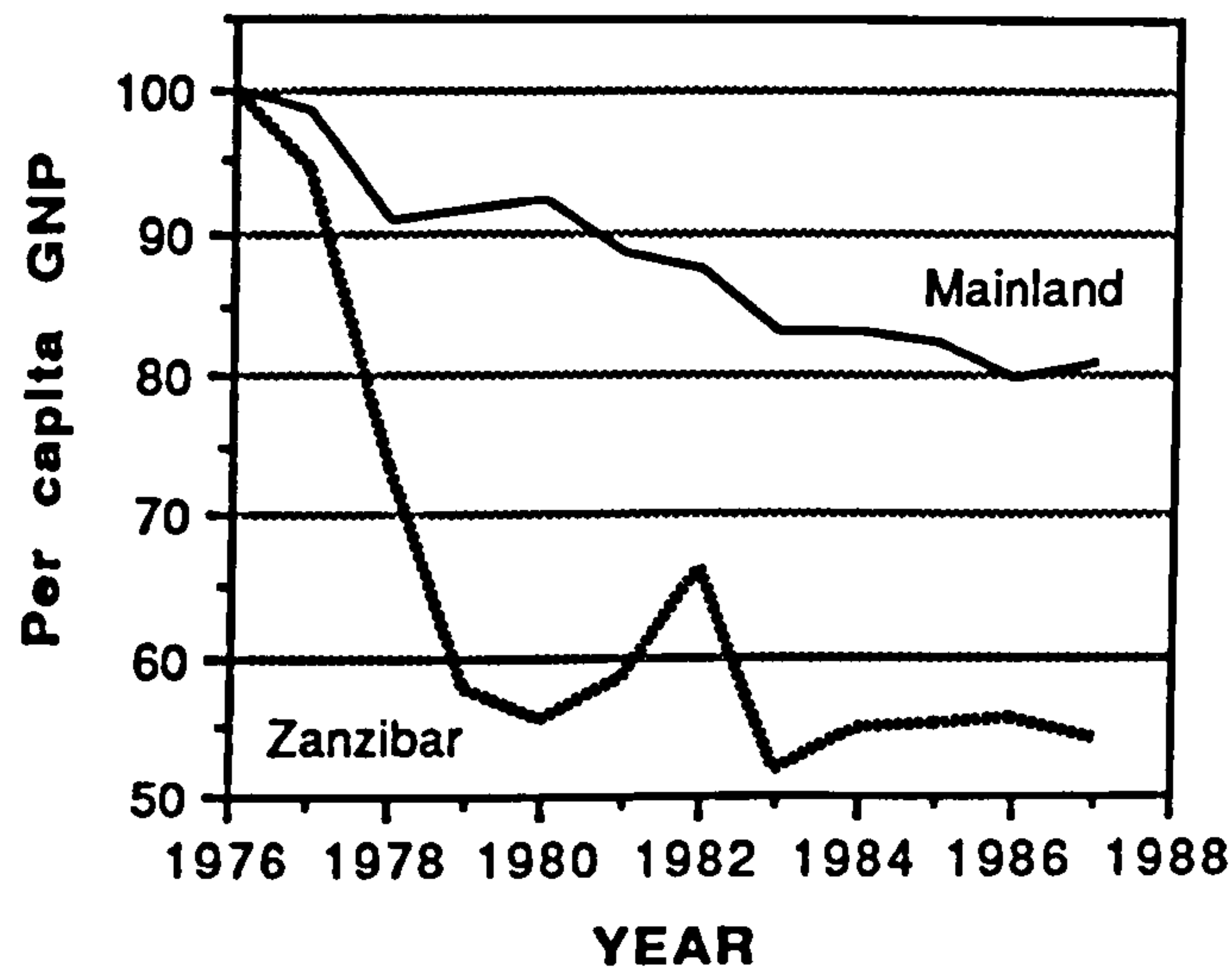
Sales tax and customs duties have increasingly become important sources of revenue, yielding 64% of domestic government revenues in 1986/87. Levies from State Corporations declined as their importance and performance also fell, yielding a mere 13% in 1986/87. Real recurrent expenditure also declined, though at a more gradual rate, to a level 20% lower in 1986/87 than in 1981/82. Consequently government contributions to development expenditure have suffered, declining by 44% in real terms over five years from 1981/82.

In summary the overall macroeconomic sector and public sector borrowing depicts the following symptoms;

- Government revenues have dropped more rapidly than expenditure;
- The government's contribution towards meeting development expenditure has also declined affecting the capacity of the state; in 1982/83 it financed 74% of the development budget and by 1985/85 it stood at 49%, and had the government paid its full contributions to the Union Budget, this figure would have been still lower. By 1992 its contribution was around 12%.
- Although foreign borrowing has generally been low as a result of cautious borrowing practices, the government has borrowed heavily from the Central Bank (Bank of Tanzania). In 1986/87 its budgeted repayment to creditors was T.Shs. 459 million which exceeded its total exports of T.Shs 400 million. That year it only managed to pay less than 50% of the amount it aimed to pay.
- Parastatal Corporations generated debts of about T.Shs 1,000 million thus further exacerbating the crippling situation.

The above are symptomatic of an economy requiring major policy changes, and large injections of external resources simply to halt the decline. Zanzibar is lacking the capacity to generate resources for both recurrent and development expenditures and the principles of self-reliance needed to be revised or shelved.





Source: JMT (1989)

**Figure 9.3 Per Capita Incomes, Zanzibar and Mainland Tanzania (1976-1987)**  
(1976=100)

### 9.3.2 Economic constraints

One of the problems is that despite all the rhetoric about self-reliance and achieving an economic revolution (Khamis, 1972) the Isles' basic economic structures have remained essentially the same since 1964 with agriculture being the dominant sector providing some of its food needs, revenue and employment. By the mid-1970s overall economic performance was falling, while population growth has increased at a steady pace (Figure and Table 9.2), such that in the decade between 1976 and 1986 GDP declined by about 25% in real terms. In response to this, there has been a declining trend in real investment, while imports increased at a faster rate than exports, contributing to a steady deterioration in the balance of trade with foreign exchange reserves falling from US \$ 39 million in 1980 to around US \$ 26 million in 1985/86. The impact of this on the population was profound. Consumer prices increased at an annual compound rate of 26% between 1980 and 1986 while real wages declined to levels which by 1985 were 53% of their 1980 value (GoZ: 1986b, 1987b, 1989c).

With the slowing down of economic activity and declining terms of trade, employment was affected. As is the case in such SIS, the government meanwhile continued to employ and the number of registered employees in the formal sector increased by only 6% in seven years (which is quite low compared to previous years). It is interesting to note that in 1986 about 95% of these were in the public sector (GoZ, 1986b, 1986b) ! Paradoxically, given the state of the economy it is expected that employment would at least be frozen, whereas this actually increased! However, as discussed in the literature review, this conforms to a phenomena commonly found in many SIS with the public sector



providing employment especially at a time when other sectors are unable to do so. Curbing employment anywhere is often a politically difficult task, but in SIS it is even more so given the limited alternatives and the effects of *personalism*, *particularism*, *patronage*, and expectations from the community,

The poor economic situation is attributed to both external and internal causes. The main external cause is that there has been an increased supply and demand for cloves in the world market has remained static. Indonesia, the major importer of cloves, had become a major producer in its own right in an effort to reduce importation of the spice. Meanwhile other countries such as Madagascar, Mauritius, Comoros and Brazil were also producing significant amounts of the crop thus bringing the world market prices yet further down. In 1980 cloves fetched US \$ 9,000 per ton and by 1989 this was US \$ 1,700.

There are several other major internal causes that are more to do with socio-economic policies that had been pursued since the revolution and other factors which contributed to the poor economic performance (Tables 9.2 and 9.3). These have been identified by various sources (GoZ, 1986; GoZ, 1986, 1987) as:

- declining government revenues in the face of a rapidly rising population, and population growth outstripping food production;
- an ideologically rigid economic structure which discouraged trade and private initiatives, concentrating activity in an inefficient public sector, failing to diversify and remaining a primary commodity producer;
- the arbitrary allocation of foreign exchange by government, without priorities thus denying potentially productive sectors;
- a pricing structure which has favoured consumption of imported commodities, especially food (rice) at the expense of investment and production, thus failing to reflect the true costs of goods in the economy, (food dependency)
- an inadequate system of project selection, prioritisation and evaluation and distribution of scarce resources (funds), and;
- an acute shortage of trained and skilled personnel to manage development programmes and projects.



The economic outlook for the 1980s held little, if any, prospects for improvement. A further real decline in government revenues was envisaged and occurred. There was a severe shortage of foreign exchange for production and the provision of basic needs (including food and medical imports) and a further decline in real GDP continued unabated (Table 9.3).

	1980	1981	1982	1983	1984	1985	1986	1987	1988
GDP at factor cost (Million T.Shs.)	1384	1729	2229	2362	2920	3499	4136	4688	6877
Constants	623.2	677.3	783.9	688.5	685.0	726.4	746.5	773.7	783.4
Growth rates (% Change)	-1.5	+8.7	+15.7	-12.7	+2.5	+6.0	-3.0	+3.4	+1.3
(Million T.Shs.)									
Exports	635	517	498	283	247	687	563	514	1344.8
(Million T.Shs.)									
Imports	622	684	685	605	640	936	1514	2009	2896.2
(Million T.Shs.)									
Visible Balance of Trade	+13	-167	-187	-323	-392	-249	-952	-1495	1551.4
(Million T.Shs.)									
Inflation (CPI in %)*				23.0	29.0	18.5	32.1	39.0	
Real Growth (in %)				-12.0	-4.0	+7.4	+3.2	-0.5	
Consumer Price Index			159.3	199.3	254.6	292.7	399.5	628.3	843.2
Change in CPI (%)				25.1	27.7	15.0	36.5	57.3	34.2

Source: Department of Statistics, Ministry of Finance and Planning.

\* CPI = Consumer Price Index.

**Table 9.3 Gross Domestic Product, Exports, Imports, Balance of Trade, Inflation, and Consumer Price Index (1980-1988)**

The population suffered undue hardships, shortages of basic needs such as medicines, transport difficulties, constraints in food, energy and water supplies. It was arduous for the government to sustain food imports at existing levels, particularly of rice (Figure 9.3 and Table 9.4) while continuing with high public expenditure.

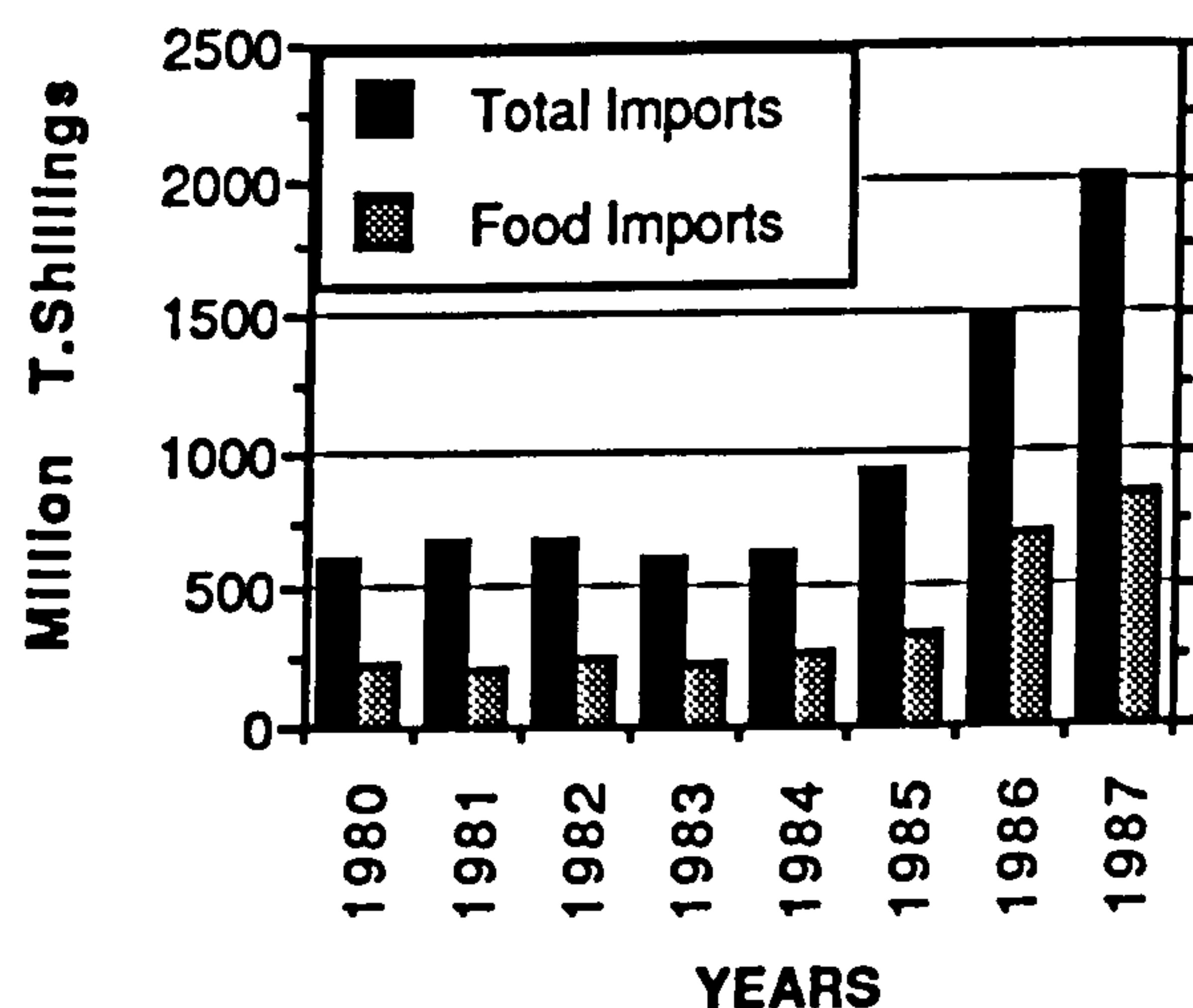
Urgent responses were required in the face of mounting concern about the deteriorating situation and general dissatisfaction. Not surprisingly, subversive and dissident activities fuelled by the precarious economic situation and exploiting historic tensions within the fabric of Zanzibari society were taking place. Meanwhile class differentiation continues to exist, while spatial disparities as represented by growing rural-urban and inter-island differentiation and social injustice.



Food Type	Tons	Value (in US\$)
Rice	40000	14600000
Wheat Flour	18000	6300000
Sugar	12000	3600000
Total	70000	24500000

Source: GoZ (1988a, 1988c)

**Table 9.4 Annual food requirements 1985-1986**



Source: GoZ (1984, 1988a, 19988c)

**Figure 9.4 Food Imports as a proportion of Total Imports (1980-1987)**

A new element in these developments is the revival of religious sentiment in an era in which there has been a global revival in Islam. Although usually more a means of support for the state, in recent years it has also appeared as the source for collectively expressed dissent.<sup>1</sup> For example, *The Daily News* of Thursday, September 1, 1988:3 reported the May 13 riots in which clashes between security forces and an unlawful procession left two dead and several injured. Two young Moslems had incited worshippers at the Forodhani Mosque through preaching and distributing of leaflets. One of pair is said to have taken the floor at the Mosque "and challenged fellow believers to mount a Holy War (*Jihad*) against the non-Moslem. Everyone at the Mosque was moved by the fiery speech... and that the young Moslems began chanting Allah Akber..."

<sup>1</sup> While this may have something to do with spiritual awakening, it also is part and parcel of the struggle for greater equality, justice and self-preservation in society. In recent years Islam is seen by many as an alternative to failed and frustrating attempts aimed at development by various governments. Notable examples include the rise of Islamic Fundamentalism in Egypt, Tunisia, and Northern Africa in general, the Middle East and Asia. It is a manifestation of social conflict within society at different levels and in the light of current economic and social antagonism it is certainly encroaching in various parts of Africa. However, the danger remains that such expression can often be easily manipulated by various interest groups, internal or external, rendering the SIS more vulnerable.



(*op. cit.*). Events leading to that day were based on a demonstration against a statement made by a leader of the Women's Organisation of Tanzania (Umoja wa Wanawake) against polygamy and was interpreted by the demonstrators as interference (from the Mainland) in Zanzibari and religious affairs.

In such situations conflict is both religious and cultural, it is necessary to be able to distinguish what they both are. There is certainly some interrelationship between the erosion of socio-economic achievements and the level of disenchantment and frustration by some sections of Zanzibari society.<sup>1</sup> Such actions are easily initiated and inflamed during adverse economic situations and for SIS these are often the main sources of covert destabilisation. The experiences of Zanzibar are not unique as Espindola (1987:67) points out; "Small states are particularly vulnerable to subversion, especially when local activists have external support...Even if an attempt at subversion does not meet with outright success, an occasional outburst of terrorism suffices to wreck a small state's economy, scaring away tourists and foreign firms."

Zanzibar has been facing such a situation during the early 1980s during which times it is difficult to undertake drastic social and economic reforms, especially those implementing stringent austerity measures such as the removal of subsidies, the curtailment of certain 'traditional imports', the decontrol of basic consumer good prices and currency devaluation. Moreover the 'subsistence safety net' was being eroded making large sections of the population vulnerable to additional if not absolute poverty. For those in power it would be practically political suicide to take introduce reforms aimed at establishing a multi-party democratic system.<sup>2</sup> Even within the ruling party there were serious rifts concerning such matters and it is believed that this has partly contributed to the removal of a Chief Minister and other ranking party officials.<sup>3</sup>

#### **9.4 State of the Union and the changing political dimension**

By the beginning of the *Third Phase* the Union between Zanzibar and the Mainland had been 'enhanced'. It had developed in a series of stages and steps through a number of amendments in the original Acts of Union (1964), the introduction of new Constitutions in Zanzibar and the United Republic, and through the merger of the sole political parties in the two countries.

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<sup>1</sup> Graffiti appeared on walls in the streets of Stone Town stating 'Police go home.' Presumably this referred to occasional reinforcements drafted in from the mainland in times of political tension.

<sup>2</sup> Recent evidence from elsewhere in the world, especially in Eastern Europe and parts of Africa (Zambia) have shown that the people tend to elect the opposition, even if the vote is only for changes sake.

<sup>3</sup> The arrest and removal of the Chief Minister is a equivocal issue. Officially it is said to be due to malpractice in the running of government business, other reasons mentioned include the pursuing of conflicting policies and personal political aspirations. Conflicting versions appear in different publications and from other sources, what is relevant here is that this occurred during the height of the difficult social, economic and political period.



A gradual but firm transfer of power from Zanzibar to the Union took place. On the political side, the merger of the political parties meant that there now existed only a single political party acting in the interests of the United Republic of Tanzania. According to Shivji (1990) the legal foundations of the Union are to be found within 'the four walls' of the Acts of Union which ratified and approved the treaty called the Articles of Union (*op. cit*: 90). He points out that despite the amendments made to 'enhance' the Union, which at the same time effectively reduced the autonomy of Zanzibar, the authorities in the Isles did not always abide by them (Shivji, 1990:66). For example, Zanzibar continued to enjoy some autonomy through maintaining its own foreign exchange accounts, conducting external trade, having its own state bank, and entering into bilateral loan agreements with foreign states (Fimbo, *u.d.*; Kabudi, 1983).<sup>1</sup> Moreover it has consistently refused to implement its financial 'obligations' arising from some of the amendments made to the Acts of Union (Fimbo, *u.d.*). Shivji (1990) questions the constitutional validity of the amendments anyway, stating that the basic scheme and essential features of the Union had been mapped out in the Articles of Union and that the scheme was implicitly immutable i.e., any additions to, or subtle alterations of, the reserved list on Union Matters effectively erodes the very core of those foundations (Shivji, 1990: 90-91).

Since 1965 there have been several amendments to the Act of Union which forms the basis of the original understanding and agreement between the people of the two countries. It is these changes that have been the sources of numerous misunderstandings and tensions. Shivji touches on the root problem of the Union in stating that "The danger to the Union comes from politically unwise and legally unjustifiable departures from those provisions" (*op. cit*:91).

Clearly from the legal stand point of the Union the claim made by some Party proponents that the Union is a Unitary Constitution, and that the United Republic is a Unitary State, does not stand.<sup>2</sup> In practice, the relationship has been based on a federal model and proven several times through the independent actions of various administrations of the Zanzibari Government, a point which is also noted by Kabudi (1986), Fimbo (*u.d.*) and Shivji (1990).

Zanzibar is effectively a partner in a federal union with a considerable degree of autonomy regarding its own development. However, the situation has been complicated

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<sup>1</sup> One of the many interesting and controversial aspects of the Union is the fact that although in 1965 currency, coinage and legal tender, banks and banking,; foreign exchange and foreign exchange control were added to the list of Union matters, and this was signed by Karume who is known to have been an ardent and vociferous opponent of merging the Isles' foreign exchange in the Union, in practice Zanzibar reneged on this matter.

<sup>2</sup> Shivji (1990) refers to a party ideologue, Mr. P. Msekwa who mentions in his writings that the Union of Tanganyika and Zanzibar can be compared to the case of Northern Ireland, and consequently implies that it is based on a Unitary Constitution. Shivji points out that this is an erroneous understanding which is by law grossly inaccurate and politically offensive to Zanzibari sentiments (*op. cit.*: 39).



by legal amendments and the changing politics of central-island relationships. The interventions which were to lead to reduced autonomy arose out of conflicting political interests emanating between the two partners. But these at times have conflicted with matters central to the economic viability of the Isles and have been influenced by an institution which is less sensitive to the special considerations of a small island state. An equal share of the blame lies with the authorities in the Isles, who have failed to appreciate the precarious position of island economies. Some Union matters still fall within 'grey areas' (i.e. are neither the exclusive reserve of the Union or the Isles governments). One example of this has been the procedure for requesting foreign assistance. Although Zanzibar has on several occasions acted independently on related matters, its position regarding development assistance which has been donated to the United Republic of Tanzania has been unclear. The general feeling in the Isles is one of 'losing out' for some time on this matter. For example, in *The Daily News* of May 18, 1991:1, one citizen voiced his concern about the differential rates of progress in social services and manufacturing sectors in favour of the Mainland "while Zanzibar's economic position was stagnating," and that to him, this was an indication that a large proportion of development aid given to Tanzania "is hijacked by the Union government."

To a degree this reflects a lack of awareness of the political division of labour, in that developments in the economic and social development of the Isles are the express concern of the Zanzibari Government. However, external affairs, including external trade and borrowing, all of which are linked to the question of development aid, are Union matters. In striving for economic development and in expressing its political autonomy, especially during the *First Phase*, Zanzibar established its own sources of external funding and conducted some of its international affairs unilaterally. In the interest of preserving the Union overall, such acts went unheeded by the Union government. Compared to the Mainland, the Isles economy had been fairly buoyant (until the mid-1970s) and prevailing aspirations for self-reliance entailed policies and strategies quite different from those pursued in the Mainland, which was consistently suffering from the barrages of falling commodity prices, and other endogenous and exogenous factors. From the mid-1970s through to the 1990s the reality of economic vulnerability rocked the Isles economy profoundly.

Moreover, as discussed in an earlier chapter, the basis for creating the Union may not be as important in the post-1980s as they were in the 1960s. The Union exists and in the light of the limited options available to the Isles and in the search for 'room to manoeuvre', a shift in priorities from the purely political/security consideration to economic ones appear appropriate and timely.

It appears that the security and 'cold war' tensions focusing around the Indian Ocean



have waned. The 1980s witnessed the break-up of the Soviet Bloc and the Soviet Union and this manifests itself in a reduction of hostilities between the various paws in the global chess game. However, the risk to SIS remains in other forms, as the cases of Seychelles, Comoros, and Grenada exemplify, and Zanzibar is not immune from this. There are interested groups from within and outwith the Isles desperately wanting to seize political and economic power, moreover prevailing evidence from around the globe reveal disturbing trends of increasing and devastating ethnic conflicts and regional powers striving to fill in gaps left by superpowers. Contrary to initial expectations the post-Glasnost era has seen an unprecedented increase in wars and upheavals around the globe and SS and SIS are perhaps now even more vulnerable to destabilisation and control by small dissident groups, criminal elements and even some MNCs and TNCs with dubious interests.

Espindola (1987) highlights the vulnerability of small island states to attacks by exogenous irregular forces, whether they are exiles, mercenaries, or mere adventurers. Interest is no longer only on those countries with strategic value because of their natural resources or geographical position. Internal and external interests may cooperate to gain political power. Both covert and overt low-cost operations are common, and used to destabilise a country or effect a change in its affiliation even if the country is of little strategic value (Espindola, 1987).

Events occurring in Pemba and reports emanating from Zanzibar suggest that such threats are not empty ones. For example, *The Sunday News* of August 7, 1988:7, reports that the Zanzibar Chief Minister, Dr. Ali Omar Juma said that "all moves to lure Zanzibaris from their belief in national unity and common understanding by some Zanzibaris living in foreign countries, were futile." The Chief Minister was referring to the periodic threats and aggravation that Zanzibar experiences from antagonists attempting to destabilise and change the government and political system by coercion. This is supported by the fact that the Party has consistently been attempting to placate its citizens and much of these efforts have been concentrated in the island of Pemba and is evidenced by frequent visits by high ranking party officials to the island. However, the existence of a Union defence force is a significant deterrence and provides considerable support for the *status quo*.<sup>1</sup>

In 1988, the Deputy Prime Minister and Minister for Defence and National Service is quoted as saying that "the speech by the Chairman of the Revolutionary Council and President of Zanzibar..., in which he reminded people that the defence of Zanzibar was inseparable from that of the Mainland should be taken seriously. 'If anything befalls Zanzibar it would affect the whole of Tanzania.'" (*The Daily News*, August 12, 1988:1).

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<sup>1</sup> In the other extreme it could also be argued that the same force is also enough to deter the status quo to attempt a break from the Union. A kind of a carrot and stick arrangement. However, the validity of such a view can be ambiguous.



We can judge from this that the issue of national security is a delicate one, whether it is for national interests *per se* or for the preservation of the *status quo*. It is not an empty threat to dissidents in that they would have to consider taking on a much larger force in their ambitions. The case of the security arrangements between the Gambia and Senegal provides a similar precedent of a security pact between a vulnerable, small and a larger developing country, the difference being the absence of a political union and a weak economic union.

More recently, the *Business Times* (January 13, 1989:1) reported that Zanzibar marked the Silver Anniversary of the Revolution with its economy dilapidated and a 'polluted' political atmosphere amidst tight security. Apart from the depressed economic and social conditions, this was also in reference to threats of secession at two levels; the first from the Mainland and the second, between the twin islands of Unguja and Pemba. In the same report President Idris Abdul Wakil addressed the people saying, "Let us consolidate the unity between the people of Pemba and Unguja, let us strengthen the Union of Zanzibar and Tanzania mainland" (*op. cit*), again referring to the two main areas which had experienced a number of problems in recent times. In essence then, it would appear that the leadership is admitting that there is a threat to the Union besides another one of threatening to divide the two islands.

Security wise, Zanzibar has at its disposal the Union defence forces which are enough to deter most from mounting an incursion. These arrangements are responsible for a considerable degree of stability in the Isles, particularly as a deterrence and only a small proportion of its resources are expended in defence and security matters largely through 'economies of scale'. It contributes to creating the necessary stability required to pursue development objectives with a minimal security threat.

Security and stability are important for the current stage of Zanzibar's socio-economic development. The government continues to seek external assistance and closer co-operation with the Mainland in economic affairs. Structural adjustment and economic recovery programmes are a precondition of obtaining external assistance despite the knowledge that austerity measures often provoke considerable social unrest. To implement such programmes, the government require a measure of support and tolerance from the people. However, for its opponents it is an ideal time for waging a campaign against the government, the opportunities for which have been enhanced by the moves towards democratisation.

Experience from elsewhere in the developing world gives rise to concern that is relevant to the Isles. For example, early in 1985 the Sudanese government was pressured into making structural reforms by its main donor, the United States, the International Monetary Fund and other creditors by the threat of the withdrawal of aid and loans. In response to these pressures and to assurances of continued support, Jaffer El Nimeiry,



the Sudanese leader adopted an astute economic recovery programme, which included a devaluation of currency and the slashing of subsidies on petrol, bread and other staples (Timberlake, 1984). The consequence of this was a coup in April, 1985. Elsewhere in Africa, e.g. Egypt, many governments which attempted such restructuring and austerity measures found themselves facing serious social unrest. Such a situation would heighten the vulnerability of many a SIS, and the poorest ones tread this precarious path (e.g., Cape Verde, Sao Tomé and Príncipe, the Comoros etc.)

The economic benefits from the Union enables the government to attempt to maintain basic subsistence levels. For example, *The Daily News* of November 23, 1988:1 reported that "Zanzibar will be supplied with more food, textiles and industrial raw materials from the Mainland to enable it absorb the effects of the recent agreement signed by the Union government with the International Monetary Fund (IMF)". It was also reported that the Prime Minister (Mainland) "also directed that more means should be explored to ease the IMF 'conditionalities' on the Isles economy" (*op. cit.*). So apart from the political and security arrangements, there is an important degree of economic support through fiscal (credit and borrowing) and trading arrangements which generally favour the Isles (these are analysed and discussed in chapters 10 and 11).

### **9.5 Room to manoeuvre, Liberalisation policies**

In the absence of few other practical alternatives, and in the attempt to exploit a historic economic advantage, economic liberalisation policies were introduced with the aim of stimulating trade and production in the economy. These policies are regarded as 'liberal' in that a considerable extent of state intervention over the economy was reduced. The aim was to tap the resources of the private sector, allowing a greater participation so as to inject otherwise dormant resources into the Isles' economy.

The policies were initiated 1984 when the government allowed market forces to increasingly determine resource allocation (GoZ, 1987:5). It was necessary that specific government policies reflect the broader strategic changes that were pursued despite the difficult political decisions that would have to be taken in implementing them. Many of these decisions are 'political' in the sense that they are sensitive to the interests of individual and groups so that potentially their implementation could result in government unpopularity.

The immediate problem for Zanzibar was perceived as the increasingly diminishing resources at the disposal of the government. Up until the end of the Second Phase, government revenues which were largely derived from cloves had been reduced to spending on 'non-productive' programmes such as;



- the provision of free basic services such as education and health,
- importation of food, particularly rice, flour and sugar, and
- employment of surplus staff in the public sector.

There was little or virtually no investment in new and productive enterprises and worse, there was a marked deterioration in the economic infrastructure as a result of the lack of basic maintenance. Much of the existing infrastructure was constructed between the 1920s and 1940s with some additions soon after the Revolution. The Economic Recovery Programme (ERP) aimed at establishing a foundation for growth. A series of short term (and difficult) measures to redress the major imbalances were proposed and implemented. These include the improvement of the financial sector and an emphasis on policies designed to bring about the rapid revival of economic and particularly productive activities through (GoZ, 1986b, 1987a, 1987b, 1989c; JMT, 1989):

- increasing revenues by charging for selected government services which had hitherto been provided free, or what is also known as cost recovery measures for government services such as education;
- reducing the public sector wage bill through retrenchment. This implied a significant reduction in size of the civil service (initially by about 18%) and related to this, obtaining a better balance between government expenditure on salaries and other costs, such as equipment and materials;
- reducing food and other subsidies with the long term aim of removing them altogether. This translates into increasing the price of rice to market levels and a steady reduction in quantities imported. Prices of other goods are to be set at levels reflecting their real costs;
- improving foreign exchange allocation and directing it to productive use e.g. allocating to efficiently operating industries and other productive sectors;
- ensuring that parastatal activities are being run along commercial lines. Those failing would to be closed or sold to the private sector;
- encouraging agricultural and fisheries production by providing incentives, inputs, extension services and relaxing restrictions in marketing;
- introducing measures to improve the recovery of customs land sales tax;
- re-allocating priorities in the public investment programme to favour rehabilitation of projects at the expense of new investments and allocating a



larger share of resources to infrastructure and education;

- introducing measures aimed at encouraging and protecting the private sector which had been restricted through unnecessary regulations and enabling investors to set up and operate without too much government interference;
- encouraging the development and exploitation of alternative sources of wealth such as agricultural products (non-traditional), fishing (under exploited and unprocessed) and tourism (dormant).

There are other measures related to the above which include training and incentives for the public sectors, greater priority towards maintenance and rehabilitation, reduce rice imports by about 25,000 tons over a period of two years and increasing domestic food production capacity. There is also the need to realign government expenditure to meet revenue, eliminate expenditure on government functions that are deemed as non essential, reintroduce self-help schemes for the rehabilitation and construction of classrooms, health centres, upkeep of feeder roads and water supplies, extending financial services to district levels and the removal of some export restrictions. In this way, some of the costs incurred by the state are taken on by citizens through self-help schemes.

The size of the total labour force was estimated to be about 259,000 or 40% of the population (1988 population = 640,578). The formal sector was estimated to be employing 14.7% of the registered employees (37,000) in 1987 and nearly 70% is said to be employed in the public sector. As discussed in chapter three, this characteristic is quite common in many SS and SIS and Zanzibar certainly conforms to it. This is indicative of an over-manned civil service with low levels of skills and training and hence low efficiency too and the situation is further compounded by the lack of equipment and materials.

The ERP made it clear that it was important that these measure be implemented as soon as possible and to a strict timetable. For example, it proposed a period of between three to six months to reduce the size of the public sector by 18% and the removal of food subsidies. This was over-ambitious if not imprudent, and did not happen according to the suggested time-table. Instead the government made steady progress towards the goal by stretching the time period and implementing the programmes in stages. Even then, there have been some difficulties. The GoZ has been cornered by the bad situation it has been facing to accept this advice, even though it does not provide alternatives for those being laid off. The new approach is based on the power and successes of the market forces, a situation which first, is hardly applicable to this particular environment and second even in the North has serious shortcomings.



The private sector's participation took time to take effect, but by 1985/86 it began providing employment and services to the population. There is little evidence of private investment in production activities, most seem to centre on transport, hotels and tourism and trade/commerce. To some extent there has been increased exports in non-traditional goods such as seaweed and chillies.

Liberalisation has been accompanied by an increased movement of people. Many informal activities have gradually become formal as they expand, and especially so in commerce and trade where the percentage change in its contribution to GDP in 1988 over 1980 is 32.7 %. The transports sector both land and marine saw the proliferation of private sector participation, enhancing movement of people and goods within and outwith the Isles. The construction sector has seen a 13.8% change in contribution to GDP (1988 over 1980) provides a good indicator of economic activity in an economy.

#### **9.6 The implications of the 1987 Tanzania General Elections for Zanzibar**

The retirement of the Union President, Julius Nyerere in 1987, paved the way for elections for a new leader. Quite unexpectedly, the new President came from the Isles, as made possible through the provisions of the Constitution of the United Republic. The new Union leader Mr. Ally Hassan Mwinyi, who was until then the President of Zanzibar.<sup>1</sup> For the first time both leaders of the two sides of the Union came from Zanzibar. The importance of these developments lay in the fact that changes in Zanzibar were initiated by Mr. Mwinyi's government and now there was ample scope to support them further through the Union. All leaders since have basically followed the same social and economic development programmes initiated by Mr. Mwinyi and comprise the *Third Phase*.

For the first time, statements have been made that recognise that the situation in the Isles is different from the Mainland and may require a different approach in confronting it. The GoZ Summary (1987) points out that the Union is not a static relationship and that it varies according to the state of the two economies. In the past Zanzibar's cloves revenues have meant that it had a relatively strong economy compared to that of the Mainland. In recent years this has changed and all the more important that economic co-operation between them has tangible benefits for both economies. The same document (GoZ, 1987) recommends that Zanzibar should pursue that following strategies with respect to Union matters during the course of the ERP.

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<sup>1</sup> Mr. Idris Abdul Wakil was elected to replace him in the Isles, and he is followed by Mr. Salmin Amour, the current President.



- Zanzibar should seek to maximise the amount of aid and grants from donor organisations as the success of the ERP depends on a considerable extent on aid that it can generate from donors. Since loans and aid are a Union matter, Zanzibar is effectively competing with other parts of the Union and is necessary that it should increase its share of aid if it;
  - can agree with the Union government on guidelines for division of donor assistance,
  - GoZ should ensure that projects which are to be put to donors are well prepared and supported by the necessary feasibility studies. This is a difficult process given the shortages of resources and skills available,
  - ensures that its liaison office in Dar es Salaam was staffed with sufficient high calibre staff who stayed in their posts long enough to maintain continuity.
  
- Zanzibar should ensure that the Mainland is aware of its economic interests through regular consultation and when the United Republic of Tanzania's policies are not appropriate, Zanzibar should investigate ways to alleviate the consequences.
  
- Zanzibar should encourage Union institutions to contribute to the development of Zanzibar, at least in proportion to the share of their revenues and assets generated in the Isles and especially with respect to the financial institutions such as banks.
  
- Zanzibar should continuously monitor economic developments on the Mainland and, where possible, take advantage of any shortage or other constraints in the Mainland by providing these and benefiting through such a transaction.

The Isles have established a market on the Mainland for some of its goods and services. The Mainland is a relatively cheap and secure source of many of its basic imports. An interdependent relationship has developed between the two countries facilitated by the political Union.

## **9.7 Summary and Conclusions**

The basic philosophy of Zanzibar during the *Third Phase* is summarised as follows: "Zanzibar shall remain a socialist oriented society with self-reliance an important objective. However, government recognises the role of private sector in stimulating and fostering economic development". (GoZ, 1986b:3). Referring to the implementation of



strategies and policies related to the ERP, the government suggests that "Zanzibar would change from a predominantly agricultural economy relying on cloves to an 'Island Economy' based on industries, tourism, trade and other services related to these sectors" (GoZ, 1990:22).

That transformation is happening, though not along the lines expressed above. Zanzibar is now dependent on external aid to implement the ERP, and it will continue to be reliant on external assistance for its economic survival and development for some time. Through this dependency, it has effectively 're-linked' into the global economic system and is obliged to open up its economy to external economic interests and established legislation encouraging and protecting external investments and profits. This is anticipation that part of the profits generated will be reinvested in the Isles to rejuvenate economic growth and development.

However, strategy wise, it does not state explicitly whether to achieve a greater degree of independence or even interdependence, and yet now it is ever more so dependent on external resources, particularly aid, loans, grants and foreign investment. For a place where the virtues self-reliance and the evils of dependency have been trumpeted for so long, but where they have remained a rhetoric than reality, it is perhaps understandable why this is so. However, the ERP recommends that the government has no option but to obtain external assistance and the government has made it a matter of policy to aggressively seek aid through setting up donor conferences to support it ERP (GoZ, 1992).

In an overview of the developments during the *Third Phase*, five main characteristics appear. First is a major internal restructuring of the island economy with the emphasis shifting from public to private and foreign participation. Second is the increased realisation that it suffers from a unique set of development constraints and requires a greater level of autonomy in confronting them. Third is the recognition that most conventional strategies have failed, partly due to weaknesses in them, but also due to poor implementation, and acceptance that unconventional strategies have to be adopted in the light of the Isles' extremely limited prospects. Fourth, is the exploitation of the economic potential of the Union and thus expanding the economic viability of the Isles' economy and, finally is the resignation to the fact that the Isles have become increasingly dependent on aid for survival and development. At this juncture it is necessary to analyse the dominant characteristics that have emerged in Zanzibar's economy since 1984. The relevant analyses and discussions both at the macro and micro scales, are made in chapter 10 and 11.



## CHAPTER TEN

### 10.0      *The emerging MIRAGE economy*

#### 10.1 Introduction

The developments outlined in the preceding chapter have contributed to important changes in the dominant characteristics of the Zanzibari economy, with some critical social and political implications. Zanzibar faces considerable difficulties in achieving economic growth and compared to its past experiences, it has had to resort to 'unorthodox strategies,' of development such as liberalisation, attracting foreign aid, private and multinational investment, tourism and is now seeking to lease out its fishing grounds, establish tax havens and an EPZ.

Either by choice or for want of a better option, Zanzibar has increased its ties with the metropolitan powers and is moving from a productive to a rentier status. It does not appear that there is a wish to withdraw towards subsistence and self-reliance and migration of the able-bodied has reduced some of the opportunities for local development. At the same time metropolitan economies have been willing to construct a new form of bureaucratic dependency, as dependency is increasingly negotiated.<sup>1</sup> With the failure of conventional development strategies, practices once regarded in Zanzibar as taboo, such as tourism, emigration, foreign and private participation in the economy have become enshrined in current development policies (e.g. the ERP and project plans for post-1992/93).

Zanzibar has become increasingly incorporated into the periphery in a number of ways, such as trade, migration and political subordination. Its struggle for survival may imply erosion of sovereignty and that self-reliance has become a delusion. Evidence of these factors are presented first, in the description and analyses of the emerging MIRAGE economy with examples derived from secondary sources (reports and other surveys), second, in related aspects such as trade, agriculture, rural development and the dominant form of dependency which exist (chapter 11), and third, through the socio-economic survey of households in different geographical areas that the survey was conducted (chapters 12 and 13) for the purposes of supporting observations, statements and hypotheses postulated in this study.

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<sup>1</sup> Bureaucratic dependency is one in which the bureaucratic structures are dependent on the generosity of donors for policy direction and funding of development projects. The incoming aid also tends to benefit sections of the bureaucracy.



## 10.2 The MIRAGE economy

Certain common characteristics which appear in many SIS have been identified and discussed in chapter four and are generally known as the MIRAB or MIRAGE economies (Connell, 1988; Brookefield, 1986; and Bertram and Watters, 1985, 1986). Scholars have noticed certain common social, economic and political characteristics which occur in many of the developing SIS. The smallest Pacific micro-states have been conceptualised as MIRAB economies because of their dependency on *Migration, Remittances and Aid*, and the *Bureaucracy*. Such economies are linked to the decline and stagnation of the main productive sectors, usually agriculture, and to the growth of imports, offset by aid, remittances and tourist revenues.

The urban bias of **MIRAB** economies, especially in the delivery of aid and bank loans and more generally through the actions of the bureaucracy, coupled with the collapse of agriculture and fisheries suggest that the term **MURAB** economies may be preferable - *Migration, Urbanisation, Aid and Bureaucracy* (Connell, 1988 quoting personal communication with Munro, 1986). Brookfield has developed this argument and suggested that since it is *Government Employment* that predominates in the Bureaucracy, the micro state might best be conceived of as a MIRAGE (*Migration, Urbanisation, Aid and Government Employment*), that is "scarcely a sustainable economy at all" (Connell *op. cit.*: 81, quoting Brookefield).

Bertram (1986) agrees and maintains that in such SIS the thrust of most development planning on production, is misplaced since aid, philately and migrant remittances have become the foundation of the modern economy, and in doing so, the IMS have for better or for worse, virtually overturned the classical theories of economic development (Connell, 1990:12). SIS are becoming increasingly urbanised and portray characteristics similar to rapid urbanising developing countries, with urban primacy and neo-colonial state policies which discriminate against the traditional mode in taxation, investment allocation and pricing of rural products (Jones, 1990). They conform to Gugler's (1986:202) observation that "everywhere it is government by the city, from the city, for the city."

The Zanzibari economy is in the process of transforming into one which is characteristic of MIRAGE. The *first* and *second phases* did not exhibit much in terms of migration, remittances and aid as they were not of significance. Indeed, in the case of migration and remittances, they were largely absent or irrelevant due to government policies being against them, and the relatively strong position of the cloves crop in the world market enabling the country to survive without much aid. In the *first phase* the government was often reluctant to either request or accept aid, and even loans were accepted selectively. Pre-1984 Zanzibar does not fit closely into the characteristics or typologies associated with MIRAB or MIRAGE economies. The situation was unique in



that the dominant characteristics were the cloves exports and growth of the bureaucracy coupled with attempts at import substitution industrialisation as a process of changing the economic structure from a rural monoculture to an urban industrial economy, in which trade would become the 'engine of growth'. Predictably, this has never happened.

With the *urban bias*, the rural sector increasingly became alienated, with agricultural earnings (for producers) falling behind urban incomes thus increasing the magnetism of the urban centres. Failure of rural based policies and strategies, the stagnation of agriculture and authoritarian leadership, particularly in outlying areas, stimulating the younger sections of the population to migrate towards urban areas and especially the capital, Zanzibar Town. Emigration was discouraged.

From the mid-1980s the government desperately sought external assistance in forms of aid, grants, loans and import support to finance development objectives and attempt to restructure the economy. Liberal economic policies and free movement of the population were introduced, allowing a larger section of the population to participate directly in the economy through trade and commerce. There began to emerge a group of people who emigrated (short and medium term) seeking economic opportunities externally and sending back remittances. Equally important is the fact that through historical events, a sizeable and also quite prosperous section of the population resides in the Gulf, and others in Europe and maintain contacts with kin in Zanzibar. They are now permitted to send remittance to their relatives, and participate in investing in various sections of the economy. In a recent budget speech the Minister for Finance made the following appeal, "I would like to make a special appeal to Zanzibaris, wherever they may be, to avail themselves of this opportunity to support the development of the country" (GoZ, 1991:17).

Both internal and international migration have become important to the economy of Zanzibar. Remittances are increasingly occupying an important position in the national income, and urbanisation has approached almost unmanageable levels entailing all the related problems of rapid urbanisation of developing countries. Aid is an option increasingly being sought and dependent upon. Finally, as in other SIS, the public sector continues to provide the largest share of employment, consequently taking up a major proportion of resources.

Compared to previously, the economy of contemporary Zanzibar can certainly be described as that of a MIRAGE, where *migration, remittances, urbanisation, aid and government employment* are the dominant social, economic and political aspects of the island economy, at the expense often of agriculture and rural development. The nature of this type of economy lends little hope for sustainable development since the trend is towards a greater dependence on the characteristics that define the MIRAGE economy.



Zanzibar has also taken measures to exploit other potentials such as tourism and trade. In addition there is the potential of a larger market through its special political and economic relationship with the Mainland, and through it with other countries within the region. However, Zanzibar has become increasingly dependent on the Mainland, both in terms of its security and economic possibilities. The Mainland provides a market for its labour force and investment potential for its capital and this has the effect of reducing some of the problems of the island society. However, it is also true that through this it has developed a form of *double-dependency*, which is commonly characteristic of land-locked countries (chapter two).

The attraction of overseas and local private investment through the creation of beneficial conditions is happening, but what will matter most is the *type of investments* that are made and the *types of employment* opportunities that are generated in the local economy. Also of importance is the degree of *leakage* of foreign exchange generated through external and private investment. If there is a continual high level flight of capital and negligible re-investment in the local economy, then there is no hope or scope for development, let alone sustainable development.

Liberalisation invites the inherent dangers of the private sector and foreign investors becoming dominant and beginning to exert disproportionate influence over the government. A metamorphosis of the island economy is occurring, but it may not spell out an interdependency in the world economy, but one which is even more deeply entrenched in its dependency, as it develops reliance on aid, finance and imports.

### **10.3 Population, Migration and Urbanisation**

In the past development policies and strategies have been frustrated by a number of factors, many of which are characteristic of small island states. Although factors such as its high dependency on food imports and a low level of self-sufficiency were commonly accepted in the development plans and cautioned against by the political leadership, they continued to exert significant pressures on the sustainability of the island economy.

Rapid population growth in urban areas entail a fast growing demand for urban amenities, increasing pressure on existing facilities. In this respect what has been happening in Zanzibar is similar to what occurred elsewhere. For example, Hope (1982:74) noticed similar trends in the Caribbean islands, and stated that: "The problems of the agricultural sector as a declining resource base and the resulting urbanization faced by the Caribbean nations derive partly from their small size, partly from economic fragmentation, and partly from the fact that they have not had well coordinated strategies for their economic development". This is certainly true for Zanzibar. The First Phase lacked any population policy and the Islamic based culture,



its pro-natalism, and the personal opinions of Karume regarding population control, militated against the introduction of such policies. The complexities of the politics of the period as well as low literacy rates for both men and women further contributed to the high population growth.

### 1031 Population Growth factors

The demography of the poorest SIS are linked to their development problems and prospects. In Zanzibar there were some important trends occurring in a number of population indicators. Data available for midway through the Second Phase (1978) show that Crude Birth Rate (CBR) was 59.2/000 while the General Fertility Rate (GFR) was 274.5/000. The Total Fertility Rate for the same year was 8.8.<sup>1</sup> According to a recent demographic survey of the islands, fertility levels in Zanzibar are amongst the highest in the world (GoZ, 1989). This has been the trend since 1967 and a comparison with other island states reveals certain extremes (Table 10.1).

Country	Populat- ion (000)	CBR	CDR	IMR	Rate of natural Increase	Annual Growth Rate	Net Migrat- ion Rate	Populat- ion Density	% Urban Populat- ion
Maldives	135	50.0	23.0	88	2.7	2.4	-0.3	11	20
Mauritius	895	26.0	8.0	40	1.8	1.3	-0.5	444	44
Seychelles	66	24.7	7.6	35	1.7	0.36	-13.5	221	26
Comoros	350	59.2	22.0	91	-	3.5	-	157	17
Cape Verde	303	28.0	9.0	105	-	-	-	76	25
Zanzibar	476	59.2	18.0	140	3.0	2.7	-0.5	201	30
Mainland Tanzania	17,036	49.0	19.1	137	-	3.2	-	18	13
East Africa*	-	47.0	20.0	146	-	-	-	-	12

\* East African data has been presented for comparison purposes.

- indicates that the relevant information is not available.

Sources: Lucas (1980), Zanzibar Government (1984), Republic of Seychelles (1989), United Republic of Tanzania (1989), Commonwealth Secretariat (1990), World Bank (1990).

#### **10.1 Demographic indicators for selected countries (1978)**

In 1978 it had both the highest Rate of Natural Increase and Annual Growth Rate compared to the other countries. It also had a relatively high urban population in proportion to SIS standards. Crude Birth (CBR) and Crude Death Rates (CDR) were high, while the Net Migration Rate relatively low. Clearly Zanzibar's population was growing rapidly. The situation is further compounded by the travel/emigration restrictions that existed, as indicated by the relatively low Net Migration Rates. Restrictions include those imposed by the government and those which are determined by the destinations willing to accept migrants, which in the case of Zanzibar, is restricted largely to the

<sup>1</sup> The average number of children a woman gave birth during her reproductive life span.



Mainland. Middle Eastern countries and particularly Oman accepts some emigrants, but even these are selected according to ethnic background, marriage and skills. In all these cases the numbers are relatively small.

During the *Second Phase* the population of Zanzibar reached 479,235 from 354,360 in 1967 and 30% resided in urban areas in 1978 compared to 24% in 1967. Between 1967 and 1978 the population growth rate was 2.7% *per annum*. The annual growth rate in Unguja Island was 3.3% and in Pemba 2.0% (1978), the situation in the former island being attributable to the high rural-urban migration trends. As in other LDC's and developing SIS, urban primacy is prominent. Figure 10.1 and table 10.2 depict the population growth for the island's districts between 1967-1988. Population growth was faster in urban areas, such as Zanzibar Town and the urban areas of the northern districts of both Unguja and Pemba islands (Table 10.2).

In recent years there have been some changes in fertility, mortality and spatial distribution of island populations which are interrelated with current social and economic changes. The degree of urbanisation in many island economies have been fairly rapid and generally rural populations are growing at a slower rate compared to the urban. For example, the average proportion of the population in urban areas in 20 of the low income small countries is 20.6%, and Zanzibar's share is well above average being at while 30%.<sup>1</sup> Even in the smallest IMS, uneven development and urban bias has become typical (Connell, 1988a; 1988b). In fact where this occurs, the degree of urbanisation is higher compared to most larger developing countries.

The populations of SIS have been growing rapidly despite recent mortality and fertility declines and high emigration rates. Some SIS are just going through the beginning of the *demographic transition*, and this is certainly true for the case of Zanzibar, as characterised by its high fertility rates, gradually falling mortality rates (including infant mortality rates) and until recently, limited emigration.

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<sup>1</sup> Computed from data in *Basic Statistical Data on Selected Small Countries*, Commonwealth Secretariat, May 1991.

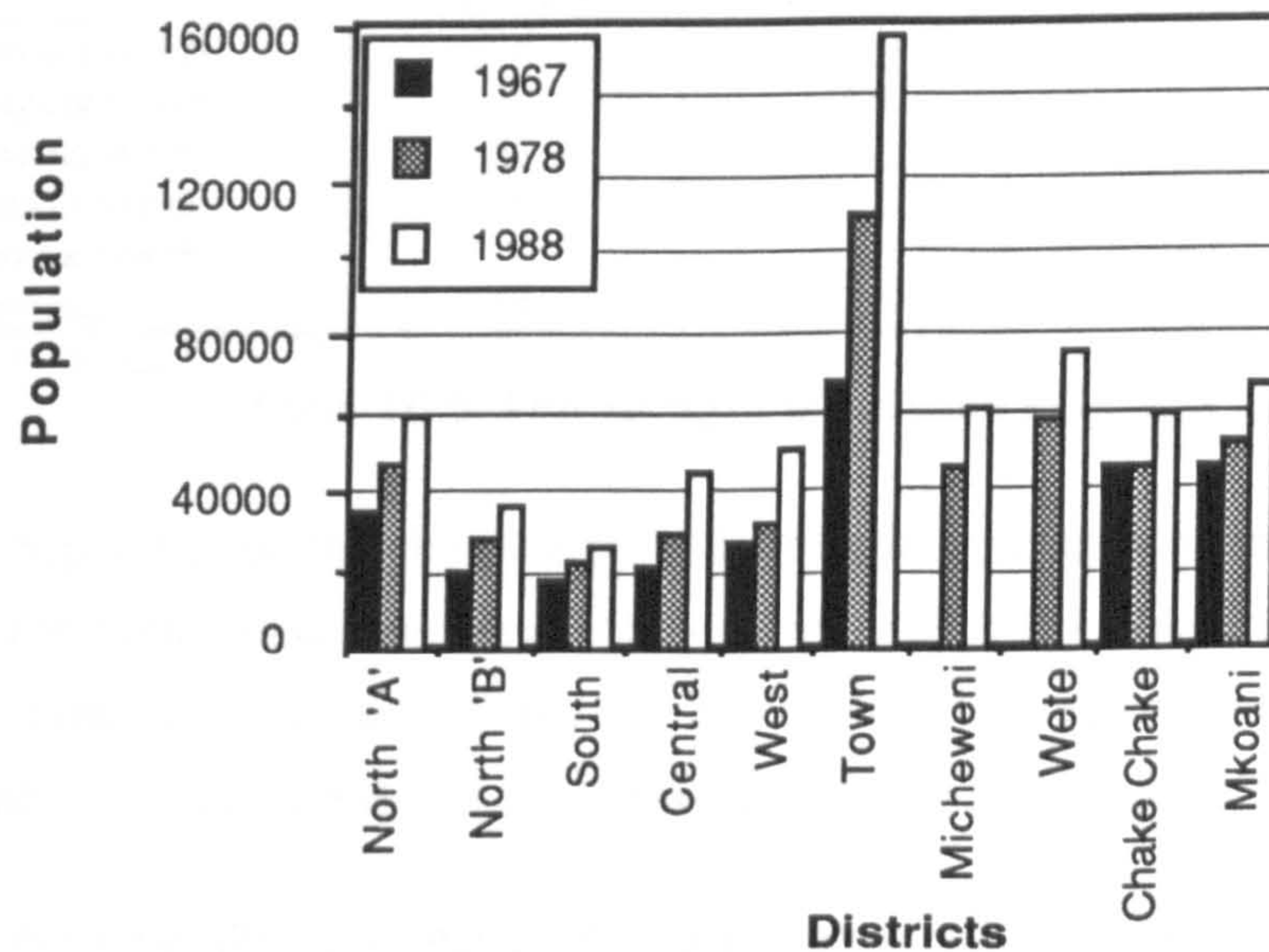


Regions and Districts	Population (1967)	Annual Growth Rates (1978)	% Growth (1976-1978)
Urban/West Region	94894	142041	3.7
Urban (Zanzibar) District	68380	110506	4.4
West District	26514	31535	1.5
South Region	39004	51749	2.6
South District	17251	21952	2.2
Central District	21753	29797	2.9
North Region	56219	77017	2.9
North "A" District	35464	48124	2.8
North "B" District	20755	29893	3.3
<i>Unguja Island</i>	<i>190117</i>	<i>270807</i>	<i>3.3</i>
North Region	71972	106290	3.5
Wete District*	-	58923	-
Konde(Micheweni) District*	-	47367	-
South Region	92271	99014	0.6
Chake Chake District	46482	47208	0.1
Mkoani District	45789	51806	1.0
<i>Pemba Island</i>	<i>164243</i>	<i>205304</i>	<i>2.0</i>

\* Wete and Konde districts, the latter of which is later known as Micheweni, were created after the 1967 census thus there are no growth rates computed for them.

Source: GoZ, 1984.

**Table 10.2 Regional and District intercensal population growth rates 1967-1978**



\* Wete and Konde districts, the latter of which is later known as Micheweni, were created after the 1967 census thus there are no bar charts for them for that year.

Source: GoZ (1981, 1982, 1984)

**Figure 10.1 Population growth in Districts 1967, 1978 and 1988**



1032 Patterns and trends of migration

The history of migration demonstrates that its structure, including its duration, volume and destination, is affected by conditions in the receiving as well as in the sending countries (Mabogunje, 1970; Findlay and Findlay, 1987; Jones, 1990). In the case of Zanzibar, emigration to the Mainland would be the first and most convenient choice. The 1978 census showed conspicuous levels of movement between the Isles and the Mainland, although clearly at much lower levels than expected. The reasons for this include restrictions in movement imposed by the authorities in Zanzibar and the absence of any strong economic attractions in the Mainland, given the fact that the economy there was even weaker than that of Zanzibar before 1978 and similar economic policies restricting private enterprise were in effect (see chapter 9 section 9).

An analysis of the 1978 census in relation to population movements shows that 22.6% of Zanzibar's population were 'lifetime' migrants (Table 10.3).<sup>1</sup> Of this proportion 18.1% were enumerated outside their region of birth within Zanzibar, 3.6% were born in Mainland Tanzania and 0.9% were born outside the United Republic of Tanzania. Inter-regional migrants accounted for 77.4% of all migrants, with most moving within or going to Unguja island (83.2%).

REGION	Birth Place Categories (%)			
	Other Island Regions	Mainland Tanzania	Outside Tanzania	Lifetime Migrants
Unguja North	8.4	1.9	0.4	10.7
Unguja Central	14.0	5.6	0.8	20.4
Unguja West	42.4	8.0	1.7	52.1
Pemba North	6.3	1.1	0.3	7.7
Pemba South	6.3	0.7	0.3	7.3
Zanzibar	18.1	3.6	0.9	22.6

Source: 1978 Census

**Table 10.3 Percentages of lifetime migrants (1978)**

A large proportion of the population (42.4%) who are lifetime migrants in Unguja West which is the main urban centre on the island, originated from other island regions. This is a very large proportion compared to other island regions indicating that there has been a definite and high degree of rural-urban long term population movement.

The raw data for life time migrants in Zanzibar shows that by 1978 over 35% of the population were engaged in inter-regional migration. The general patterns and directions of movement are towards Zanzibar West region and the capital, Zanzibar Town. The region experienced a net gain of 77.8%, with an effectiveness ratio of +0.81 indicating a strong unidirectional movement from rural to urban (Table 10.4). Regions

<sup>1</sup> Lifetime meaning that they were permanent migrants from their respective places of birth.



losing the largest proportions of their population are Pemba North (43%) and Unguja Central (26.8%), while those experiencing smaller losses include Pemba South (-14.1%) and Unguja North (-15.1%).

REGION	In Migration	Out migration	Gross Migration	Net Migration	Effective-ness Ratio	Net Migration Rate (%)
Unguja North	5381	18519	23900	-13138	-0.55	-15.2
Unguja Central	6015	22131	28146	-16116	-0.57	-26.8
Unguja West	60475	6399	66871	+54076	+0.81	+77.8
Pemba North	6289	15772	22061	-9483	-0.43	-43.0
Pemba South	5448	20687	26035	-15339	-0.59	-14.1
Total Zanzibar	83608	83508	167013	-	-	-

Source: 1978 Census.

**Table 10.4 Life Time Internal Migration 1978**  
(Number of migrants)

The patterns of gains and losses coincides with the degree and location of new investments and better amenities, the occurrence of employment opportunities, and the availability of good agricultural land. Aspects such as electrification, construction of modern roads and new housing, establishment of manufacturing and processing industries tended to favour urban areas. Regions with more fertile agricultural land include Unguja North and Pemba South. Unguja Central (and South) and Pemba North tend to be less fertile, comprising large sections of coral rag.

### 10.3.3 Inter-regional/inter-island migration

Inter-regional and inter-island migration between 1967-1978 showed similar trends. About 14.3% of the population migrated during the same period and Zanzibar West attracted the largest proportion of migrants with an effectiveness ratio of +.73% and a net migration rate of 30% (Table 10.5). This reflects a typical situation of growing urban migration focusing on the primate city, common to most Sub-Saharan African countries. Zanzibar West region gained over 20,000 migrants, while all other regions experienced net losses and Pemba South alone leads with a 55% loss. Zanzibar Central comes a close second with a 54% loss (Table 10.5).

Region	In Migration	Out Migration	Gross Migration	Net Migration	Effective-ness Ratios	Net Migration Rate (%)
Unguja North	2401	5742	8143	-3341	-.41	-7.0
Unguja Central	2446	8175	10621	-5729	-.54	-16.5
Unguja West	24035	3754	27789	+20281	+.73	30.3
Pemba North	2580	7328	9908	-4748	-.48	-7.3
Pemba South	2634	9097	11731	-6463	-.55	-10.4
Total Zanzibar	34096	34096	68192	-	-	-

Source: 1978 Census.

**Table 10.5 In and Out Migration (1967-1978)**



The characteristics of the migrating population provide an interesting insight about the consequences of migration to both receiving and losing ends. Sex ratios show the type of people who are migrating and what the consequences may be if either sex tends to emigrate more than the other.<sup>1</sup>

Birth Place	Same Region	Other Isles Regions	Mainland Tanzania
Unguja North	99	91	119
Unguja Central	103	99	123
Unguja West	99	97	111
Pemba South	99	97	143
Pemba North	98	96	152
Total Zanzibar	99	96	129

Source: 1978 Census

**Table 10.6 Sex ratios of migrant populations by residence categories (1967-1978)**

The data available shows a distinct difference between the sex composition of migrants moving within and between the islands and those emigrating to the Mainland (Table 10.6). The sex ratio for migrants moving from Zanzibar to the Mainland (emigrating) is greater than that of internal migrants, implying that migrants who tend to move outside the Isles are often males and female migrants often tend to cross inter-regional boundaries and remain within the Isles. The table shows that flows from Pemba to the Mainland exhibit a greater degree of imbalance between the sexes. This is also true for Unguja Central region. The same regions show a much lower ratio of males to females moving within the same region. This would support further observations and statements made in the preceding sections. It can be deduced that male migrants participate significantly in both inter-regional/inter-island migration and emigration (mainly to the Mainland), whereas female migrants are more involved in inter-regional/inter-island migration. This is characteristic of the culture and traditions prevailing in the Isles.

Additional explanations for these patterns of movement are that female migrants tend to move more within the Isles due to restrictive immigration policies prescribed during the *First* and *Second Phases*, which were gender discriminating. Family and other social ties, such as staying with or following the family or husband, wherever they may be or move to also restricts the movements of females.

Motivations for male migrants and emigrants, include seeking alternative and/or better economic or other opportunities given the limited opportunities existing in the more disadvantaged regions, which also tend to be more rural and remote. It must be emphasised that restrictive emigration policies were not applicable only to females.

<sup>1</sup> Sex ratios are expressed as a proportion of males to females in the population.



However, it is also interesting to note that according to the migration report (URT, 1978), the urban population is dominated by a higher female ratio. The male/female ratio is 95 males per 100 females. Comparing this to the Mainland, a different picture emerges, in which the average sex ratio is 108 males to 100 females. In contrast to the Isles' population, the Mainland urban population is dominated by adult males. This would lend support to the contention that Zanzibar Town and indeed urban areas in general are losing more males through emigration.

According to the same report (URT, 1987) most adult male migrants moved mainly to Mainland Tanzania and some to the Middle East. The latter is due to the historical ties that Zanzibar has, particularly with Oman. Other reasons for emigrating to the Middle East include "deportations" or fleeing from the political and social upheavals at the outset of the First Phase. Movement to the East African mainland coast is also due to historical ties. Cultural, ethnic and family ties are important as migrants tend to follow kinship ties. The absence of immigration restrictions on the Mainland facilitated such movements although during the early part of the Second Phase it is probable that these were not so high given the fact that most islanders would have been used to better economic conditions compared to those on the Mainland.

#### 1035 Urbanisation

Zanzibar has nine urban localities which accommodate about 32% of the total population (1988). The four main urban areas are the towns of *Zanzibar* on Unguja island, and *Mkoani*, *Chake Chake* and *Wete* on Pemba island. The remaining urban areas are very small towns. There exists a curious pattern in which Pemba island has most of the urban centres and this can be explained by the ethnic and class composition in the island. Most of the islanders have often been of Shirazi and Arab descent and historically have been the more privileged and wealthier groups and with their wealth they were able to transform small settlements into small towns to suit their lifestyles.

In 1978 about 30% of the population resided in urban areas. The largest urban centre is Zanzibar Town, it exhibits urban primacy and over 71% of the total urban population (110,500) in the Isles reside there. Since the Revolution migration has tended to focus towards Zanzibar Town.

Between 1967 and 1978, there were significant urban population growth rates in Pemba too, with Mkoani registering an annual growth rate of 10.7% and Chake Chake with 6.2% (Table 8.7). The combined factors of rural deprivation and urban attraction contributed to this growth. Social and economic changes initiated during the First Phase, including land redistribution, the curtailment of rice imports in an effort to 'encourage' domestic production, depressed producer prices, lack of agricultural credit and low rate of technology utilisation, led to agriculture being neglected or abandoned,



with the younger population moving to urban areas in search of alternative economic opportunities. The land redistribution exercise affected medium and large land owners and younger members of their families subsequently migrated to urban areas or emigrated. Lack of experience, capital and labour affected many new and small clove farmers who replaced those whose land was appropriated by the state or who chose to abandon clove production altogether. From discussions with agricultural officers and historians, it was mentioned that the destruction of clove trees was also caused by inexperienced pickers and some disaffected people. This contributed to crop diseases and other damage leading to losses in production capacity. Migration deprived rural areas of its more energetic and skilled human resources thus further swinging negotiating and bargaining powers from rural to urban areas.

Urban Area	1967 Census	1978 Census	Annual Growth Rate(%)
Zanzibar Town	68490	110506	4.4
Wete	4469	12874	3.8
Chake Chake	8868	9640	6.2
Mkoani	1714	5678	10.7
Total	83541	138698	4.6

Source: GoZ, 1984.

**Table 10.7 Population Growth rates for urban areas, 1967-1978**

Although the percentage increase in urban population growth rates are higher in Pemba, the actual numbers are much smaller compared to Unguja. It may be recalled that large parts of Pemba were the bastion of the opposition parties in the period leading up to the Revolution and a number of people there gave no support the régimes (*First and Second*). They had lost political and economic power and their dominant position in the class and ethnic hierarchy that existed. Hence those with external ethnic or other connections emigrated, while those with urban connections migrated from rural to urban areas. Apart from labour and management skills it is reasonable to assume that there was also a flight of capital from rural areas.

Regional Head-quarters	Total Population		Percentage of Urban Population	Sex Ratio	Child-Adult Ratio	
	Male	Female			Male	Female
Zanzibar Town	53592	56914	71.3	94	.43	.42
Wete	6196	6678	8.3	93	.50	.48
Chake Chake	4597	5043	6.2	91	.55	.49
Mkokotoni	577	593	0.8	97	.53	.66
Mkoani	426	406	0.5	105	.47	.49
Total	65388	69634	87.1			

Source: 1978 Census

**Table 10.8 Urban populations in regional towns (1978)**



The patterns of intra-regional and rural-urban migration between 1967 and 1977 show that the largest volume of migration is from rural areas to the regional urban centres, mainly Zanzibar Town. The volume of rural-urban migration was three times that of rural to district urban centres. Such a trend is expected given the smaller size and opportunities available in district towns and the peripheral locations of some of them. Urban to rural migration is insignificant (Table 8.8). However, district urban centres still exert some attraction having an effective ratio of +.60.

Urban sex ratios are predominantly in favour of females, for all the major urban centres with the exception of Mkoani, in Pemba (Table 10.8). They are most imbalanced in Chake Chake and Wete in Pemba, followed by Zanzibar Town. This would suggest that there is a considerably greater tendency for migration of young women from rural to urban areas, either following relatives, in search of work or due to marriage.

The volume of inter-regional urban migration was much higher than that of intra-regional rural-urban migrations. Regional headquarters were the main receiving areas, while rural zones frequently are the main source areas (Table 10.9).

Place of residence (1967)	In migration	Out Migration	Gross Migration	Net Migration	Effectiveness ratio
Regional Headquarters	2867	310	3177	+2557	+.80
District Headquarters	1214	304	1518	+910	+.60
Rural Areas.	295	3762	4057	-3467	-.85
Total	4376	4376	8752	-	-

Source: 1978 Census.

**Table 10.9 Volume of In and Out Migration between Urban and Rural areas (1967-1978)**

In the 1967-1978 intercensal years, Zanzibar's urban population growth rate was estimated to be 4.6% per annum (GoZ, 1981) implying that rural areas continued to lose their populations (Table 10.9). This has severe implications in the losing areas given the smaller numbers remaining and the absence of appropriate technology in rural production and the low level of technology utilisation. This creates a situation of labour shortages in an otherwise labour demanding environment.

By inference, a proportion of the male adult population subsequently migrated to the Mainland, Kenya or Middle East, leaving behind a higher urban female sex ratio. The destinations are mentioned because of the historical ties that exist with Zanzibar.

Clearly through restricting population movement, Zanzibar has, denied itself the advantages of emigration acting as a safety valve, and of emigrants' remittances flowing back to the Isles to act as an injection of revenue. By the early 1980s the effects of



population pressure on resources became increasingly apparent. This ranges from the *per capita* requirements of various services, such as health and education, to transport infrastructure, housing, urban amenities, and ultimately even land based resources.

Such a situation has caused widespread concern and in discussions with government officials most showed an awareness and sensitivity to the situation. One report notes that; "The forest area of Zanzibar has declined significantly in recent years because of the growing demand for firewood and building poles and the shortening of fallow periods in the coral rag areas" (GoZ, 1987:33). This attests to the gravity of the situation.

The same report reveals the considerable and growing pressure on the very limited and diminishing resources for providing essential services and the pressure is ever increasing with the fast growing population. It goes on to state that:

"Zanzibar's population is estimated to have increased by one third since 1976. During that time, real GDP *per capita* fell by 44%. Unfortunately, the decline in Zanzibar's economy has meant that it has been unable to sustain its social services. Buildings, such as schools and other physical infrastructure, particularly the water supply and road system, have deteriorated badly through lack of maintenance and spare parts. Although services have continued to grow, if only to keep pace with population growth, the quality has declined as the resources required to sustain them have diminished steadily" (GoZ, 1987:87).

Just as there is pressure on financial resources and personnel, there is also considerable pressure on natural resources, terrestrial and marine, all of which are of immediate need to the majority of the population. Obviously the existing trends are far from sustainable and poses a threat to the delicate ecology of the Isles.

#### 10.3.6 Urbanisation and the bureaucracy

Remittances, migration and emigration are part of a tendency which is intricately linked to urbanisation. It has been shown in the previous chapter that Zanzibar experiences a relatively high degree of urbanisation, and this undoubtedly contributes towards urban bias (Lipton, 1975, 1977). The tendency for bloated bureaucratic structures to exist in SIS was discussed in chapter four. Zanzibar is no exception to these tendencies. Earlier in this chapter the size of the public sector in terms of employment was shown to be quite large and the economic reality implies that the government is unable to continue to support it. A large number of those employed by the government tend to be in urban areas. Much of the employment is on the basis of personal contacts and kinship and a system of patronage. Even if economic logic suggests that the bureaucracy be reduced rapidly, island practice will resist it. In the ERP it was planned to retire staff over the age of 55 in just 6 months! This was unrealistic, and of course did not occur and reflects the general lack of understanding of the sensitivity of this matter in SIS. In addition vacant posts were to be abolished, future employment restricted and a register of staff be prepared.

It is projected that by the mid-1990s well over 35% of the population will be in urban areas. The average urban population of 19 small low-income countries is 29% of the population (Commonwealth Secretariat, 1991). Zanzibar's urban population is just above that (estimated to be 34% by early 1990s). Such a large proportion also entails an equal demand on urban and other amenities and is a potent source of political pressure on government and the whole system based on *personalism* and patronage. Unless there does occur a dramatic change in the fortunes of the rural sector, urban growth will continue to outpace the rural. The weight of the evidence briefly discussed here and in greater length in the preceding chapter, supports the contention that a high degree of urbanisation exists in Zanzibar. While not a new phenomenon, it has certainly accelerated over recent years and is indicative of the pressures occurring in rural areas.

Given the urban nature of bureaucracy and the need to support the ebbing economy and the growing urban population, the issue of spatial resource distribution becomes biased. Moreover these are in short supply, so it has emerged that the most realistic option is to adopt policy measures which will attract additional resources from outwith the Isles. In this respect Zanzibar has opted to solicit, amongst other means, international aid, loans and grants.

#### 1037 Migration trends in recent years

There is no reason to suggest that rural-urban migration would be reduced significantly between 1978 and the 1980s. Regrettably, the migration data and analysis for the 1988 Census was to be published by 1991 from which it would have been possible to test the hypotheses made here was not available. However, some inferences can be made from the socio-economic survey of the Isles (chapters 12 and 13) regarding migration patterns and trends. The suggestions are that rural-urban migration has continued and international migration (including to the Mainland) may have increased in volume although the duration may be shorter and the patterns increasingly cyclic.

Between 1978 and 1988 population growth rates have increased (3% *per annum*). Between 1967 and 1978 it was 2.7% *per annum*. Trends in fertility, mortality and emigration suggest that growth rates will remain high. For example, it is unlikely that the Crude Birth Rates will fall within the near future. The average number of children desired by Zanzibari women between the ages of 12-49 years is 6.5 (n=13,249) and it is estimated that there have been only modest decreases in Infant Mortality Rates, from 135/1000 to 130/1000 between 1978 and 1988 (GoZ, 1989). This is despite the considerable efforts of government and health agencies over the last two decades to reduce their level. Infant Mortality Rates are higher in rural areas (average = 133/1000) compared to urban areas (Zanzibar Town average = 113/1000) and these differentials are attributed to differences in knowledge, attitudes and practices in all aspects of primary health care between rural and urban areas (GoZ, 1989).



Crude Death Rates were  $17/1000$  in 1978 and given the higher population growth between 1978 and 1988 it is very likely that this too has decreased somewhat. In 1978 the emigration rate was -0.5% but given the changing socio-economic situation that has occurred since, it is likely that the rate of permanent emigration may have decreased, even if slightly.

Clearly population growth rates have increased, and so for the 1978-1988 intercensal period it was readjusted upwards from 2.7% to 3.0% *per annum*. With over 226,184 people now living in urban areas, implies that 35.3% of the population are urban residents, an increase of about 2.7% from 1978. Interestingly, this indicates that the rate of urbanisation has decreased between 1978-1988.<sup>1</sup> The reasons for this can be partly explained by the freedom of movement that has been permitted since 1984/85, and consequently an increased level of the urban population moves on to the Mainland and other areas outside Zanzibar. However, this may in fact contribute to less emigration, as some migrants perceive their movements as temporary and maintain two or more households on either side. Predictably, the forthcoming migration analysis of the 1988 census should confirm these movements and trends.

Such perceptions introduce a contentious situation regarding the definition of migration or emigration. For example there is evidence that the frequency and volume of travel between Zanzibar and the Mainland and between Zanzibar and elsewhere have increased substantially after 1984 in response to freedom of movement and liberalisation. From discussions with officials in the department of statistics, many of those involved in this upsurge in movement are people engaged in economic activities, and those from Zanzibar often stay with kin on the Mainland or elsewhere, and may even establish another home there. However, most perceive their 'permanent abode' as being in the Isles even if they have stayed on the Mainland over the past 5 years or more. In the light of the frequent contacts they have with 'home' (Zanzibar), they do not consider themselves as having migrated or emigrated. Moreover the short distances involved, especially to the Mainland (about 40 Km.) adds to this complication. This is interesting and lends support to the fact that perhaps the officially declared volumes of remittances are a fraction of what actually flows in given the fact that travellers can carry on their person any amount of money.

### 1038 Population densities (1967-1988) and migration

The net effects of the demographic trends is that the Isles' population will grow much faster and continue to pressurise the limited resources (as demonstrated in chapters 8

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<sup>1</sup> At the time of writing the information required for further analysis of urban growth was not available despite assurances that they would have been published by that time. Thus the figures for urban population are our own compilation from the *1988 Population Census: Preliminary Report*.

and 9). A comparison of population densities in 1967, 1978 and 1988 shows that some districts have experienced faster growing populations causing significant population pressure in the agriculturally fertile areas (figures 10.2, 10.3 and 10.4), and in the capital (Town and West district). By 1988 population densities in the rural districts of Zanzibar varied between 350 persons per square kilometre in Wete (Pemba) to 99 persons per square kilometre in Central district. The variations in population densities to some extent reflect soil types and natural fertility and the agricultural or economic activities taking place in there.

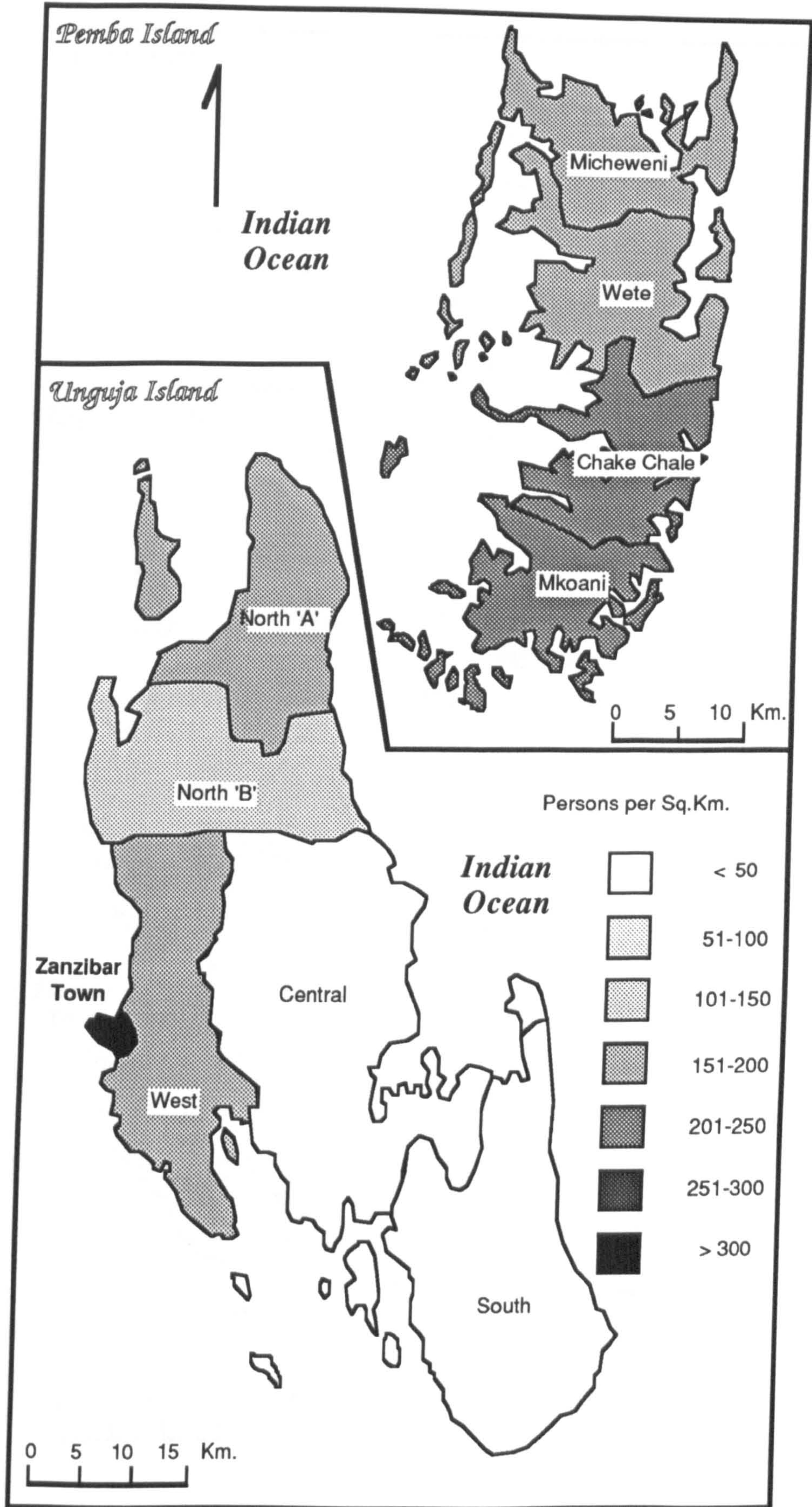
In districts where population densities are very high (e.g. Pemba in general and North-A in Unguja) it is believed that the carrying capacity of the land has been reached and especially when livestock populations are also considered.<sup>1</sup> This may help to explain why there has been a tendency for inter-island migration flows to be predominantly in the direction of Unguja island, and within rural areas, towards soil rich and/or urban areas.

The high population densities in Pemba island reveal some of the explanations for migration. First there is a movement from areas of poorer soil fertility to richer ones, then rural to urban, Pemba to Unguja and finally emigration from the Isles. Similarly there are movements from the southern and central areas of Unguja to the north and urban areas. Such movements explain the higher population growth in agriculturally fertile and urban areas. Despite this, even in the soil poor areas, population densities continue to grow, reflecting fertility trends.

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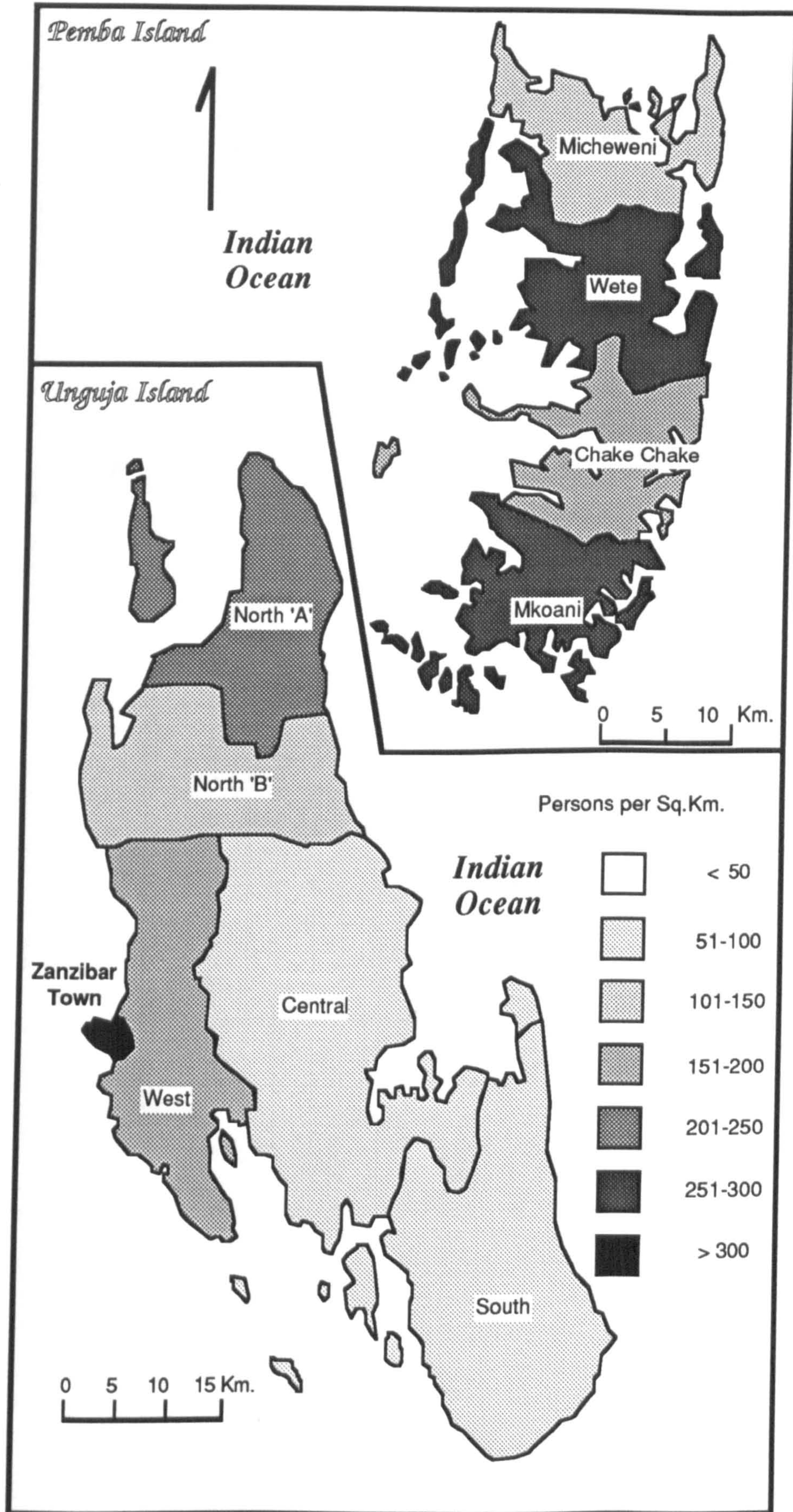
<sup>1</sup> District breakdowns for livestock were not available, but generally there are more livestock in Pemba island.





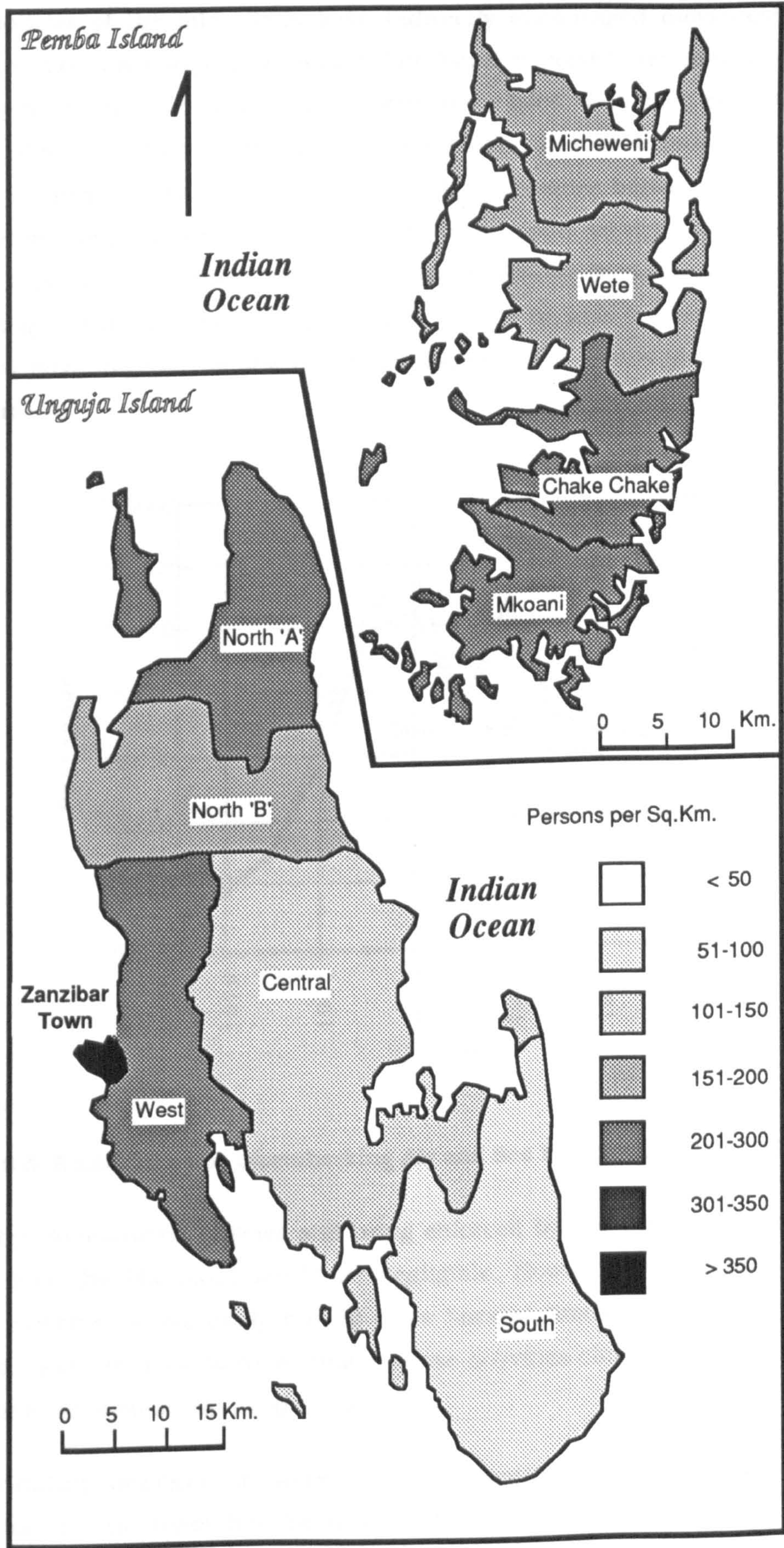
**Figure 10.2** District population densities, 1967





**Figure 10.3** District population densities, 1978

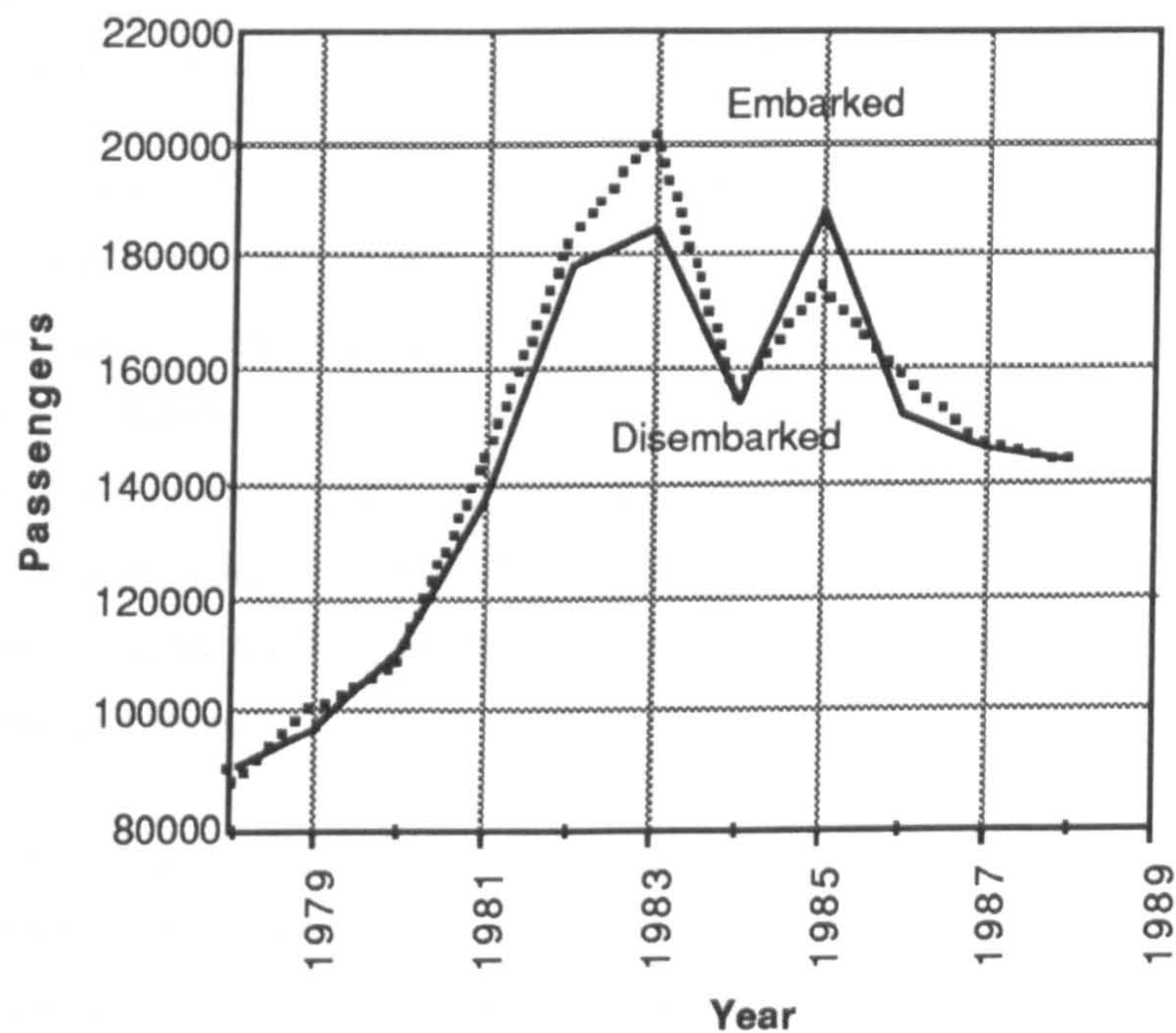




**Figure 10.4 District population densities, 1988**



The liberal policies of the mid-1980s have indirectly encouraged movements to the Mainland. They have also targeted emigrant Zanzibaris wherever they may be to utilise resources they have and encourage them to invest in the Isles. With such encouragement and the ever diminishing employment and other economic opportunities in the Isles, migration in the post-1980s was inevitable. Trading activities between the Mainland and Isles, and improvements in the marine and air transport services encourage these movements. From 1983/84 there has been a sharp increase in passenger movement, both embarking and disembarking (Figure 10.5). These include traders and business persons taking advantage of the new opportunities, included in this growing volume of human movement.



Source: GoZ, 1989

**Figure 10.5 Embarking and disembarking Air and Sea Passengers (1978-1988)**

Given restrictive immigration policies still being enforced by the Zanzibari government, immigration from the Mainland would be negligible. However, even here there are considerable movements especially during clove harvest times when labour demand tends to peak. Some of those participating in these activities choose to remain to fill in the general shortage of labour in rural areas.

Policies restricting immigration were recently questioned when the government announced that a joint team had been formed to study and recommend uniform immigration laws for the United Republic of Tanzania. *The Daily News* (August 21, 1988:p.3) reported that "The Minister of State in the Second Vice-President's Office, Ndugu Ali Salum Mohamed has said that the use of passports for travel between the Mainland and Zanzibar was necessary to control the movement of people." This



confirms that the Isles government is still sensitive regarding movements of population especially to Zanzibar. This phenomena is not unique to Zanzibar and most SIS now ban permanent immigration except in cases where specialists are required on grounds of limited space and high population densities (Caldwell *et al*, 1980:134). On the other extreme some employed, and indeed still employ, periodic immigration to solve population crises (e.g. Cape Verde and Seychelles). By virtue of being a partner in the Union Zanzibar can effectively encourage some of its "excess" population to spill over to the much less densely populated Mainland.

#### 1038 Migration and emigration - The costs

Apart from the possibility of potential emigrants going to the Mainland and nearby areas such as Kenya, a small, but not unimportant section (in terms of education and skills) of the population with kin in the Middle East also leave.

Those who have successfully managed to emigrate often remit money and goods back home. Evidence of the positive aspects of remittances in Zanzibar appear in the form of new housing and small businesses such as cafés which in turn contribute to the construction industry, trade and commerce. Many goods appearing on the new private sector dominated retail market originate from the Middle East, especially Oman and the Emirates. Other come from the Far East e.g. Hong Kong, Taiwan, and Singapore (personal communications with 2 of the largest and fastest growing private trading enterprises in Zanzibar Town).

Based on the prevailing economic situation in the Isles and precedents in other SIS, the motivations for emigrating are often economic, however, it is pertinent to assess to what degree such a situation exists. It is useful to identify which members of the family unit emigrate, their destinations, what are the economic gains and the spatial implications of migration/emigration. These questions are raised and the results presented and analysed in the following chapters (12 and 13). The following plates (Plate 3 and 4) show an aspect that is striking when visiting rural areas, that is most of the population consists of the very young and very old. This means that the more able bodied youth have left. Consequently there is an artificial shortage of qualitative labour in rural areas.





**Plate 3 Rural-urban migration has removed the able bodied youth leaving behind the very young and old**



**Plate 4 Mothers and children attending a nutrition class in rural Unguja**



Emigration/migration does not only entail benefits, there are also costs, to the household, the rural economy and the country, especially if there are no or very little flows in terms of remittances. Other equally important costs include higher dependency ratios as a result of the younger population moving away leaving behind a few who shoulder the burden of the very young and very old. The rural areas lose the more energetic, skilled and innovative individuals and this loss may not be compensated either by remittances or by other form of trickle-down effects from urban and national development (Connell, 1980; Jones, 1990). Agricultural decline enhanced by labour shortages and in turn production of cash and food crops falls. Given that most emigrants tend to be males, the sex ratio is expected to change, showing a greater female to male ratio in towns as more and more young men emigrate to seek economic opportunities elsewhere. Likewise, the rural sex ratios are expected to change as more and more women migrate to urban areas. In both cases there are labour implications. For example an interesting observation in Zanzibar Town is that women take up some jobs which hitherto were done by men, this includes labourers in the construction industry.

Cultural changes occur as new, though not always necessarily better, ideas and behaviour are brought back. Traditional social cohesion is threatened by greater individualism which is generated by some of those moving away as they settle elsewhere and fail to maintain their links with the areas they originate from. The recent migration trends and patterns will undoubtedly have a number of socio-cultural implications. Roux in his study of Wallis (1980) noted that migration has numerous socio-cultural effects on society. The decline of customary authority is anticipated along with the increasing contacts with the outside world and growing independence of individuals with money incomes. This situation is expected to be further exacerbated by the development of the tourist sector, the arrival of wealthier visitors, and the adoption and enhancement of new consumption patterns and trends, and possibly even a decline in religious observance and other behaviour.

An example of negative consequences of emigration occurs in the Comoros, where according to Newitt, (1984:91) "there has been a natural tendency for qualified Comorians to seek employment abroad and not return to the poverty and lack of prospects in the islands". Closer home, it was reported in the *Daily News* that "Representative Bakari Hamad Hamisi (Tumbe) decried the abscondment of trained manpower stressing that planned development in all sectors would stall in the absence of local experts. 'The government would have to do something to stop the brain drain.' He said" (*The Daily News*, June 15, 1991 p.1). Sunshine (1985) and Hope,(1986) have noted that in the Caribbean, there exists a 'visa' mentality and an obsessive desire to emigrate hence contributing to the brain and skill drain. This in turn, according to Lisk (1987) has hampered the development of human resources in the area. In the extreme, there is



the case of Montserrat, where migration has virtually crippled business development and government services (Lowenthal and Comitas, 1962).

Despite the disadvantages, it is interesting that the former President of Zanzibar and current President of the United Republic of Tanzania, Mr. Ali Hassan Mwinyi, while on a visit to Bonn in 1988 told Tanzanians living in Germany (FRG by then) that; "the economic situation back at home had greatly improved... He advised them to seriously make plans to build houses at home by sending money in cash or goods that would fetch them money to build houses" (*Daily News*, September 1, 1988:p.1). Such a position demonstrates the nature and complexity of the problem at hand. Although encouraging emigration may bring about some immediate benefits, there are some profound pitfalls related to development, especially shortages of skilled personnel, which tends to plague many SIS and Zanzibar.

#### 1039 Migration and emigration: The benefits (remittances)

In the light of the preceding discussions, clearly then, a policy of persuading emigrant Zanzibaris to contribute in national development exists, and this also includes encouraging those at home to go elsewhere to seek better economic opportunities. Entrenched in these policies is the issue of remitting incomes to Zanzibar to assist in sustaining the economy. There is the possibility that in the short and medium terms, remitted incomes may form the basis of a 'new subsistence economy' in Zanzibar.

In some African SIS and other small countries, the relative importance of remittances is very high. For example in Cape Verde in 1980 remittances accounted for 48% of GDP, and this, according to UNCTAD (1985:66) is amongst the highest proportions recorded in the world. A similar situation existed in Yemen before the Gulf War. Connell (1988: 28) notes that remittances "in small island nations, where international migration is important, as this represents a very substantial component of cash incomes, much more than the contributions made by international migrants within Europe". Wilson (1989) comments on the importance of migration and remittances to the economy of Western Samoa, which in many respects is not too dissimilar to Zanzibar's, in the light of its economic problems, high population growth rate (3%), dependence on agriculture in terms of exports and employment and having a special economic relationship with another country, in this case New Zealand. He notes that; "One of the most outstanding features of the economy of Western Samoa is the significance of invisibles and transfers in the current account. Taking 1978 as an example for which verifiable data is available, earnings from exported commodities contributed 21% of total foreign exchange earnings whereas private remittances made up 39%. It is clear that contribution to the cash economy of the country ... has become increasingly important in recent years." (Wilson, 1989:131). From the data presented, Zanzibar has clearly arrived at such a situation and has added a new characteristic in its economy.



In chapter four it is shown that in many SIS, particularly the smallest ones, remittances dominate the economy (Rubenstein, 1983). Connell (1988:27) has argued that in many SIS remittances are the largest single source of foreign exchange, greater than exports or aid. Official statistics for Zanzibar show that remittances have increased substantially particularly since 1984. This coincides with the introduction of liberalised banking regulations, trade liberalisation policies and the increased movement of people to and from Zanzibar. In recent years a dramatic change in volumes remitted has occurred. For example, in 1984 remittances were a mere 0.1% of GDP. By 1988 they were 26.5% of GDP, signifying a rapid and substantial growth in such a short time and it remains a growing trend (Figure 10.6). Data from the People's Bank of Zanzibar (PBZ) show that 99.7% of the 1988/89 remittances were held in foreign accounts, implying that only 0.3% was held in local currency. Sending remittances in foreign exchange suggests that a fair amount of the money originates from outside East Africa but also given the constant devaluation of the Tanzania Shilling it is safer and attractive to hold and send currency in convertible form. Over 90% of those holding such accounts were Zanzibaris.

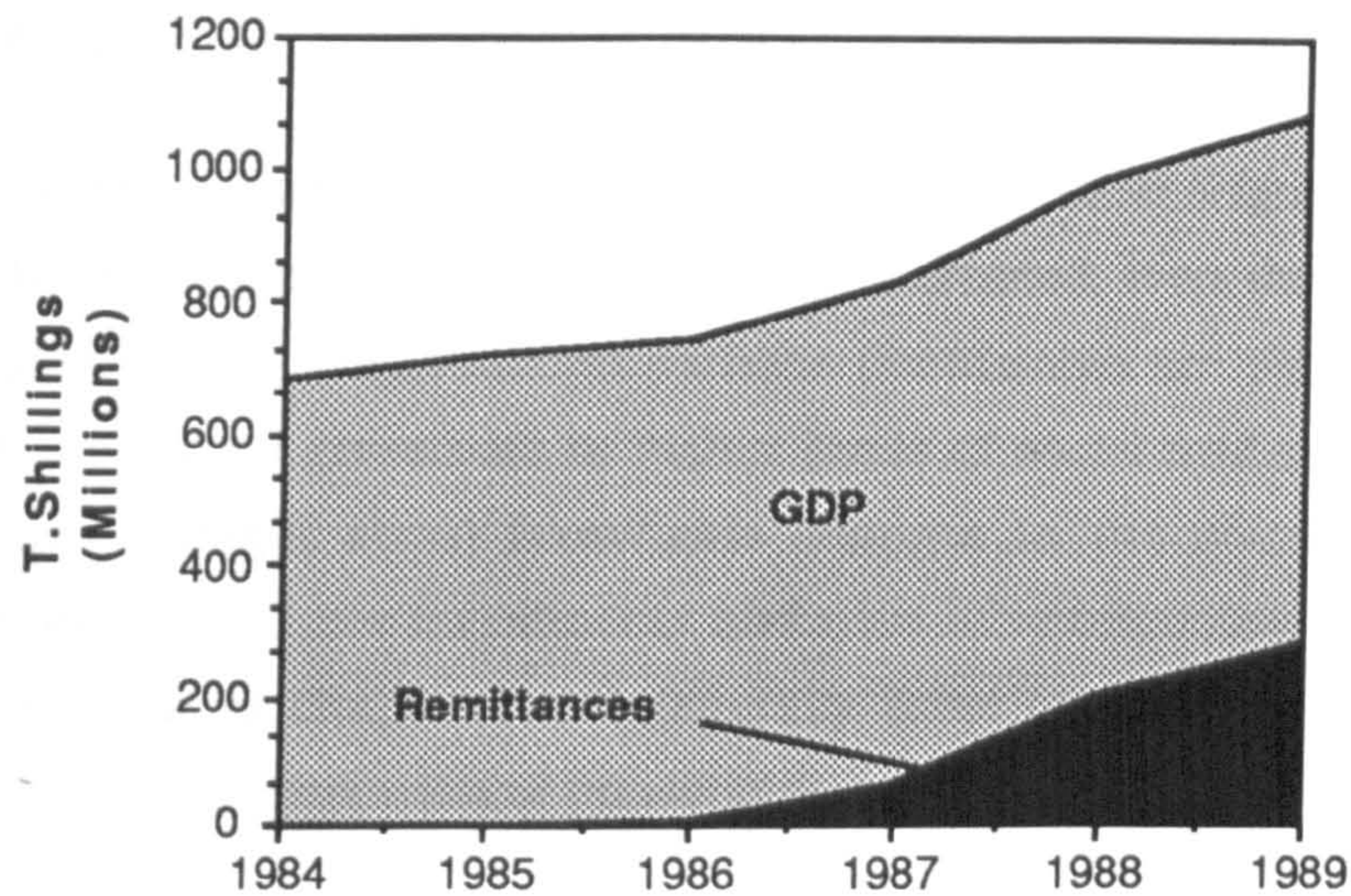
However, unofficial remittances have not been taken into account mainly because these do not go through any 'formal' channel and it is difficult to assess the amounts sent. Moreover, it is complex to quantify as they are not necessarily transmitted in monetary form.<sup>1</sup> In the light of liberal policies it can be assumed that a large proportion is remitted through banks. A low estimate is that non-monetary remittances may form at least a third of the official transfers.

There were some remittances filtering in before 1984, it is believed that the amounts were negligible compared to the existing situation (personal communications with banking officials). To obtain an indication of the growing volumes of personal remittances, they are compared against total foreign exchange earnings (Table 10.7). In 1988 foreign aid and loans amounted to T.Shs. 1344.8 million, while remittances were T.Shs 285.6 million or about 21.2% of foreign aid and loans or 38.9% of exports in for the same year. The sources of remittances are mainly the Mainland and the Gulf and according to banking officials there are indications that some is reinvested in small businesses and other investments.

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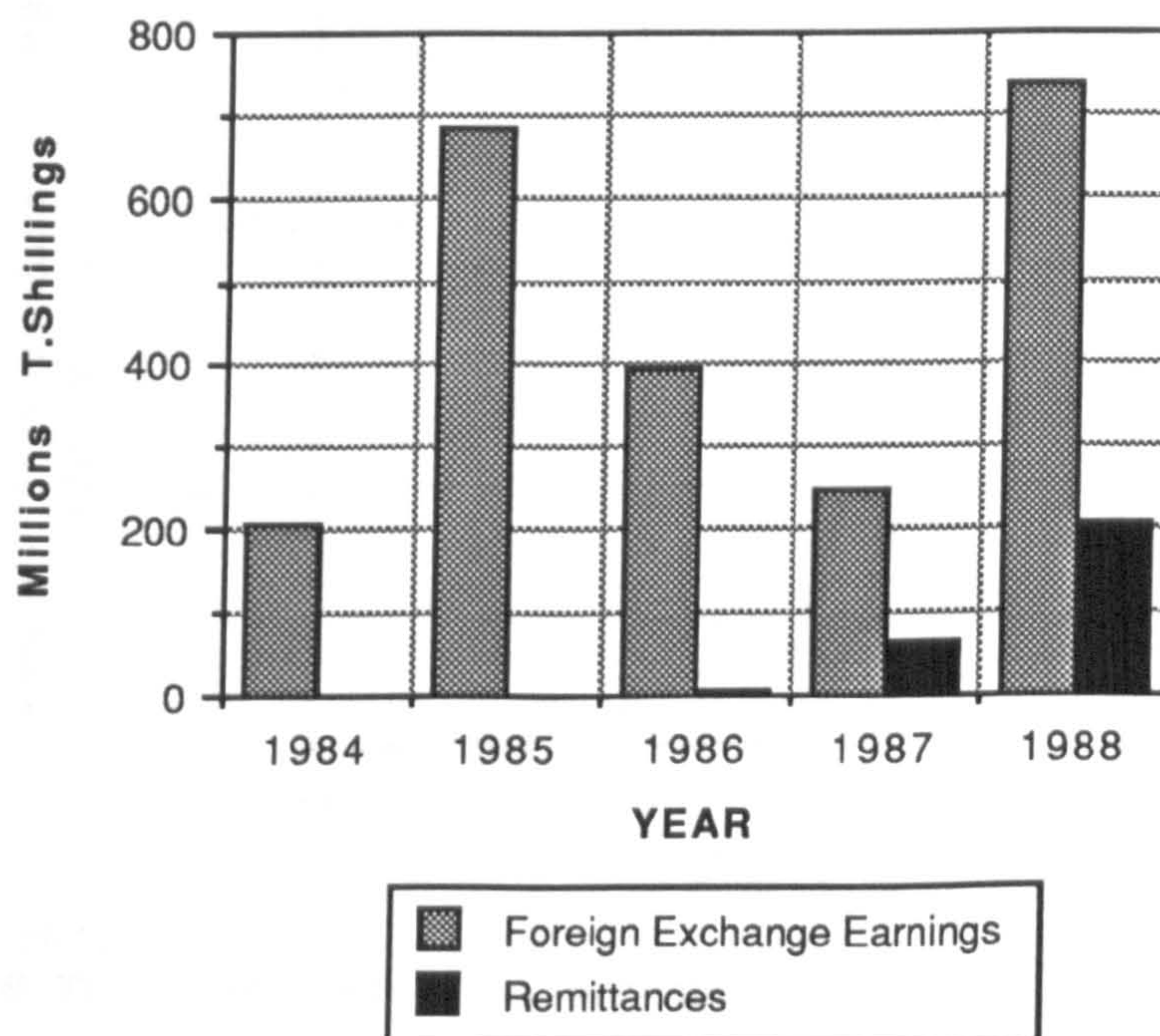
<sup>1</sup> Remittances in kind can come in the form of food, building materials, goods for sale, such as electronics, clothes etc. etc.





Source: Data from Peoples Bank of Zanzibar (1990)

**Figure 10.6 Total amounts remitted through banks against GDP (at factor cost), 1984-1988**



Source: GoZ, 1982, 1984, 1988 (unpublished draft) GoZ, 1990, 1991.

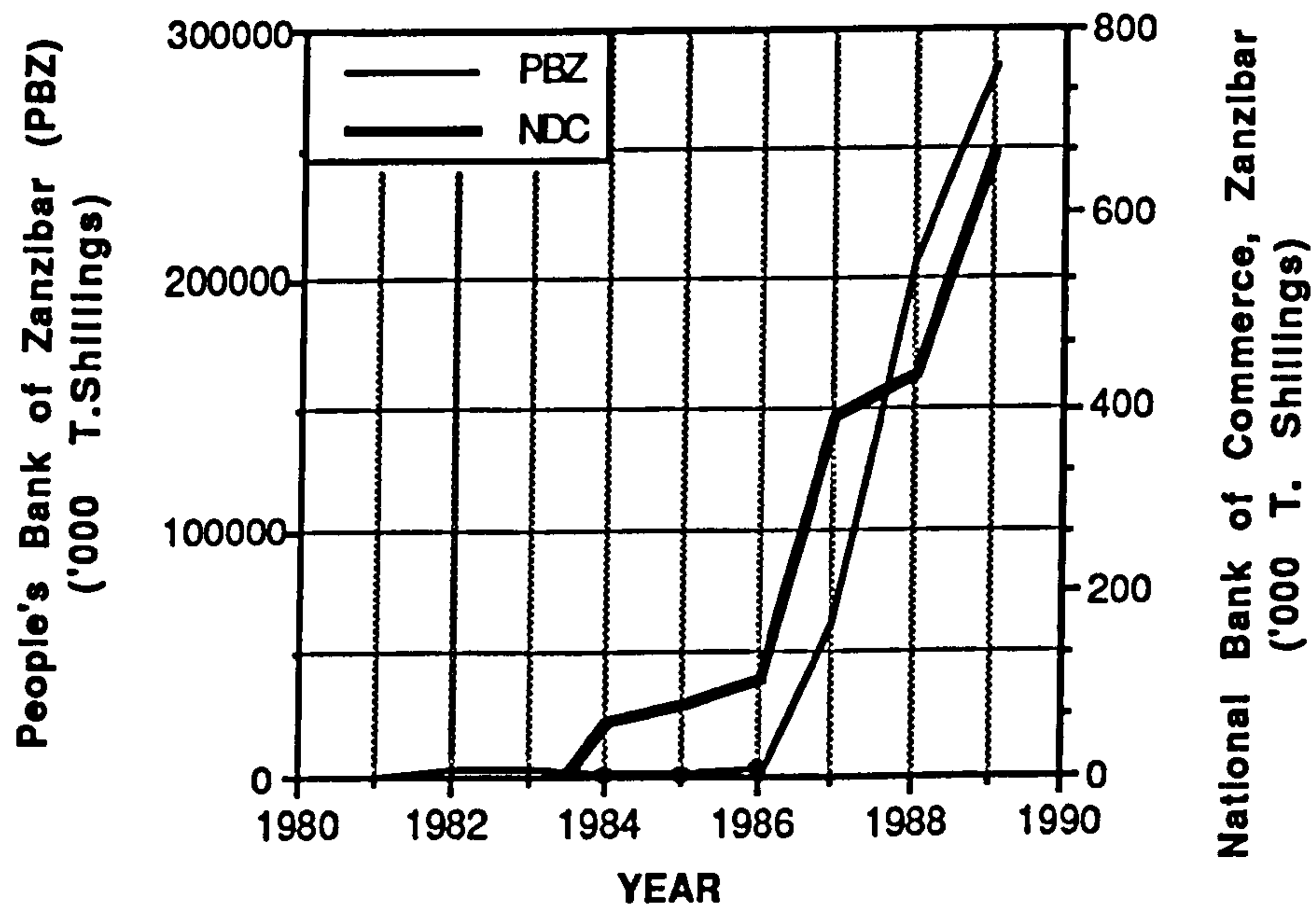
**Figure 10.7 Total foreign exchange earnings against personal remittances through Banks, 1984-1988**

When total foreign exchange earnings for Zanzibar are compared against remittances (in T.Shillings), a trend similar to other migration/remittance dependent SIS appears, introducing a peculiar and new characteristic in the economy, which in turn suggests that emigration is a contributing factor (Figure 10.7). By 1988 private remittances were



just over 25% of the Isles' foreign export earnings (Figure 10.8). Comparing with elsewhere, Roux (1980) in an assessment of remittances of Wallis-Futuna between 1970-78 notes that unofficial transfers, or what he terms as 'free remittances', accounted for between 33-50% of annual remittances in 1978.<sup>1</sup>

The upswing in remittances is particularly noticeable by 1986 (Figures 10.6, 10.7 and 10.8). By 1989/90 this trend was expected to have increased, even though official figures were not available.<sup>2</sup> This suggests that perhaps remittances are playing an important role in the economy, from grassroots to higher levels of social and economic activities. If so, then it has brought about formidable changes in the character of the Isles' economy. The nature of these investments and uses of remittances are discussed and analysed in the following chapters, and generally there is evidence that they play an important role in a large proportion of households and especially urban ones.



Sources: data from PBZ and NBC

**Figure 10.8 Total amounts remitted through main banks between 1981-1989 ('000 T. Shillings)**

<sup>1</sup> Includes consumer goods, plane tickets and important money collections for churches.

<sup>2</sup> This prediction was made by PBZ officials during discussions in 1990, assuming the existing banking policies would remain in force and other attractive ones which were being considered would be implemented. These include streamlining foreign exchange banking processes. Meanwhile there were on-going efforts studying very closely financial and banking procedures in other SIS/IMS within the region with the intention of emulating what would be positive for Zanzibar.



In Zanzibar remittances arrive through the main banks, the People's Bank of Zanzibar (PBZ) and the National Bank of Commerce, Zanzibar Branch (NBC). In the former, liberal banking policies advocated by the government have allowed Zanzibaris to open and maintain foreign accounts since 1983/84. At both banks, remittances are growing sharply each year (Figure 10.8). However, it must be borne in mind that the rapid growth is also accounted for by levels of devaluation which the United Republic has undertaken as a result of agreements in negotiations with the IMF. Thus the values in T.Shillings appears to be greater.

Despite the liberal economic policies, a significant proportion of remittances do not pass through banks as some is carried physically or sent in non monetary form, including vehicles, and other high value consumer and capital goods. An unknown amount is undoubtedly being invested in the Mainland and possibly elsewhere, as the more entrepreneurial Zanzibari citizens most probably make good use of that opportunity. Reasons for not remitting through banks include tax evasion and the effects of traditional (small) business practices which have tended to be informal.

The main concern is the duration which remittances can be sustained. It can be argued that even if the flows will peak in the short term and then subside, once the early investments are made in appropriate sectors, they will have allowed a section of the population to partake in more meaningful economic activities as well as invest in important sub-sectors such as housing, diversification within agriculture and fishing. This means that part of the indigenous resources will have been utilised positively.



**Plate 5** A rapidly expanding urban fringe in Zanzibar Town with evidence of considerable construction activities



Although over time the amounts and regularity of remittances tends to fall, for international migration this process tends to be slower than in internal migration. Given the thinking of many migrants, it is reasonably safe to define Zanzibar-Mainland remittances as international. Given the nature of the economy, rural-urban migrants are unlikely to be able to realise amounts large enough to make constant remittances and over time they are more likely to bring their kin over, reducing the amounts that are sent to the source areas. The possibility of return migration is considered to be higher with international migration, either as a result of family ties, changing situation in the host country, changing fortunes of the emigrant or as a result of the emigrants achieving what they had set out to do. This trend is quite common, and not limited to island economies.

Insofar as Zanzibar is concerned, there is the issue of the future of the Union between the two countries, and it is increasingly becoming a point of contention with the evolving multi-party democracy in Tanzania. There are several sensitive issues to be resolved, including the nature of the new political parties. Will they be able to maintain links with their Mainland counterparts? What of parties originating in Zanzibar, will these be acceptable in the Mainland? Despite the end of the cold war and diminishing regional strategic interests, Zanzibar, like most SIS is still vulnerable, and especially so with the increasing presence of foreign business interests, growing issues of ethnicity and religious revival.

#### **10.4 Aid, Loans and Grants**

The economic recovery programmes initiated and implemented by the Third Phase governments are all heavily dependent on external financing. This is because of Zanzibar's inability to raise the revenues required for its development. It is dependent on external sources to follow through the ERP and stimulate activities which may perhaps generate additional revenues, which in turn may allow it to become more self-reliant in the future. This is another curious yet common characteristic of many developing SIS and SS; that it has often become necessary to be dependent to achieve greater self-reliance!

Given the pessimistic scenario over the short term, and the extremely limited foreign exchange earning capacity, it is complex and virtually impossible to obtain loans from external sources, as repayments are difficult.<sup>1</sup> The government undertook specific policy measures to be eligible for international aid. The consultancy which carried out the review and assessment of the economy of Zanzibar to identify development problems and formulate the ERP was itself part of an aid package.<sup>2</sup> The report recommends that

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<sup>1</sup> If a country risk index were to be computed for the Isles, it is unlikely to be favourable for loan considerations.

<sup>2</sup> This is the consultancy review by Peat Marwick McLintock with the assistance of Mokoro Limited financed by



the government immediately seek aid from external sources to embark on the proposed projects. "... the ERP can only materialise with extraordinary assistance from international donors. Zanzibar should make every effort to secure increased commitments from donors both for balance of payment support, rehabilitation projects and technical assistance. Because of Zanzibar's links with the Gulf, particular attention should be paid to attracting increased assistance from that region" (*op. cit.* :17). Finally the summary supports the GoZ's stated intention of setting up a donor conference to launch the ERP. However, even as the report was released, a glimpse at the *Second Union Five Year Plan (1988-1993)* reveals that a large proportion of the development projects proposed in it required a significant proportion of external financing, most of which is expected to come from donors.<sup>1</sup> By 1986/87 over 60% of Zanzibar's development budget requires a foreign component. This is an exceptionally high proportion even by SIS standards. Comparatively, the Mainland's proportion for foreign component requirements for the development budget is just under 50%. Focus of most of the projects in the ERP is on re-developing the economic infrastructure, which over the years has deteriorated immensely.

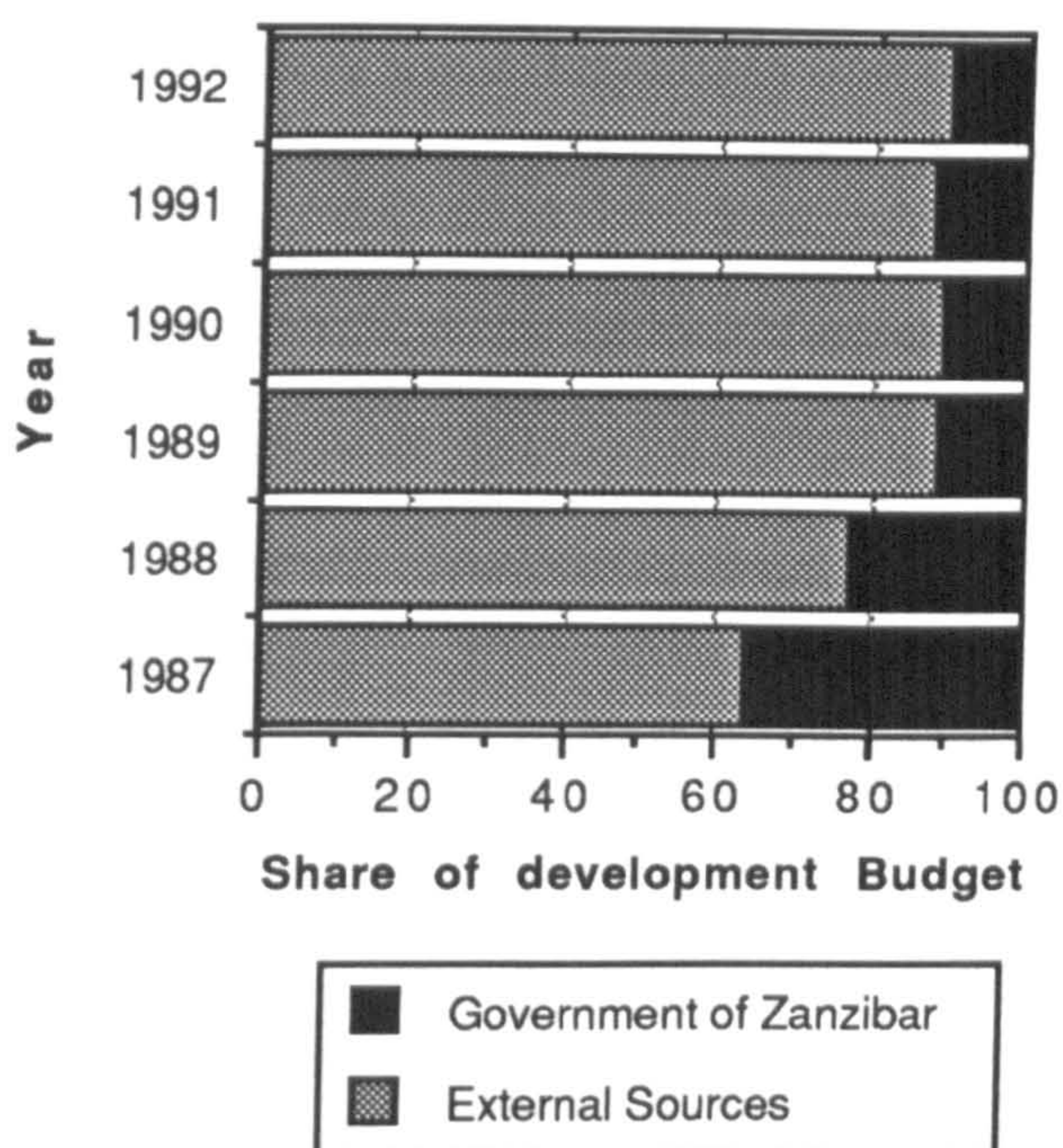
For the Isles this new trend is not atypical. If anything, Zanzibar has been a very late arrival at the international borrowing and aid receiving scene. This is not entirely unusual because of the extremely limited prospects for sustained economic growth for most IMS/SIS, they no options but to look towards foreign aid and external investment as a means of solving economic problems to a greater extent than in larger countries (Connell, 1988:75). Zanzibar's current situation provides a strong case for urgent external assistance. Interestingly too, is the fact that overall *per capita* aid flows to SIS/IMS have been exceptionally high by global levels (Connell *op. cit.* ) They are even higher for those places which have continued to remain territories with a dependent relationship such as the French overseas *départements* (e.g., La Réunion in the Indian Ocean and Martinique in the Caribbean). According to Sevelle, (1984:22) in nine Pacific states aid is equivalent to 50% of all income and in twelve over 50% of their respective government expenditures. Insofar as Zanzibar is concerned this is a new but common trend with other SIS, and a significant departure from its early post-Revolution experiences where aid and loans were a small fraction of its development budget.

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the Overseas Development Administration following a request for technical assistance in this area from the Zanzibar Permanent Planning Commission (PPC).

<sup>1</sup> This plan is also based on a wider Economic Recovery Programme covering the Union, but which pays little attention to the specific problems of Zanzibar hence the recommendation which subsequently came about stressing the need for the Isles to launch its own ERP which focuses on its special needs and advantages.





Source: GoZ, 1987

**Figure. 10.9 Contributions of Donors and GoZ in Public Investment Programmes in Zanzibar, 1987-1991**

Given the extremely low *per capita* income and GDP compared to most other SIS/IMS, and especially large developing countries, the actual volume of aid, loans and grants in Zanzibar is comparatively small, and perhaps this explains why it has not been very difficult to attract aid. Given the situation of SIS in general, Zanzibar has a greater potential to obtain aid. However, earlier policies rejected this approach, instead stressing on self-reliance and was supported when clove prices were higher. More recently, it even lacks the capacity to absorb efficiently development assistance and this is yet another constraining factor which is largely a result of lack of skilled and experienced personnel. The confusion relating to the process and role of attracting aid and loans within the Union have been discussed in the previous chapter, but this has now been resolved. Until the 1980s it exhibited a negative image to the main donors (Western economies) being the so called 'Cuba of Africa'. Zanzibar has frequently tended to look towards the East rather than the West for development assistance, the latter of which is often the more 'generous' provider of loans and aid. During the first phase the largest share of its loans and aid came from China and East Germany.

The funding for Public Investment Programme between 1987/88 - 1991/92 shows that over 82% of the total investment comes from external sources and the remainder from the GoZ. Figure 10.9 shows the respective proportions towards public investment programmes between 1987-1992. External funding has become the dominant source of development in Zanzibar to proportions which exceed by far most other SIS and confirms the change that has happened during the *Third Phase* with respect to depending



on external sources for the Isles' development objectives. Zanzibar is almost totally dependent on foreign funding for its development and this situation is unlikely to change for the foreseeable future. This trend highlights one of the most significant differences between the *Third Phase* and the previous ones. With about 90% of its development budget dependent on external financing, evidently Zanzibar is exploiting the 'small country bias' that marks the aid-giving policies of most donor nations (Eisen, 1973; De Vries, 1975).

Loans accounted for just about 12% of the total development budget. It is also difficult for the country to obtain these for amongst other reasons; "loans are a Union matter in which Zanzibar is competing for assistance with other parts of the Union." (GoZ, 1988:4). It is difficult to ascertain the amounts received in aid and loans prior to the *Third Phase*, but most of these have been through domestic borrowing and from Mainland banks.

The increased dependency on external resources is in recognition of the situation in the Isles and its special problems and requirements. In relation to this the ERP Summary notes that "As many of Zanzibar's problems are similar to those of the Mainland, the majority of the ERP prescriptions are appropriate for Zanzibar. However, Zanzibar needs to develop its own ERP to take into account Zanzibar's particular problems and possibilities" (*op. cit.*: 4). It further recommends that "Zanzibar should ensure that the Mainland is aware of Zanzibar's economic interests through regular consultation; when URT's policies are still not appropriate, Zanzibar should investigate ways to alleviate the consequences" (*op. cit.*: 5). Thus even if it had been long recognised that the Isles required a separate approach in a number of its development aspects, it is not until 1987/88 that a formal recognition and pronouncement was made, and subsequent policies clearly show that these are now being implemented. Examples of this include the fact that Zanzibar led the way in liberalising its economy well before the Mainland.

Available data show the relative important position that has been taken up by grants and loans between 1986-1988 (number 5 in Table 10.9). Between 1986-1988, as a proportion of total imports, loans and grants have decreased mainly because of the government's inability to access these and also partly due to deliberate policies restricting borrowing due to the accumulation of debt.

Table 10.10 shows recent programmes and projects which focus on the rehabilitation and maintenance of the economic infrastructure and the geographical sources of funding (donors). Most of the projects are donor assisted and a minority comprise of loans such as those through the African Development Bank, which is yet another indication of the economic difficulty that Zanzibar has in obtaining loans. As in the experience of the Gambia, receiving loans from multilateral agencies is preferred compared to those from bilateral agreements which often entail political conditions, many of which may not be in the interest of the receiving country.



	1986 US \$ Mill.	1987 US \$ Mill.	1988 US \$ Mill.
<b>COMMODITIES</b>			
1. Exports	10.0	2.9	5.9
2. Imports	31.5	19.9	18.2
3. Balance of Trade	-21.5	-17.0	-12.3
4. Trade Credit	4.4	2.5	0.7
<u>5. Grant &amp; Loans</u>	<u>17.4</u>	<u>11.8</u>	<u>10.9</u>
6. Balance of Trade	0.2	-2.6	-2.0
<b>SERVICES</b>			
1. Total earnings	0.5	0.2	2.0
2. Total payments	1.1	0.9	1.5
3. Balance on services	-0.6	-0.7	0.5
<b>TRANSFER</b>			
1. Total earnings	1.2	2.2	1.7
2. Total Payments	1.5	1.4	1.8
3. Balance on transfer	-0.3	0.8	-1.0
4. Balance of Trade, Services and Transfer	-0.7	-2.5	-1.6
<b>INVESTMENTS</b>			
1. Total Earnings	9.7	0.8	2.8
2. Total Payments	3.3	0.9	1.5
3. Balance on Transfer	6.4	-0.1	1.3
Errors and Omissions	+6.9	-1.3	1.2
Balance of all payments	-1.2	-3.9	0.9
Changes in Foreign Exchange Reserves	1.2	3.9	-0.9

Source: Peoples Bank of Zanzibar, 1989.

**Table 10.9 Balance of Payments (1986-1988)**

The degree of dependency on donors is exhibited by recent a speech by the Minister of Finance to the House of Representatives, in which the following donors countries and organisations were thanked by the Minister of Finance; Belgium, Britain, China, Denmark, Egypt, Finland, Ireland, Germany, Italy, Korea, Oman, Sweden, and Switzerland. Organisations (bilateral, multilateral and Non-Governmental) were the EEC, FAO, IDB, Save the Children's Fund, UNDP, UNESCO and WHO (GoZ, 1991:25).

	Project	Year	Donor/Lending Country/Agency
1	Rehabilitation of Bububu-Mkokotoni Road	1989	DANIDA
2	Construction Konde-Ole Road (Pemba)	1989/90	EEC
3	Rehabilitation of Zanzibar Town Water Supply	1989/90	Finland
4	Rural Electrification	On-going	Norway
5	Urban Electricity Rehabilitation - Zanzibar Town	1989/90	Switzerland
6	Urban Power Distribution (Phase II)	1990	African Development Bank (ADB)
7	Ports Expansion and Rehabilitation (Zanzibar & Mkoani, Pemba)	On-going	EEC
8	Zanzibar Airport Expansion (Phase I)	On-going (1989)	Oman

Source: GoZ (1989)

**Table 10.10 Projects under Foreign Aid (1988/89)**



### 10.5 Summary and conclusions

There is no doubt that the basic characteristics of the economy of Zanzibar have undergone a critical transformation between the mid-1980s and the current period. Its economy is characteristic of one based on MIRAGE with its foundations increasingly based on aid, migrant remittances and trade (re-exports). The implications are that, at least in the short and medium terms, there is little reason to believe that Zanzibar can achieve a greater degree of self-reliance. Given the bias and dependency on urbanisation, migration and migrant remittances, aid, public sector employment and the increased dependency on trade, disintegration of agriculture and rural sector, increased rural-urban and inter-regional disparities and the forms of dependency beleaguering many SIS, the economy is barely a sustainable one.

Its survival is dependent on external 'generosity' and the future lies in maximising the various elements of interdependence, taking advantage of concessionary schemes and the strategic significance it has *vis-a-vis* the Mainland, the Gulf and Asia. However, it still has to translate its aspirations for self-reliance from rhetoric to reality especially in critical areas such as food production and subsistence fisheries to maintain or even increase the subsistence safety-net. Meanwhile it will have to pursue the 'new alternative', one of a negotiated multivariate dependence, or more precisely a diversification of dependency. Without other alternatives, this appears to be the "room to manoeuvre" that Zanzibar has found.

Apart from the changes identified and discussed in this chapter, there are others that are equally important and these occur in the areas of agriculture and rural development and trade. Agriculture and the rural sector continue to be the backbone of the economy. However, there is evidence that in recent years there has occurred a shift in emphasis towards trade and commerce, which forms the new, 'quasi-engine of survival' (as opposed to growth) for the SIS. Moreover, these changing characteristics entail deeper forms of dependency and double dependency relationships. The following chapter will identify them and discuss their significance to SIS development.



## CHAPTER ELEVEN

### 11.0 Agriculture, Rural Development and Trade

#### 11.1 Introduction

This chapter has three objectives. The first is to investigate and highlight the existence of spatial disparities in Zanzibar and then link these to the successes or failures of post-Revolution socio-economic development programmes. The existence and enhancement of polarised areas in terms of their development status is a consequence of inappropriate development policies and entail serious long term economic and social problems. Some of the consequences are identified and discussed in the following sections.

Second it assesses the development constrains in the rural areas and especially in the dominant activity, agriculture. It analyses the agricultural sector in Zanzibar highlighting the importance, problems and prospects of the sector. Two thirds of the population live in rural areas and agriculture is their main occupation, providing cash, food and employment. In recent years, agriculture has generally deteriorated contributing to a growing expenditure on food imports, rural-urban migration and falling foreign exchange earnings. The rural sector is a major source of food for urban centres and supplies exports and various raw materials and labour for local industries. Under existing circumstances it has the most potential to stimulate further economic growth. Rural development is therefore seen as critical for providing a subsistence safety net, reducing dependence on expensive food imports, providing employment and generating capital for reinvestment. However, for this to occur, reinvestments are also required in the rural areas to increase the quality of life there. This chapter examines the problems associated with rural development in Zanzibar and the spatial structure that has evolved, largely as a result of policies pursued since the Revolution, showing how this has created an additional set of development constraints for the economic and social development of the Isles.

Third, and though not so apparently related to the above, but certainly in response to the conditions in the rural areas and the limited prospects of agriculture is the re-emergence of trade and commerce. The fastest growing economic activity is trade, especially after the liberalisation policies of the mid-1980s. Before that, trade (and commerce) was dominated by state owned import and export corporations, and retail trade by a small but weak private sector mainly selling foodstuffs, clothes and a small range of consumer



goods. Since 1983/84 there has occurred a dramatic change, with the state sector playing a reduced role while the private sector is expanding. This chapter analyses the growing importance of trade as an alternative economic activity in Zanzibar and assesses its potential as an 'engine of growth', the implications of recreating a merchant class in Zanzibar and the new position that Zanzibar is occupying in the world economic system as a result of the economic linkages that have evolved.

## **11.2 Rural development**

About two thirds of the population depend on the rural sector - it provides food, raw materials, primary exports and foreign exchange, supplies labour to the urban areas. As in many other peripheral SIS, the rural sector has been the basis for economic growth, and will remain so for the foreseeable future. Fairbairn (1982:13), in addressing the role of the rural sector on island economies, notes that;

"In many island countries employment opportunities are not expanding fast enough to absorb additions to the labour force, so that the number of those who are either openly without jobs or who are only partially employed is rising as a consequence. This is most serious among countries where out-migration has been minimal. Rural development is therefore seen as critical for alleviating unemployment."

In the light of such a situation, which is relevant to Zanzibar, the case for rural development remains justified and appropriate. Despite recent development in terms of liberalisation, migration in Zanzibar is anticipated to remain largely rural-urban, involving the younger population and contributing to a growing 'shortage' of rural labour. The constant decline in living conditions, the lack of prospects in rural areas and the expectation that the rural sector will continue to sustain the island economy but under worsening conditions motivate the young to move away. The weak economy implies a shortage of resources for providing schools, health centres, economic infrastructure, such as feeder roads, water, energy and recreational facilities for the Isles" as a whole, although it is often the rural and more peripheral areas that suffer first and most.

Rural development has been overshadowed by an emphasis on the provision of social services for the urban population and the demands of the industrial and services sectors. After the Revolution the development process was set to transform the traditional, predominantly rural based occupations, to modern, highly productive, and mainly urban-based enterprises. The rural sector was regarded as something of a 'residual' sector, a reservoir of cheap and unskilled labour with which to foster industrial development. Traditional, and especially subsistence, agriculture was seen to contribute little to economic growth. Fairbairn (1982) observed the same diagnosis in the Pacific economies. In spite of this, and largely because of the inherent weaknesses of import substitution and other policies, the importance of both agriculture and rural development has remained.



It was shown in chapter seven that the *First Phase* government launched a series of uncoordinated programmes related to rural development. These included land redistribution, housing and access to basic needs such as water, health and schools - all part of the effort to bring about egalitarianism and chip away at the extreme differences that existed between ethnic groups and classes in Zanzibar. There is a spatial dimension to these developments appearing in the form of growing disparities between rural and urban areas and between the islands comprising Zanzibar. Explanations for this include its colonial legacy, the agricultural potential of different areas and access in terms of transport (distance and fragmentation). However, over the post-independence period location of development programmes has tended to have an urban bias and generally converges towards already fairly well developed areas.

#### 112.1 Rural Development and the Urban Bias

Although development planning was practised during the *Second Phase*, there lacked adequate emphasis or a philosophy on rural development. In contrast, during the same period, rural development was given top priority on the Mainland. In Zanzibar it was simply expected that ministries and departments responsible for various aspects related to the rural sector would develop and implement appropriate programmes and projects. These were largely uncoordinated and hence unsustainable. As a result of this, rural incomes fell reducing demand for various goods while industry continued to place demands for the dwindling foreign exchange.

Although official statements, party directives and policies constantly emphasised on *self-reliance, equality and rural development*, there was little, if any, co-ordination between provision of basic needs and the expertise to supply those services, and the steadily deteriorating rural conditions became a disincentive for trained people to go and live there. There was an over-emphasis on the provision of services, to the extent that the government over-extended its capabilities. Moreover, with falling rural incomes and increasing amount of public investments went to urban areas. In the *First Three Year Plan (1978-81)* about 55% of the planned expenditure was in rural development. However, this amount is disproportionate to the 67% of the population residing in rural areas. Most basic amenities were already concentrated in urban areas and about 45% of development expenditure was destined there (to a third of the population). Much of the urban investments were in industrial development, housing, energy, radio and television, transport and services.

Zanzibar, like many other developing countries, exhibits an 'urban conspiracy' in the allocation of resources. Basically an urban bias existed in public investment programmes and this highlights the difficulties of establishing rural projects, (most of which are rarely prestigious anyway and do not provide politicians with much political



credit in terms of tangible achievements), and where concerted comprehensive policy formation is already difficult to achieve this tends to give way to the demands for prestigious projects associated with modernisation and urban-industrial development.



**Plate 6 Michenzani Housing Scheme with empty dual carriageway**



**Plate 7 Hoteli Ya Bwawani**



Evidence of this include the ambitious housing projects, dual carriage ways in a country with under a thousand registered vehicles, the first colour television station in Sub-Saharan Africa, an executive jet for the Presidency, and several others. Although the housing project had a rural component, a large share of the resources went into inappropriate large blocks reminiscent of housing estates of post-war and Eastern Europe such as the *Michenzani* flats (Plate 6) - note the dual carriage way and the unsightly block of flats. In addition, many of the projects reflected poor planning and understanding of projects. For example, the location of the first modern tourist hotel (Hotel Ya Bwawani) in a swampy area infested by mosquitoes (Plate 7).

The attempt to establish manufactures (import substitution) attracted a large share of investment to urban areas, even though a few establishments such as sugar refining and essential oils distillery were located in rural areas. Some had linkages with the rural sector, albeit a limited one, in that they demanded inputs such as coconuts, sugar-cane, fruit, fish and cereals (for animal feed), dairy products, choir and fibres. In general the rural sector was increasingly supporting the urban sector and getting little in return and contributing to spatial differentiation between rural and urban. However, as it will be demonstrated in a later section, spatial inequalities exist between both rural and urban areas, and the islands.

### 11.2.2 Spatial Differentiation

One of the problems of Zanzibar's contemporary development is that successive governments have paid little attention to internal differences within the islands, in spite of these reflecting considerable disparities. Such disparities are evident at several spatial scales - between the two islands, within them and between rural and urban areas. Historic, ethnic, class and political differences compound the problem.

It would be naive to pretend that the pre-Revolution ethnic conflict would have stopped with the coming of independence. There is a north-south divide between Unguja and Pemba island, differentiation between rural and urban and between agricultural richer areas and the poorer ones (agro-economic).

To demonstrate that regional/spatial disparities exist, some district level disaggregated data is used. These include some basic socio-economic indicators which have implications on aspects such as infant mortality, fertility, nutrition, health, and quality of life. The data used include;

- levels of illiteracy amongst women
- access to piped water by households, and



- access to own toilet facilities by households

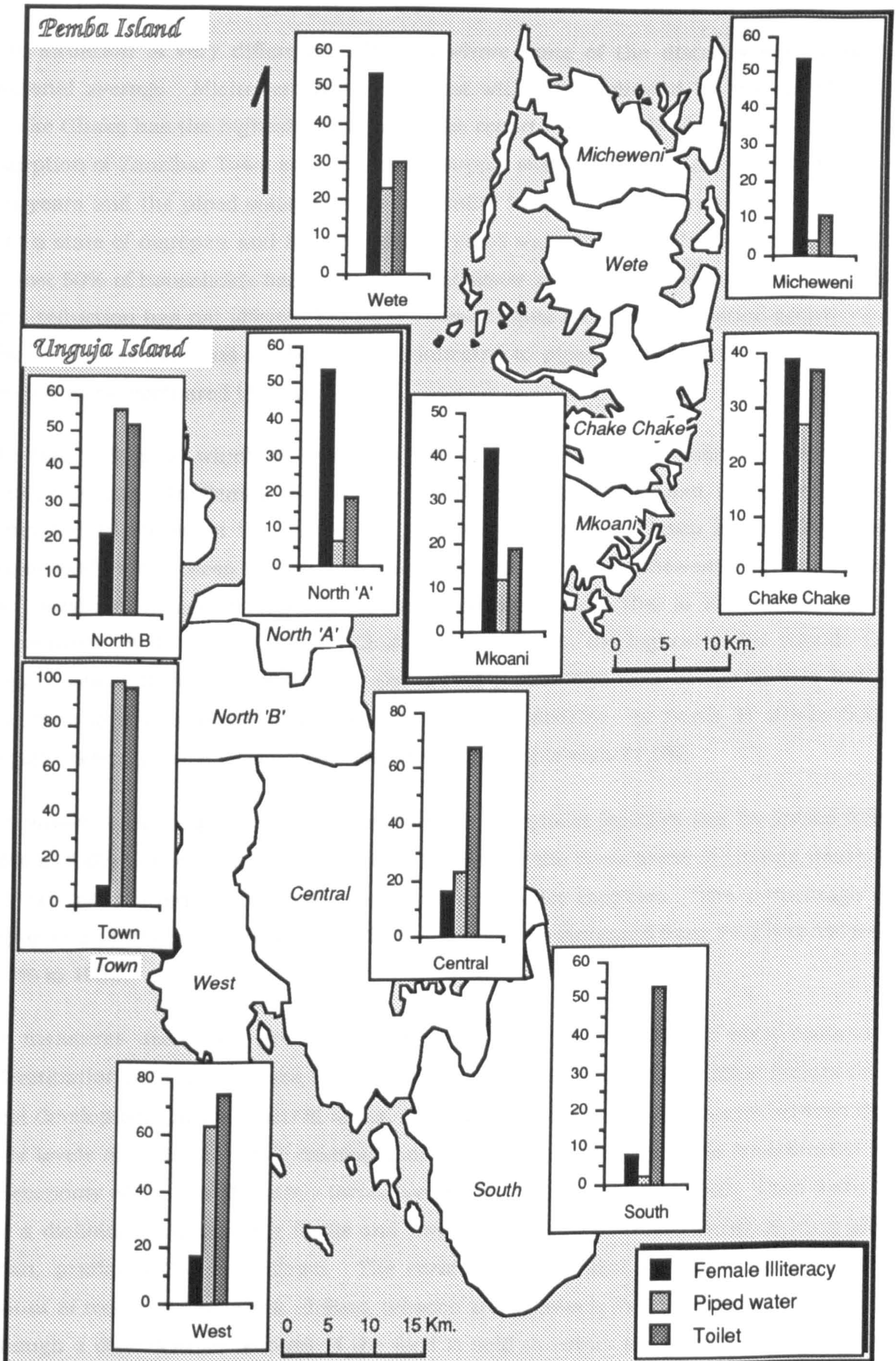
This information is then depicted spatially highlighting the more backward or disadvantaged areas (districts) and this underlines, amongst other things, the differentials in quality of life which affects population movements. The data is obtained from the *Mortality, Fertility and Contraception Survey* carried out by the Statistical Unit of the Ministry of Health (GoZ, 1988) and measures levels of illiteracy among women below the age of 30 years (n=8265), respondents with access to piped water (n=13514) and own toilet facilities (n=13445). The information is converted into district percentages and a graphic presentation is made (figure 11.1).

The results show that an average of 47.3% of women in Pemba are illiterate compared to 20.9% in Unguja. In rural Unguja it is 27.5% and Zanzibar Town 8.8%. The general picture that emerges is one of inter-island and rural-urban differentiation in terms of provision of and access to primary education. The levels of illiteracy amongst women in Pemba is well above the national average of 31.1% and therefore it follows that aspects which are correlated to education, such as infant mortality and low infant nutrition will be lower in Pemba.

Temporal data comparing between 1978-1988 of major geographical areas show interesting patterns and trends (1978 data from Census Survey, n=84701). The overall percentage of illiterate women has decreased from 45.7% in 1978 to 31.1% in 1988. Although this may be perceived as a positive achievement in terms of development of society, the percentage change (decrease in illiteracy) during the 10 years in Pemba is only 20.3 % compared to the whole of Zanzibar which is 32.0%. Town district has reduced illiteracy by 61.2% and rural Unguja by 40.6%. It is evident that the pace of change is in favour of Unguja and urban areas.

This pattern is not restricted to literacy. Access to water supply depicts a similar situation. The national average shows that 29.5% of the respondents had access to piped water, 69.6% use well water, and 1.3% use other sources. In Pemba only 16.4% of respondents had access to piped water and 82.2% used well water. In Unguja 41.9% had access to piped water. This average is raised because of Zanzibar Town's 99.9% with access to piped water. About 30% of rural Unguja had access to piped water, although district level data shows extreme differences. Central and North 'A' have the lowest population with access to piped water with 2.1% and 7.4% respectively. West district has 62.7%, which is higher than both the national and island averages.





Source: GoZ, (1988; 1989).

**Figure 11.1 Spatial differentiation in female illiteracy, households access to piped water and toilet facilities in Zanzibar (1988)**



The situation is very different in Pemba where none of the districts approach the national average. Micheweni has the lowest with 3.7% followed by Mkoani (11.5%). Chake Chake has the highest proportion. The report (GoZ, 1988) observes that with the exception of Zanzibar Town area, the water supply situation has deteriorated in the past ten years and the piped water system in Pemba, installed several years ago, has fallen into a state of disrepair and the provision of piped water is poor. For, example, in 1978 almost 50% of households had access to piped water and this dropped to 41.9% in 1988. This reduction has not affected Zanzibar Town, despite its rapid population growth rate. The drop in proportions of households connected to piped water supplies is smaller in Unguja Rural compared to Pemba island.

The last indicator, which is important insofar as hygiene is concerned, also shows similar trends. In Pemba island only 23.1% of respondents had their own toilets compared to 49.9% in Unguja rural. In contrast, Zanzibar Town had 95.2% of its respondents with access to their own toilets. Within Pemba, Micheweni and Mkoani had the lowest percentage of respondents with their own toilets, that is 10.2% and 19.0 % respectively. Wete had 27.1% and Chake Chake 36.2 %, the highest in the island. On Unguja island North 'A' district had the lowest percentage with access to own toilets (16.1%) and it was 49.2% of households in South district. In North 'B' it was 50%. Unguja's average is 57.4 % and West district is above this with 72.9%.

The proportion of respondents without access to own toilet facilities has decreased from 5.6% to 2.6% in the Zanzibar Town district, while in the rural areas of Unguja nearly a half the population do not have access to own toilet facilities. The percentage of respondents without access to own toilets in Pemba has increased from 71.1% in 1978 to 76.7% in 1988.

The measures used have provided a clear indication of the levels of socio-economic differentiation between different areas, and they reflect a wide range of other factors that affect development in the different areas. For, example, there is a dichotomy between the lower levels of socio-economic development occurring in Pemba and its contribution to the economy of the island, mainly through clove production, but also food. Then there is also a dichotomy between the fertile and *coral rag* areas, and finally between rural and urban, primarily Zanzibar Town. The *coral rag* areas also provide a considerable amount of root and tree crops, chillies, tobacco and livestock (ruminants such as goats). Although a considerable amount of the food is sold to urban areas, most is consumed within the household and since income levels are generally lower in coral rag areas, even rice (often imported and expensive) is consumed at much lower levels. Zanzibar Town has benefited disproportionately to others, particularly rural Unguja and Pemba. Basically what is being argued here is that generally the areas which suffer from backwardness contribute equally, if not more to the economy, and yet receive less in



return and this contradicts the development objectives and principles of the country.

In the long term this situation is damaging to the development process in Zanzibar. For example, in Pemba island deeply embedded political (ethnic based) problems and class based conflicts have resurfaced in the form of dissidence and at least one underground movement claiming a religious leaning and which has occasionally distributed seditious literature to the public. The so called *Bismillah Party* has called for a referendum on the Union with the Mainland.<sup>1</sup> Whatever the reasons for the existence of such a movement, there is a general belief that Pemba island, the main producer of cloves, has received less than its fair share in terms of socio-economic development. Such discontent is then transformed into political, ideological, religious and racial/ethnic conflicts and these confrontations increase uncertainty and its effects on economic and political stability and security in a SIS are considerable.

### 11.3 The agricultural economy

Like most other SIS, Zanzibar has a dualistic agricultural sector, characterised by cash and food crop production. Cash crop agriculture is dominant and has formed the backbone of the economy since the 1800s, producing mainly cloves and copra, and has generally remained unchanged despite various efforts aimed at diversifying the economy since the 1964 Revolution. In spite of the emphases of recent programmes aimed at diversifying the island economy, agriculture will continue to be the dominant sector of the economy for some time since it is important for domestic food production and employment.

#### 11.3.1 The relevance of SIS agriculture to Zanzibar

The importance of the agricultural sector to small countries dependent on agriculture has been emphasised by Persaud (1982:128) when stating that; "Agriculture's large contributions to employment and GNP means that, although it tends not to be the most dynamic sector, the whole economy becomes sensitive to what takes place in it. If policies cause premature declines in these contributions, they severely constrain the development process" (Persaud. *op. cit.*). In Zanzibar agriculture plays such a role in that it absorbs a large share of paid and self-employed labour, provides food and nutrition, has kept down the wages cost of the manufacturing, trade and service sectors, and expanded its purchases from these sectors. In addition it provides surpluses in the form of savings and foreign exchange for capital investment for industrial and other sectors,

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<sup>1</sup> *The Sunday News* of July 12, 1987 (p.1) reports that the "Zanzibar authorities are investigating the source and objectives of a seditious leaflet which has clandestinely circulated here during the past two weeks. The 23 page document, in stencilled form, is reported to contain racial overtones aimed at fomenting (sic) hatred and mistrust among the islanders. It also denounced certain government policies particularly the move to liberalise the economy."



while supplying raw materials for processing industries. However, in recent years production has been falling leading to decreased contributions to GDP and employment and so further exacerbating the downward spiralling of the economy, and leading to the stagnation of the development process. This partially explains why the island economy has been extremely vulnerable particularly since the 1980s.

Zanzibar, like many other SIS and indeed even continental developing countries, has been unable to narrow the gap between population growth and food production. The same trends have occurred in the Caribbean region, e.g., in Jamaica, Trinidad and Tobago (Hope 1981; 1982; McIntosh 1985), in the larger Pacific SIS such as Fiji, Solomon Islands, Tonga, Vanuatu and Western Samoa (Yang 1979) and in the Indian Ocean islands of Comoros and the Maldives. This is a major problem confronted by many SIS, particularly those that have not managed to reduce population growth rates on the one hand and expand food production on the other.

Connell (1984) and Sharma (1985) have identified a number of factors that contribute to the failure of the agricultural sector in responding to the increasing demands for food. Zanzibar has experienced each of these factors and others:

- *The pattern of specialisation, developed primarily under colonial rule, emphasised a very small number of export crops, discouraged domestic food production and infrastructure in particular areas.* In Zanzibar clove and coconut production was introduced from about 1818 by the Omani Arabs. This was part of the pre-European colonial development in which a plantation economy gradually replaced trade as the main economic activity a trend which has persisted. For example, between 1976 and 1985 about 82.5% of the country's export earnings were derived from clove exports and by 1985/86 this proportion reached 98%. However, earnings in real terms have fallen drastically, largely due to the decline of clove export prices particularly after 1982 when price fetched was US \$ 9000 per ton. By 1985/86 the price dropped to US \$ 3200 per ton, and currently it is less than US \$ 2000 per ton. The same is true for copra which fetched about US \$ 380 per ton in 1978, falling to around US \$ 166 per ton by 1984. The development of the transport infrastructure followed the main growing and processing areas, focusing around the main towns and administrative centres. In Unguja island the road network radiates outwards from Zanzibar Town. In Pemba island the road network extends outwards in a dendritic pattern from the main trunk road stretching from the North to South dividing the island approximately along the centre between the fertile and less fertile areas. Pemba has three ports and Zanzibar one, which is the main one for the Isles as a whole.



- Government has directed capital investment to agriculture.* After the Revolution there were attempts to encourage domestic food production, particularly rice. State farms producing rice and sugar cane were introduced. More recently the World Food and Agriculture Organisation (F.A.O.) and the Netherlands government have contributed to these efforts. Rice production has been encouraged to offset the growing food import bill, however these efforts have not been successful and Zanzibar remains in a situation of acute food (import) dependency where the population generally has a form of dietary dependency on rice, sugar and wheat flour. The government clearly regards agriculture as important to the economy, although it also appears that there is a lack of understanding of the constraints facing agricultural productivity and growth. This is reflected through the inappropriateness of policies that have been pursued.
- Rates of investment in agriculture have been generally low.* In many SIS, the period following independence saw significant investments in the social sector, though often at the expense of the more productive sectors, particularly agriculture. In Zanzibar for example, an average of 65% of development resources went into social services, leaving the remainder to be shared out among the remaining sectors. In the productive sectors, apart from an attempt at establishing an industrial base (import substitution) and agriculture, in practice emphasis has been on cash crop production, despite the need to increase food crop production. In 1971 a mere 5.5% of the development budget was allocated to agriculture. By 1978/79 this rose to 17.6% and since then agriculture has taken up a significant proportion of public investment and it is envisaged that by 1993 it will take the largest share of the public investment programme - 26% of total investments. However, despite the growing proportions going into agriculture (since 1979), the performance of the sector so far does not reflect the investments made, that is Zanzibar is no nearer to achieving food self-sufficiency or even being able to reduce by a significant proportion its food import bill.
- Population growth has been rapid, and especially so in urban areas.* The population growth rate in Zanzibar currently is 3.0% *per annum* and expected to grow, making it amongst the highest in Africa, surpassed only by a few countries such as Kenya (with 4% *per annum*). The urban population growth rate between 1967-88 was nearly 4% and is expected to increase. Over 35% of the population are in urban areas (1988). This is a result of both high population growth rates and rural-urban migration rates. Pressures for urban biased pricing and other policies are pronounced with the overall development policies favouring the urban population. This caused considerable difficulty to the government once it considered removing food



subsidies, particularly for rice and sugar.<sup>1</sup> Thus Zanzibar has experienced the paradoxical situation in which low agricultural investments, which in turn implies low agricultural productivity have been accompanied by a rapidly growing urban population which expects to be fed from the rural sector.

- *Land tenure problems have beleaguered most SIS.* Sharma. (1985) gives the example of Fiji where over 70% of farmers use communal land. Being unable to offer collateral for borrowing they become ineligible for most forms of credit and are generally ignored by extension services. In Zanzibar there was some land redistribution after the Revolution, but the manner in which this was implemented, the absence of adequate guarantees relating to land ownership, and the lack of a clear manner of inheritance or transfer of land have caused numerous problems sometimes leading to a situation of inertia in land use. This insecurity has acted as a serious disincentive to agricultural expansion, and even if agricultural credit was available, the uncertainty associated with land ownership alone would render most ineligible for credit. The rapidly growing population pressure also further compounds the problems of tenure.
- *Migration of agricultural producers to urban areas.* The loss of the more youthful rural population has contributed to a decline in the agricultural labour force, resulting in static or falling production (especially of food) While migration reduces pressure for land, it also implies less labour under conditions of limited technological advances (GoZ, 1983:82), added to which the selectivity of migration results in high dependency ratios in the rural areas (86.6 to 100 in 1988). Evidence of this exposé is provided in chapters 12 and 13.
- *Stagnation in agricultural practice and technology.* Little effort has been made to encourage farmers to improve on traditional methods. The use of fertilisers, whether organic or chemical, is extremely low. Over 90% of small farmers do not use even organic fertilisers.<sup>2</sup> Ignorance, high costs and problems of supply are largely responsible for this. Some farmers note that chemical fertilisers (T.S.P) tend to encourage weeds causing increased labour demand (GoZ, 1981:77). Between 1975 and 1983 an average of 1095 tons of chemical fertiliser *per annum* was imported.

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<sup>1</sup> Personal communications with Ministry of Finance officials

<sup>2</sup> Personal communications with KILIMO experts and verified by survey results.



However, by 1983 a mere 600 tons was imported. Clearly with such low *per capita* fertiliser consumption, it is unrealistic to expect significant increases in food production. Despite the increasing scarcity of fertile land, intensification is not widespread. Current practices tend to be contradictory, acting as if land was in abundance. The transformation to intensively producing small holdings has yet to be achieved, something that is quite urgent for a country facing such a severe situation. These are problems relating to both land reform and technological improvement

Whilst outlining the factors generally constraining agricultural production and more specifically food production in Zanzibar, it is appropriate to explain in some detail its agricultural system.

### 11.3.2 Agriculture Systems of Zanzibar

There are two major agricultural systems in Zanzibar. There is the plantation zone on the more fertile areas on the eastern sides of both islands, and the other is on the eastern side where cropping is on relatively poor shallow soils of the *coral rag*. Smallholder production consists of mixed cropping. According to KILIMO files, the total cultivable area of the plantation zone is about 130,000 Ha, out of which over 85% is under crops, leaving only a small proportion for possible expansion.<sup>1</sup> In the *coral rag* area, less than 20% of the area is cultivated, but certain places are under severe pressure with fallow periods falling from 5 to less than two years (GoZ, 1987a, 1989c). Many of the households in these areas sustain themselves by participating in fishing.

Sixty percent of the total cultivable area is planted with food crops, cassava being the most widespread food crop grown by most households. Other commonly produced foods include bananas, sweet potatoes, legumes and maize. These are inter cropped, grown as mixed crops and or in other complex associations often under tree crops. Where suitable land and adequate water is available rice is grown and this is often in the lower valley areas (Plate 8). Relatively little livestock is kept by rural households, though it tends to be more important in Pemba than Unguja. The average number of livestock kept by rural households is; in Unguja 11% had cattle, 6% goats and 29% poultry. In Pemba 37% had cattle, 10% goats and 65% poultry.

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<sup>1</sup> KILIMO is the Kiswahili for the Ministry of Agriculture, Forestry and Fisheries.





**Plate 8 A rice growing valley**

Besides rice, cassava is an important staple and forms the subsistence safety net for most. However, in recent years its production has been severely affected by an 'imported' pest, the '*cassava mealy bug*', a non-indigenous pest which is believed to have spread from the Mainland. In response to this infestation, it is reported by the *Daily News* (November 17, 1988) that the Union and Isles Ministers for agriculture issued a joint statement resolving to enforce regulations governing the importation of plants, seeds and fruits to control the spread of plant diseases. "...the joint statement comes in the wake of a devastating attack on cassava by the mealy bug and the green mites, which were first spotted on the Mainland". Cassava production in Zanzibar island has been affected particularly since 1988 (table 11.1 and figure 11.2).

Although improved crop husbandry and technologies are available for crops such as cassava, legumes and cereals, productivity has generally remained low and expansion of food crops is still constrained by, amongst other factors, poor agricultural practices. Integrated packages of crop husbandry have yet to be developed, accepted and practised widely. One report points out that "While there is land scarcity many farms are not intensively cropped" (GoZ, 1987a:5).



Imports by principal commodities	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Total imports	242.7	155.3	562.5	684.4	684.7	605.3	994.7	981.7	1502.4	2009.1	2896.3
Beverages and tobacco	0.7	0.4	17.5	1.1	13.1	3.9	7.6	9.8	10.2	15.9	6.9
Food	38.4	69.4	228.4	214.3	245.5	239.9	630.4	343.7	706.4	843.6	1268.6
Food, beverages and tobacco	39.0	69.8	245.9	215.4	258.6	243.8	638.0	353.5	716.6	859.5	1275.5
Food as a % of Total Imports	15.8	44.7	40.6	31.3	35.9	39.6	63.4	35.0	47.0	42.0	43.8

Source: GoZ (1982, 1984); GoZ, Department of Customs and Sales Tax (u.d).

**Table 11.1 Food as a percentage of Total Value of Imports 1978-1988**  
(T.Shs. Million)

This situation is further compounded by the poor levels of agricultural extension delivery. Even where extension advice is delivered, it is often not taken up, the reasons for which include inaccessibility to credit and poor marketing prospects. Paradoxically, what extension and research is available is mainly through donor-funded projects, some of which focus on cash crops or rice (import substitution crop), a situation common to many LDCs.

Cash crop production can be divided into three main types. The first, the *main cash crops* include cloves and coconut. Fruits such as citrus, pummelo, mango, paw paw, rambutan and durian, together with spices such as black pepper, vanilla, nutmeg, chillies, cashew and other nuts are have export potential. Though grown in small amounts they are becoming increasingly important as a source of income. Finally there are the *import substitution crops*, such as rice, and sugar cane, which are grown to offset expensive food imports.<sup>1</sup>

### 11.3.3 Food and Cash crop production trends

Table 11.1 shows the relative position that food occupies in total imports between 1978 and 1988. During this period the value of food imports was an average of 44% of the total. Compared to a sample of 19 low-income small developing countries during 1988, food accounted for 19.6% of their merchandise imports. The highest was Mauritania (39.6%) and the lowest Maldives with 8.3% (Commonwealth Secretariat, 1991). With 44%, Zanzibar's proportion is obviously well in excess of the average and serves to show the severity of the problem.

<sup>1</sup> From untitled and undated KILIMO handout and discussions with KILIMO officials.



Up until the clove prices collapsed, Zanzibar could 'afford' to be a food importer given the comparative advantages it once enjoyed as a major producer and exporter of a high value crop. A large share of its fertile land was given to the production of cash crops. Natural forest land and a wide variety of natural vegetation was cleared to expand cash crop production. Currently only small proportions of the primary forest and natural vegetation cover exist (estimated to be less than 1.3% of total forested area).

Until recently (1989/90) the agricultural pricing and marketing policies pursued continued to favour export crops and as in many other SIS were geared to meeting what Axeline (1986:57) refers to as 'the political needs of low consumer prices.' In so doing, it discouraged the domestic food production for local markets (Connell 1988). Food and cash crop producer prices also exhibit interesting, though conflicting patterns, militating against food production. The producer price of cloves is higher than for rice, and both have generally been artificially lower than real market prices (Table 11.2). Despite falling world prices for cloves, the domestic prices continues to be more a more attractive proposition than the production of rice, which until recently has been subsidised. The same is true for cloves relative to other food crops. Prices for copra are slightly above those of rice, added to which it is less labour demanding and can be farmed more widely even in relatively less fertile soils.

One report states that poor pricing policies are reflected both in the fall in real producer prices and the increasing consumer subsidy for rice (GoZ, 1987a:4). This is also illustrated by the producer prices of cloves and copra and the retail price of rice (Table 11.2). Imported rice determines the price at which locally produced rice is exchanged and influences the price of a range of alternative staples. Only in 1986/87 did the producer price of rice (per kg.) exceed that of copra, though it remained far below that of cloves. After the removal of subsidies in 1988/89, the producer price of rice reflected market demand more accurately and may lead to increased production of rice and the cheaper and less demanding crops such as legumes, cassava, maize, sweet potatoes and yams.



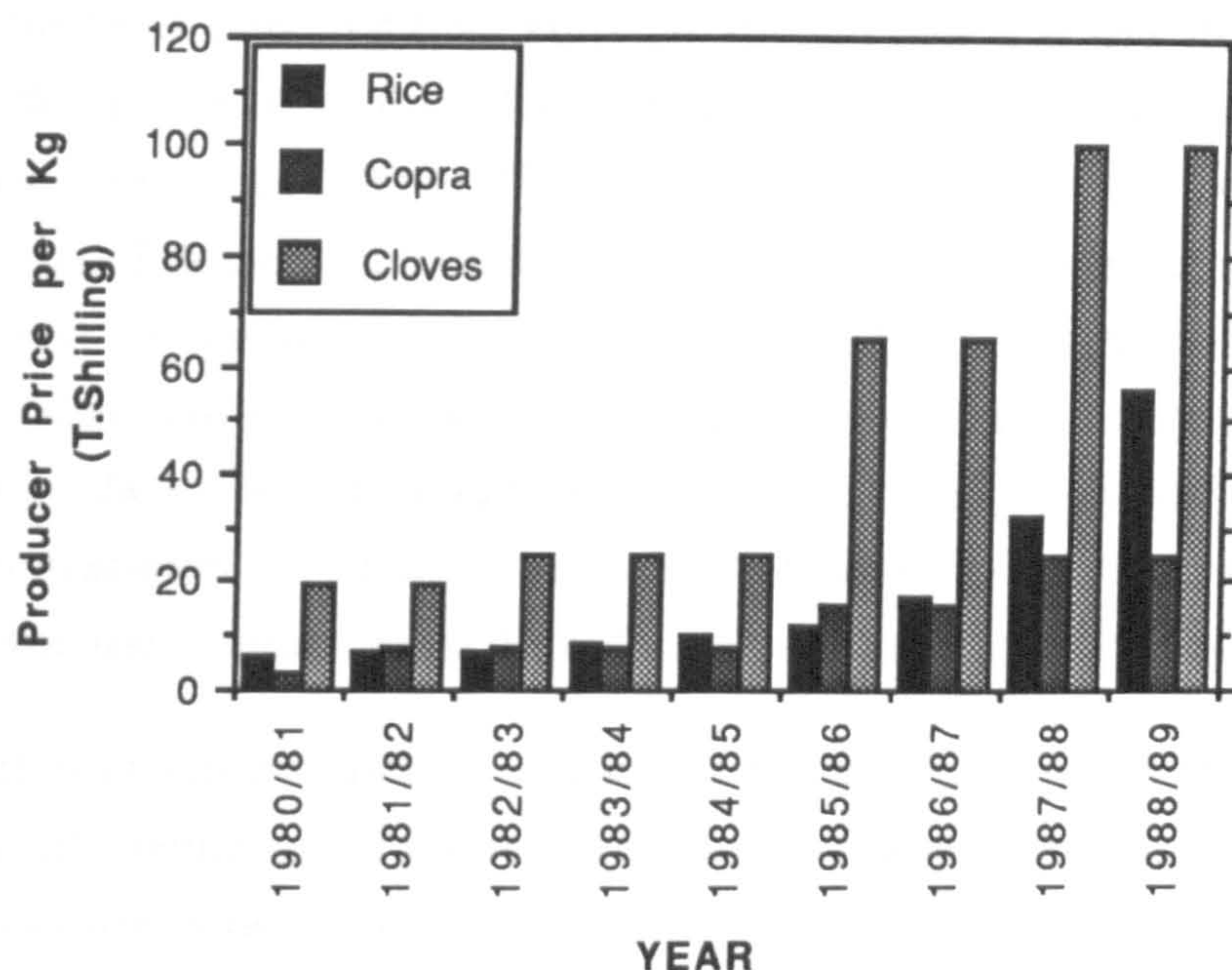
YEAR	Cloves*		Copra*		Rice
	Current Prices	Constant Prices	Current Prices	Constant Prices	Current retail Prices
	TShs/Kg	1980=100	TShs/Kg	1980=100	TShs/Kg
1980/81	19.25	100	2.75	100	6.40
1981/82	19.25	87	8.00	254	7.00
1982/83	25.00	69	8.00	224	7.20
1983/84	25.00	50	8.00	145	8.56
1984/85	25.00	52	8.00	131	10.00
1985/86	65.00	44	16.00	98	11.50
1986/87	65.00	96	16.00	74	17.00
1987/88	100.00		25.00		32.30**
1988/89	100.00		25.00		55.50**

\* Grade 1 prices. \*\* Source for these years from *The Daily News*, 15 August, 1988:3  
Source: Zanzibar State Trading Corporation (ZSTC), Department of Statistics.

**Table 11.2 Producer Prices for Cloves and Copra and retail price of Rice, 1980-89**

The poorer sections of the population have been forced to reduce consumption of expensive rice and resort to cultivate and consume alternative food crops. Such a phenomenon is not new. Apart from a widespread problem of nutrition which already exists, especially amongst children, reports about food shortages and nutrition problems in Zanzibar in the 1930s show that there was a high correlation between low earners and poor nutrition (Bowles, 1991; Ferguson, 1991). The shift in consumption to crops such as cassava can lead to nutrition problems. However, such a change has been slower in the more densely populated islands of the Caribbean and the Indian Ocean, reflecting the difficulty of overcoming preferences for certain foods (Momsen, 1986, Thaman and Thomas, 1985 Brookefield, 1984; Connell, 1988).





Source: GoZ, KILIMO files (1990)

**Figure 11.2 Producer Prices for Cloves, Copra and Rice 1980-1989**

#### 11.34 Food Import Dependency

Because of low domestic production, the importation of food and beverages in most SIS tends to be high and this is indicative of the lop-sided structures of their economies and the scarcity of land. McGee (1975) defines food dependency where such imports represent more than a third of all imports by value. This applies to many SIS e.g., Cape Verde, Comoros, Dominica, Grenada, Kiribati, St. Kitts-Nevis, St. Vincent, Sao Tomé, Tuvalu, and Zanzibar. Connell (1988:) points out that *food dependency* or '*dietary colonialism*', has encouraged substantial trade imbalances and resulted in the decline of subsistence agricultural systems. Increased cash cropping accompanies food import dependency and has frequently produced both a decline in absolute food production *per capita* and in the variety of planted species. This encourages further exposure to the fluctuations of world commodity markets and a reduction in the ability of traditional agricultural systems to withstand hazards which, if relatively infrequent, can be devastating (Currey, 1980).

In the Comoros, the lack of food self-sufficiency in an otherwise poor economy correlates with poor diet and health, problems not unlike those found in Zanzibar where malnutrition, particularly among rural children, is widespread. A survey in 1988 found that 38.9% of rural children in Zanzibar (under-fives) were less than 80% of the weight normal for their age, while in urban areas the proportion (29.4%) was much lower (GoZ, 1989).



It is possible to increase domestic food production and reduce dependency on food imports and this has been achieved in a few SIS. For example, in Sao Tomé a decade ago almost 90% of all food was imported from Portugal, though now it is less than 50% (UNCTAD, 1986), while in the Comoros, food imports have fallen from about 36% of its merchandise imports in 1980 to 27% in 1988. However, it is not certain whether this reflects increased domestic production, or is a result of foreign exchange shortages for importing food. Cape Verde has depended on food aid, despite this being somewhat irregular, to maintain nutrition standards and revenue derived from the sale of food aid has funded public investment programmes which in turn contributed to the reduction in rural-urban migration. Food aid has also had a positive effect in arresting the process of desertification and environmental degradation in Cape Verde (UNCTAD, 1985).

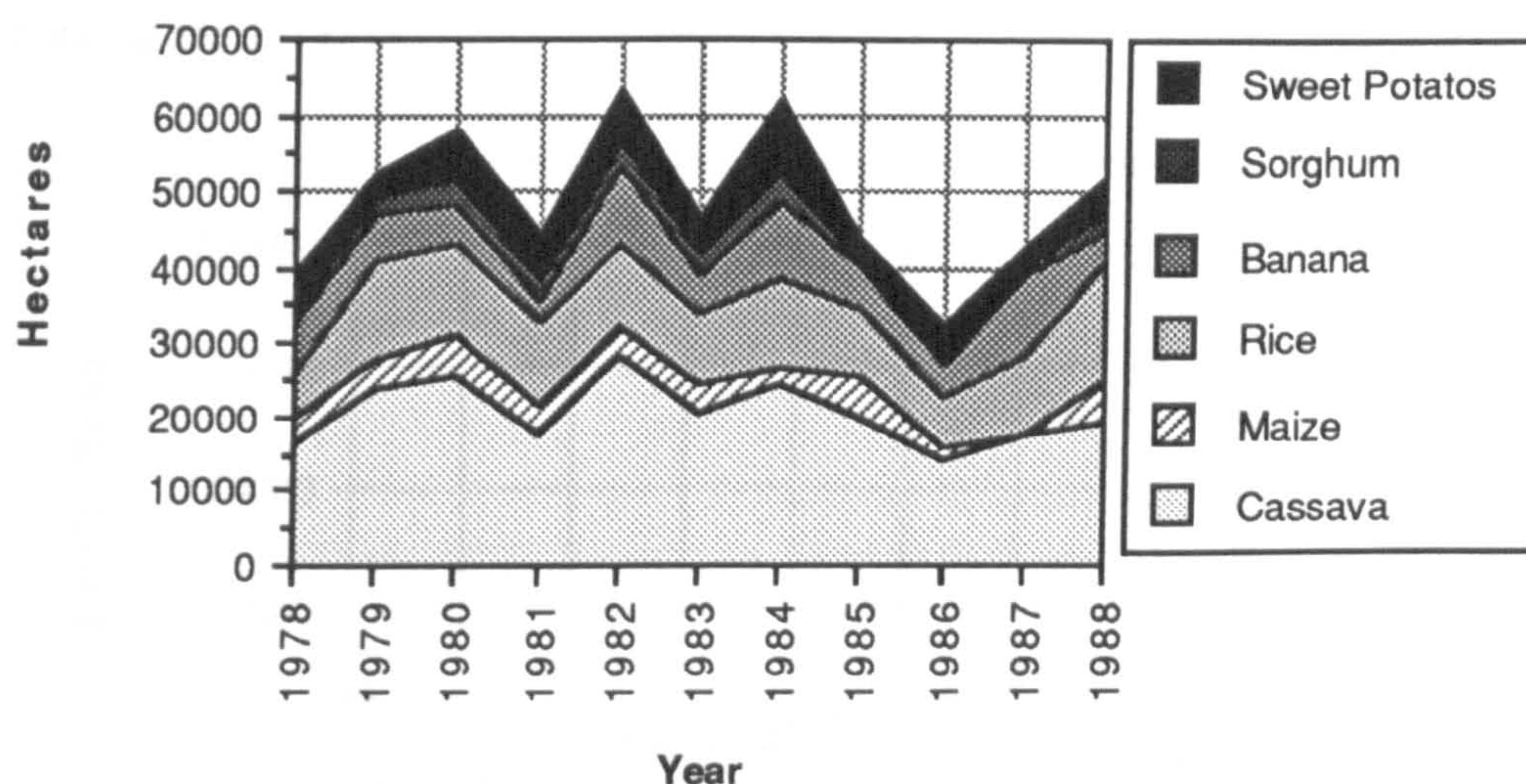
A combination of factors such as marketing practices, pricing policies, declining soil fertility, the advancing age of farmers, shortages of labour, foreign exchange problems, loss of agricultural land, crop diseases, land ownership and disputes, lack of physical planning, inappropriate technologies, political instability and urban bias in commodity prices all contribute to the decline of both cash and food crop production (Axeline, 1986; Brookefield, 1987; Driesen, 1988; Hope, 1981; Ward, 1980). For the SIS with rapid population growth rates, increasing unemployment, and growing dependency on food imports, the situation becomes even more unfavourable. A report on agricultural production in Zanzibar reveals that "there is a general consensus that agricultural production has stagnated in recent years. This has certainly been the case with the main agricultural exports, cloves and copra, where purchases have been declining..." GoZ (1987b:3). A number of constraints contribute to the decline in agricultural production, but the main ones appears to be the lack of producer incentives, and the low crop prices offered by government to producers.

Agricultural production statistics including estimates of yields in Zanzibar do not chart the problem adequately as observed in the Economic Recovery Programme (GoZ, 1987a). Such a problem is an inherent weakness of many SIS and LDCs in general. For example, estimates of production and of cultivated area show little consistency year on year, no correlation between production and area. Such a situation makes the planning, monitoring and evaluation of production very difficult.

Plotting the curves for estimated production, yields for the main food crops, it can be shown that production has stagnated (Figures 8.3 and 11.3). This is also noted by one report which states that; "The declining trend in clove output have also been corroborated by similar trends in the production of other export crops (i.e. copra and chillies) and also of food crops like rice, pineapples, millet, cassava and others" (GoZ, 1986b:2). *The Second Union Five Year Plan (1988/89-1992/93)* noted that the production of rice has been fluctuating and falls far short of demand in the face of a rapidly rising



population (JMT, 1989).



Sources: GoZ, (1990) KILIMO files

**Figure 11.3 Estimated areas cultivated for main food crops, 1978-1988**

Production of other food crops such as bananas and cassava have been fluctuating too and up until 1988 have fallen far short of projections laid out in the *Second Union Five Year Plan* (1988/89-1992/93). Evidently, unless additional measures are taken, projected food production targets are unlikely to be met within the near future (Tables 11.3 and 11.4).

CROPS	1988/89	1989/90	1990/91	1991/92	1992/93
Rice	44.3	45.4	46.6	47.8	49.1
Maize	14.5	14.9	15.3	15.7	16.2
Cowpeas	10.9	11.2	11.5	11.8	12.1
Sugar	12.1	12.4	12.7	13.1	13.5
Wheat flour	17.5	18.0	18.5	19.0	19.5

Source: JMT (1989)

**Table 11.3 Estimated demand of main foods 1988-1993**  
(‘000 tons)

CROPS	1988/89	1989/90	1990/91	1991/92	1992/93
Rice	37.3	45.7	50.9	52.0	54.3
Paddy					
Maize	2.2	2.5	2.8	3.1	3.4
Sugar	3.0	3.5	4.5	6.0	6.0
Cowpeas	0.4	0.6	0.8	1.0	1.0

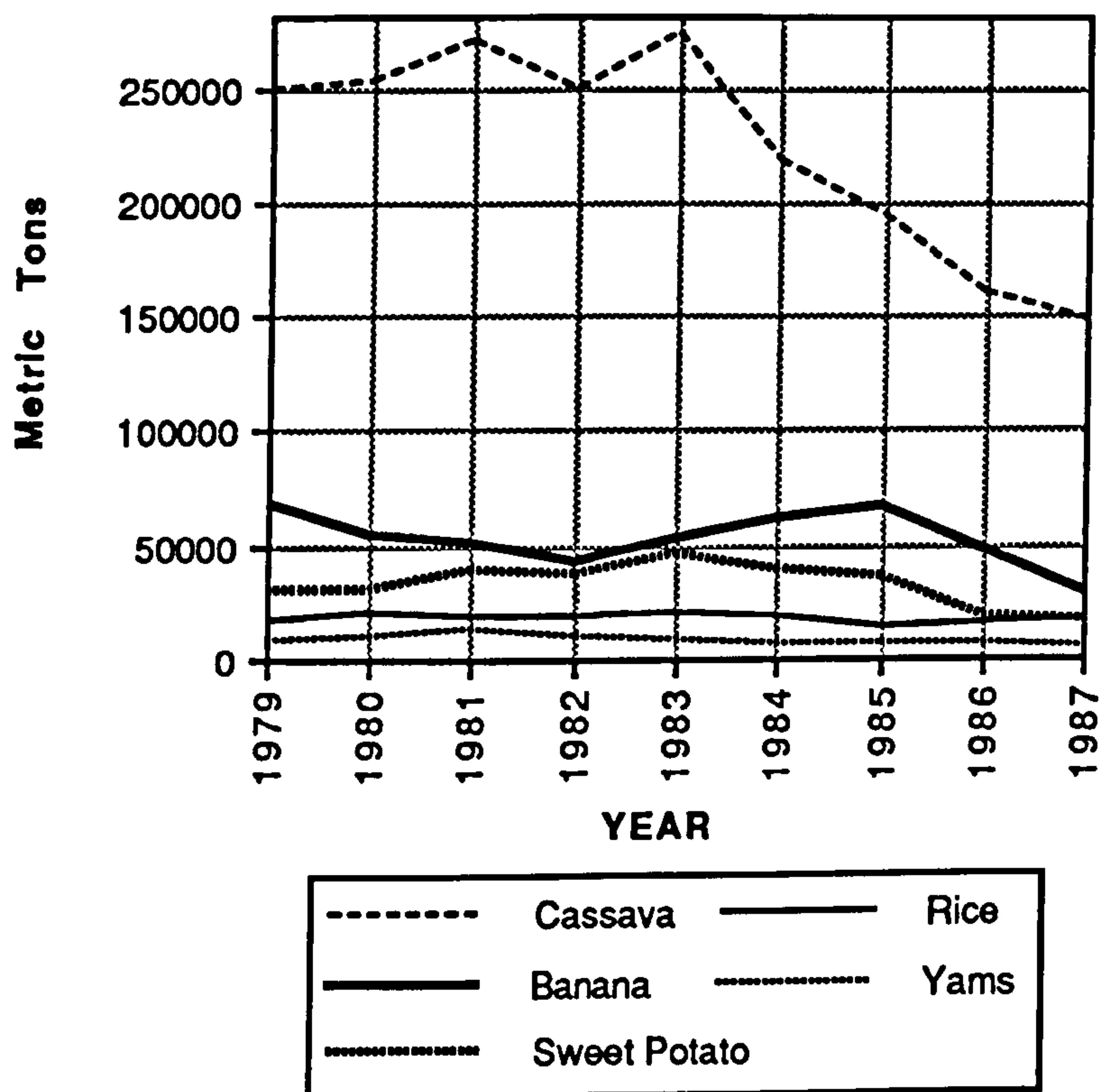
Source: JMT (1988)

**Table 11.4 Planned output of main food crops 1988-1993**  
(‘000’ tons)

Figures 11.4 and 11.5, illustrating three year running means for food and cash crop production between 1978-1988, show that there has been a decline in the production of cassava and sweet potatoes from 1983 and bananas from 1985. Yams and rice have



maintained a fluctuating but overall constant output. Cassava and bananas will have been affected by the outbreak of crop diseases particularly from the late 1980s further exacerbating the falling trends. Broadly there is some overlap between these trends and those shown in Figure 11.4.

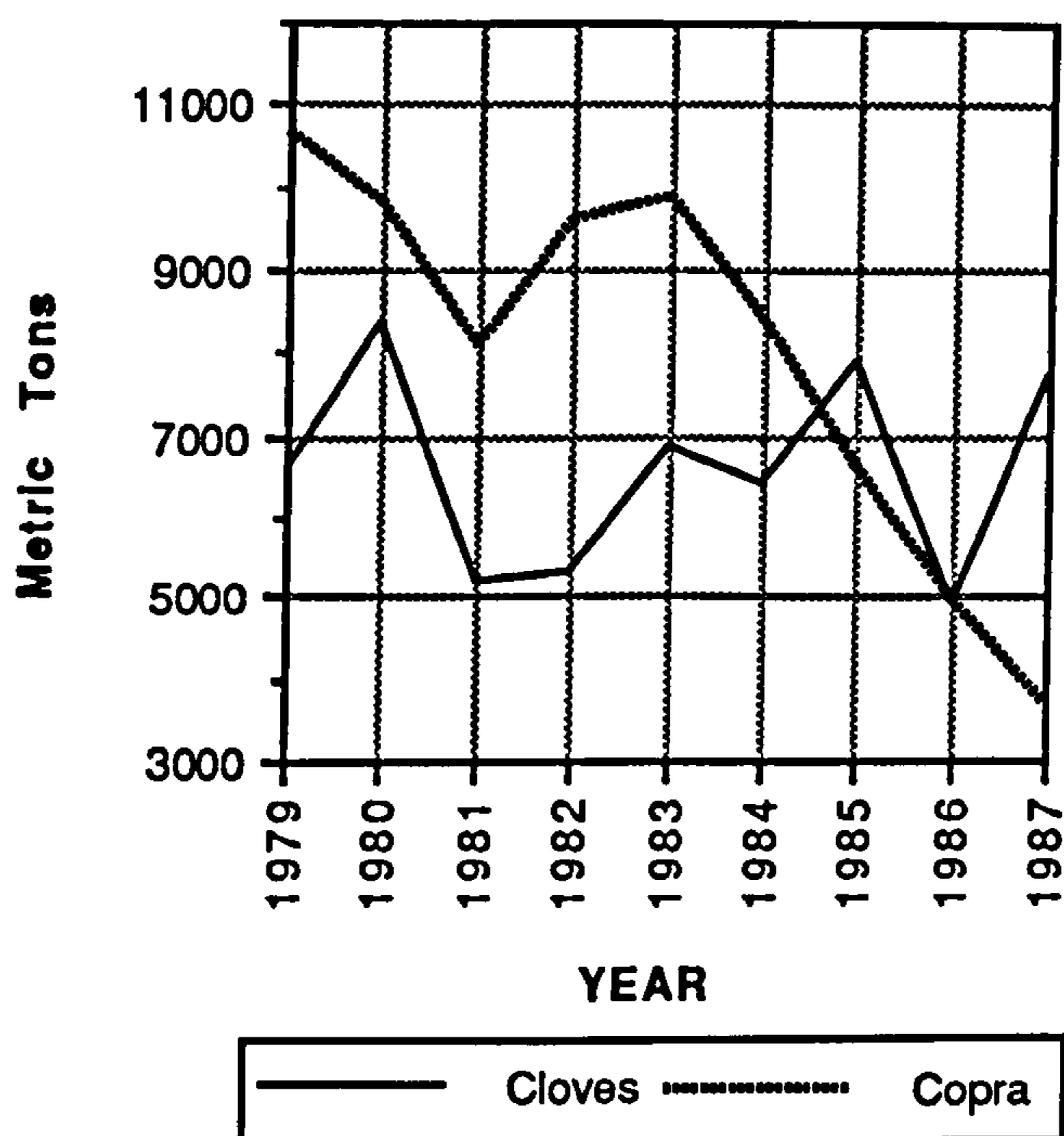


Source: GoZ, (1990) KILIMO files

**Figure 11.4 Estimated food production 1978-1988**

Clove production continues to be erratic though generally declining, while copra too shows a steady decline from 1983 onwards (figure 11.5) and it appears that there is little hope that these cash crops will continue to be able to sustain imports of food.





Source: GoZ: Department of Statistics, 1990 (unpublished draft)

**Figure 11.5 Estimated Cash Crop Production 1978-1988**

The *Second Union Five Year Plan* (1988) admitted that attempts aimed at agricultural diversification between 1981 and 1987 fell far short of the objectives set out by GoZ, and that the problem remained urgent (JMT, 1989:62). Several constraints are identified. These include a serious shortage and the necessity to intensify production. Already an increasing amount of marginal land has come under cultivation with fallow periods becoming shorter, compounding the probability of serious environmental degradation.<sup>1</sup>

A critical problem is that increasing the island's food self-sufficiency will require substantial inputs. Not only is the necessary capital outlay and technology lacking, but so is the expertise. Most modern agricultural inputs require a substantial foreign exchange component and yet foreign exchange is in short supply. A gloomy government report states that "foreign exchange reserves have fallen to around US \$ 26 million compared to US \$ 39 million in 1980" (GoZ: 1989:2). This is over a 33% decline from 1980 and reflects a very serious situation bearing in mind that even in 1980 foreign exchange supply was a problem.

<sup>1</sup> The traditional fallow system consisted of cultivating an area for between 2 to 3 years and laying the land to fallow for between 5 to 10 years. Because of land pressure and falling incomes, in some areas this has been shortened to about two years.



The government has persisted with policies and programmes aimed at increasing domestic food production, and has launched yet another programme known as *Mpango wa Taifa wa Kujitosheleza kwa Chakula 1984-2000 - MTAKULA*.<sup>1</sup> Early indications for this programme (1990s) show little signs of success. To begin with the projected population growth rates were then put at 2.66% *per annum*, they now stand at 3% *per annum*. The targets set are expressed in somewhat general terms, stating that by the year 2000 the islands should achieve a greater degree of food self-sufficiency. Based on the recommendations included this seems unlikely.

### 1135 Agricultural Marketing

Inappropriate marketing structures and poor marketing policies pose major obstacles to increased agricultural output, giving insufficient incentives to producers. The poor transport infrastructure creates distance and transport friction leading to fewer crops reaching the market. It also entail high costs of production and marketing in an economy which already has very low *per capita* incomes. The net results are shortages in supply, high costs of food and smaller income levels for producers.

The absence of production and marketing co-operatives, and lack of agricultural credit further compound the situation (GoZ, 1987a:80-81). The relevant institutions (parastatals) concerned with marketing have proven to be top heavy and inefficient, both to themselves but more importantly to the farmers. They have high overheads and these are inevitably passed on to the farmers, effectively reducing their income levels. Poor and inadequate storage (by the parastatals) lead to high wastage. Prices offered to farmers are too low and do not reflect the market reality thus discouraging any expansion in production. Even the institutions responsible for crop marketing reflect the bias for cash crop production, i.e., towards the export of cloves.

### 1136 Land Use Related Problems

Land shortage has become a problem of increasing magnitude with the potential for much social conflict. In response to recent agricultural policies which include the removal of subsidies on imported rice the demand for and speculation of agricultural land has grown. In some cases land has been idle often as a result of disputed ownership, partly as a result of the complex laws and regulations governing land ownership. Disputing parties often let the land lie idle until such time as government agents resolve the dispute. As a result of the combination of traditional land ownership and cultural practices, government intervention in land redistribution after the Revolution, inept legislation concerning land rights and transfers, and the political sensitivity that is

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<sup>1</sup> National Programme for Self Reliance in Food.



attached to land issue, the land ownership disputes remain widespread.

A government report (GoZ, 1987a) recommended that the implementation of the 1985 *Lawrence Report* had studied the land tenure problems of Zanzibar and had suggested ways of resolving them.<sup>1</sup> Basically it suggested that appropriate amendments be made to the existing land tenure system. Recent controversies illustrate the problem. *The Daily News* (25 July, 1991:5) reported on a conflict between villagers and a well-known local individual. It mentioned that the Zanzibar President, Dr. Salmin Amour,

"... gave a ruling of the Shakani village land controversy in which a senior government official and a group of peasants were at loggerheads over farm land stretching for about nine kilometres. He said those holding land titles in the area be allowed to continue with their normal business. He said those farming in the area but who do not possess land titles should continue to farm there. But if someone comes along with a title demanding the plots, the court will decide the matter. However, the Zanzibar leader said if by July 23, 1992, no one claims the plots then those occupying them will be entitled to apply for ownership titles. The controversy surfaced this year when Ndugu Abdullah Ahmed, a resident of Shakani village petitioned to Dr. Amour claiming that a member of the Isles Revolutionary Council Ndugu Said Idd Bavuai has taken the farm lands belonging to about 70 peasants. The President immediately formed a probe team to investigate the issue. The Committee recommended that Ndugu Bavuai continue to develop farm plots which no one claimed ownership." (*The Daily News*, 25 July 1991:5).

The emergence of such disputes are symptomatic of the problems relating to scarcity of land and the problems associated with land use and ownership. The Government recognises that the existing land tenure system with its lack of adequate security for farmers, and the lack of any compensatory transfer mechanism, is a disincentive to long term investment in tree crops and land management (GoZ, 1987:2). However, it has been slow to reform the land tenure system.

The decision by the Isles Presidency in this case links with a statement by the Chief Minister in which he called for the maximum utilisation of available land. *The Daily News* (21, January, 1990:p.3) disclosed that the Zanzibar Chief Minister, Dr. Omar Ali Juma, "... called for maximum utilisation of scarce land in the Isles. He said that despite the land shortage, the available lands were under-utilised. He also called upon those allocated plots to develop them." Obviously while the government acknowledges that land ownership and land use disputes are politically sensitive issues, it also recognises that food and cash crop production are of paramount importance to the Isles and the longer it takes to resolve the two issues, the longer it will take the economy to approach stability and recovery.

There is an immediate threat to the ecology and economy, both of which are affected by the world market structure that pays less and less to primary producers thus forcing

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<sup>1</sup> The report was not available to the author, but the relevant sections are cited in the GoZ Report (1987a).



them to cultivate more land and produce more for less. This has potentially devastating environmental and ecological consequences particularly for SIS, given their small area., high population pressure and fragile island ecosystems. In recognition of this and of other environmental problems a *Commission for the Lands and the Environment* has been established in Zanzibar, though this too has come under considerable economic and political pressure.

More recently new forces have come into play in the demand for land. The *Economic Recovery Programme* includes a programme seeking to exploit the Isles' latent tourism potential. This is being implemented in a rapid and seemingly haphazard manner. Several areas to the north-west and along the eastern coast of Unguja island have been designated for tourism development and distributed to local and overseas investors. However, some coastal agricultural areas and important fishing landing points have been lost to the new developments. This has the potential to create resentment towards tourism which may be doing little in terms of contributing to the rural economy.

There has been a lack of co-ordination between the authorities responsible for encouraging foreign investment, tourism and land distribution and thus the 'scramble' for land goes on unabated. By 1991 it was reported that 19 new hotels and lodges had been built by local and foreign investors in Unguja and a further 74 applicants planned to establish hotels during the same year (*The Daily News*, June 15, 1991). Despite their attractiveness on the surface, conflicts and flash points exist. For example, some villagers in one locality, Mangapwani, were required to move elsewhere to allow the development of a beach hotel in the area by a large international hotel group (Plate 9). Although they were compensated, given the rate of devaluation, inflation, land speculation and the scarcity of fertile land, it is unlikely that those who move away will find the compensation adequate.





**Plate 9 A beach area designated for tourism development**

11.3.7 Population-Land pressure

The man:arable land ratio has been a useful parameter in discussing general policy options for small states. It has been argued that in areas of land abundance it might be possible to have a dualistic agricultural structure with family and large commercial farms producing both food and cash crops, but where land is scarce, a 'unimodal' family farm structure tends to be the appropriate form of organisation to facilitate optimum resource use, labour intensity and cropping pattern (Persaud, 1982:132). However, it is also true that state intervention and the effects of factors such as crop value and labour requirements influence the type of farming structures that develop.

Elsewhere, Newitt (1984) reports that in the Comoros high population pressure on resources has resulted in soil erosion and declining *per capita* food production levels. Uncertainties surrounding land tenure allied to increasing population pressure, has encouraged squatting and share-cropping. Insecurity and doubt restrains initiatives and stifles experimentation in agriculture (Driesen, 1988a:154). In 1977 the population per square kilometre in the Comoros was 170 per square kilometres. In Zanzibar it was around 201 persons per square kilometre (1978) and by 1988 it increased to no fewer than 260. The consequences of this include, for example potentially severe gully erosion, such as that taking place in Pemba island or the ever shortening fallow periods in the *coral rag* areas, evidence of the growing negative environmental impacts which will inhibit further agricultural growth and entail high costs in rehabilitating the land.



Rodman (1984) and Thompson (1985), in studies of Vanuatu and Grenada respectively, note that land pressure slowed the development of some forms of agriculture, while increasing population pressure and the devotion to cash crops have contributed to inequality of land ownership. This is happening in Zanzibar, evidence is showing. Under such conditions, rural-urban migration will be increasingly used as a safety-valve. This leaves the economy in a vicious loop of both declining productivity and incomes, growing unemployment and underemployment, and a generally poorer quality of life.

### 1138      Subsistence Agriculture

The importance of subsistence agriculture in many SIS cannot be under estimated. It provides fresh food and essential nutrition, insulates households and even the economies of SIS from the vagaries of international price fluctuations and in so doing providing a subsistence safety net for rural and even urban households. Geddes *et. al.*(1982), Taylor (1987), and Connell (1988) point out that despite the allure of export commodity production, tourism, industrialisation and other 'primrose paths' for development, it remains true that the bulk of the rural population in SIS is dependent on domestic agriculture for subsistence. Hence support for subsistence agriculture and artisanal fisheries should remain at the forefront of the Isles' national development strategies.

Insofar as Zanzibar is concerned, subsistence production has yet to be given due emphasis. Throughout the period of economic stagnation and decline it is subsistence cultivation that has kept the Isles populace from the brink of famine. Yet, there has been little research in food crop production and extension services are inadequate while the lack of improved production techniques and food crop prices have militated against encouraging production for the market.

An UNCTAD report of 1986 stressed that increased food production is crucial to agricultural development and rural income strategies, and in the absence of this no rural poverty eradication or urban fair-pricing strategy would be effective for long, without either a large and growing non-agricultural export sector or secure access to food aid. Up till the late 1980s non-agricultural sectors were not expanding and nor was there a secure access to food aid in Zanzibar, although efforts have been made in that direction since. Connell (1988:43) adds that further emphasis must be placed on tariff restrictions and import restrictions of foods produced locally in order to reduce the volume and expense of food imports. However, as it was shown during the *First Phase* (and indeed the *Second*) such policies need to be complemented with appropriate pricing policies,, maintenance of the transport infrastructure, facilitation of the marketing process, and provision of credit and extension services. By 1992/93 most aspects of such policies were in place and gradually implemented in an effort to encourage domestic food production of the main



foods imported and alternative foods.<sup>1</sup>

Root crops form a significant part of the Zanzibari diet and many of these are grown around the household or inter-cropped with cash and other crops. They require relatively little labour and can grow in relatively poor soils. In the light of the land and labour constraints and conflict between food and cash crops, it has been suggested that all SIS can and should put emphasis on root crop research too (Connell, 1988). The importance of subsistence production in Zanzibar has been obscured in the fog of more visible and short-term development goals and foreign exchange requirements, thereby endangering the basic issues of health and nutrition.

In the attempt to 'breath' life into the island economy it has been necessary to adopt stringent economic recovery and structural adjustment policies as recommended by the International Monetary Fund, the World Bank and other bilateral organisations.<sup>2</sup> However, the appropriateness of such a programme is questionable, given the Isles' unique, complicated and particularly stringent sets of development constraints.

#### **11.4 Trade and Commercial activities in the Zanzibari Economy**

Until economic liberalisation policies were adopted, the role of trade (international and inter-state) in Zanzibar was centred on clove exports and the import of a small range of food and consumer goods. The main actor in this trade was the state.

In most SIS total imports are greater in relation to total incomes from exports reflecting the narrow range of domestic productive activity and the consequent demand for imported goods: in general there is a correlation between imports and national income (Connell, 1988). This applies to Zanzibar, where the import content reflects similar patterns. Considerable pressure is exerted on domestic resources to pay for food and energy imports, and this restricts investment in projects that can contribute to economic growth. This reflects the difficulties in creating productive capital bases in small countries with low incomes and rising population facing unfavourable terms of trade (Charle, 1986:20). For example, in the sample of 19 low income small economies (1990) about 79% exhibited negative balances on their current accounts (Commonwealth Secretariat, 1991:42, - table 18). There is a tendency for imports to rise faster than exports, while agricultural products, the mainstay of their exports, continue to suffer from the suffer from the unstable world market prices. Although primary agricultural

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<sup>1</sup> This policy had started to gained momentum by 1992, but its effects are yet to be seen. Perhaps by 1993/94 there maybe signs of increased domestic production of rice and alternative food crops.

<sup>2</sup> IMF conditionalities are been applied as a result of the United Republic of Tanzania succumbing to the conditions laid out by the body in order to gain access to increased development aid, grants and loans. This also affects Zanzibar indirectly through Union financial and monetary matters. Aspects such as devaluation, money supply, and interest rates are jointly determined and consequently affect the economy of Zanzibar whatever internal economic policies may be. This continues to be a sensitive issue with the Union.



products continue to dominate Zanzibar's export sector, a new phenomenon has re-emerged in recent years, this is the 're-export' of goods particularly to the Mainland (see following section on interstate trade).

Because of falling output and of world prices, Zanzibar is unable to earn the same amounts of foreign exchange as it could between the late 1960s and early 1980s. In the report, *Zanzibar Economy and Strategies for its Recovery* (GoZ, 1989a:17-18), it is mentioned that:

"The balance of trade and the current account balance have shown deterioration with deficits recorded for 1984 through 1988. Deterioration in the terms of trade is one of the factors responsible for the unfavourable developments. Zanzibar has also been hit hard by the slump in the commodity market. In the circumstances, increasing reliance has been on external assistance and the run-down of foreign exchange reserves. Despite the other positive aspects of trade, and particularly import liberalisation, increased import of foreign goods is a factor responsible for the imported component of inflation"

In an effort to make up for the shortfall of urgently needed foreign exchange for the *Economic Recovery Programme* (ERP), the GoZ has set out to attract foreign investment, aid, grants and loans, grants. Although external borrowing is relatively small compared to most SIS, it has generally been in terms of foreign exchange loans (under 'soft' or concessionary terms) and local currency borrowed from the Bank of Tanzania (BoT) and the Peoples' bank of Zanzibar (PBZ). Meanwhile financial stringency is enforced by the ERP under circumstances of declining revenues, devaluation and inflation.

Attracting direct overseas investment is now a common strategy in most SIS, and this is often supplemented by the transfer of private capital from national residents overseas. In the light of the shortage of capital investments and increasing unemployment, SIS are creating attractive environments to draw in private and foreign investment. However, such investments also imply that a large share of profits is repatriated, while contributions to domestic taxation is small. Connell (1988:75) points out that, "trade deficits have been made possible by unilateral transfers from foreign governments and migrants". He argues that it is crucial for many SIS and for their governments to adopt policies aimed at stimulating export flows to counterbalance this.

#### 11.41 International trade

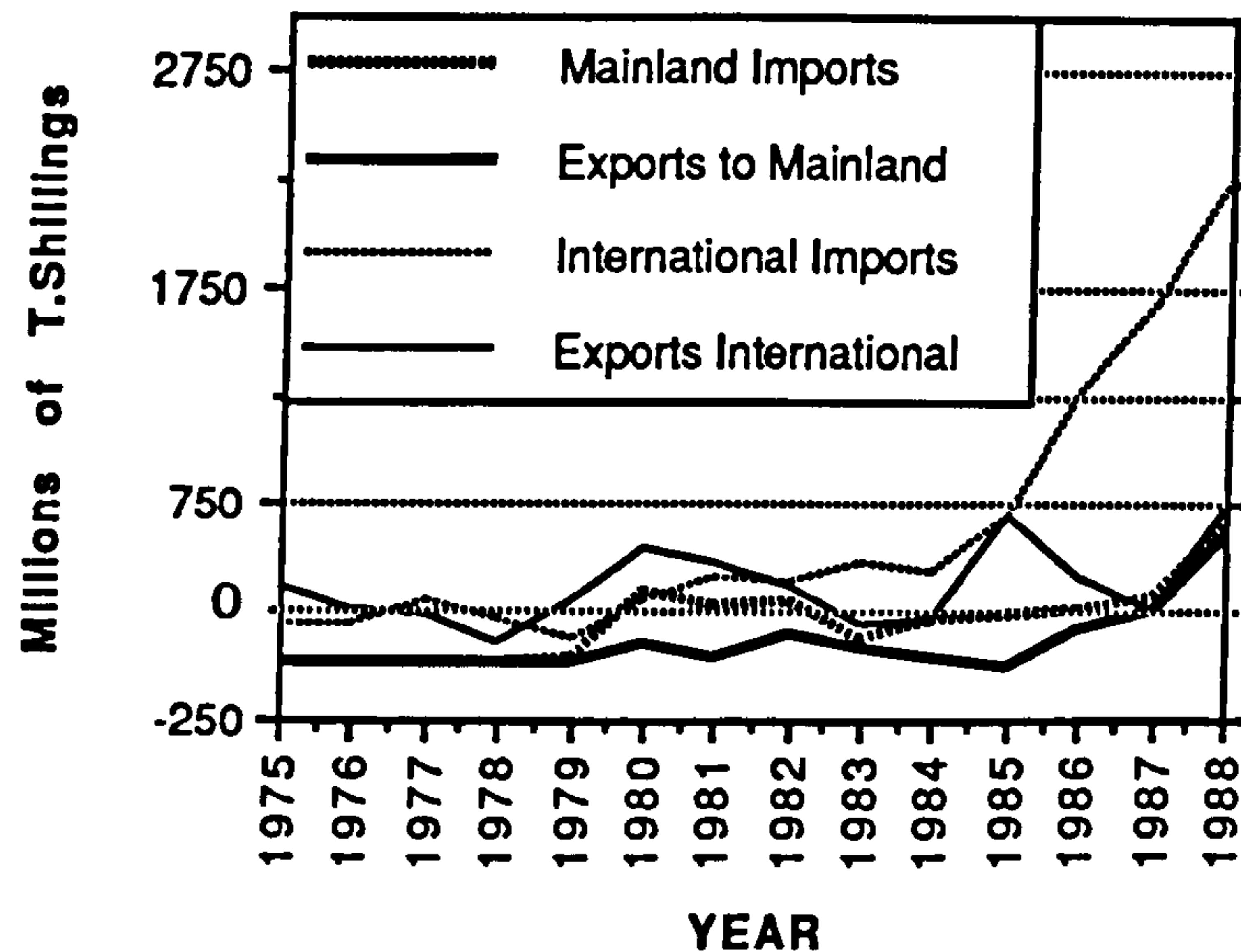
Zanzibar's international trade developed new trends towards the end of the 1980s. By 1988 export flows increased in volume, especially of non-traditional agricultural products. However, imports too increased substantially between 1984/85 and 1987 by nearly forty times. The Isles experienced a rapidly deteriorating balance of payments situation, up to 1988 both in international or interstate trade (Figure 11.6).<sup>1</sup> Towards the

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<sup>1</sup> Personal communication with banking and Ministry of Finance and Planning officials.



end of the 1980s the balance of payments situation between Isles and the Mainland gradually began to level out such that by 1989/90 it is reported that for the first time in many years Zanzibar achieved a positive balance of payments situation with its partner (GoZ, 1992).



Source: GoZ, (1984, 1988a, 1988f, 1990, 1991)

**Figure 11.6 Trade between Zanzibar and Foreign Countries and Mainland Tanzania, 1975-1988**

Total imports levels have grown substantially since 1984 and trends indicate an increase, but total exports are not keeping up with imports. This is a largely a result of the structure and contents of its merchandise exports, which has remained unchanged. This phenomenon raises some interesting questions. If *per capita* incomes are still low (approximately US \$ 120) and income from cloves exports remain low, how does Zanzibar's private sector afford to import these goods and to whom do they market them given the small population and its low purchasing power? The answers lie with the changed nature of trade between the two Union partners (Interstate trade). Figure 11.6 shows a sharp rise in imports from 1984 though by 1987 there had also been a rise in exports to the Mainland.

Liberalisation policies have encouraged increased trade, but the nature of the trade is unique in that the larger share of exports are really "re-exports" of imported consumer goods. On the positive side, the government and traders benefit from revenues generated when the goods are exported to the Mainland and other countries within the region. However on the negative side, it does little to assist the overall balance of payments situation. In fact the positive balance of interstate trade is overtaken by a large deficit in total international balance of payments (T.Shillings 4,038 million = US \$ 27.3 million in 1989/90). Other benefits include the creation of employment opportunities, stimulating other economic activities and generation of revenues through taxes. However, this trend is not sustainable since to continue with it would put the economy



into a severe balance of trade situation, forcing it to continue to borrow and expand its external debt. Alternative means of generating foreign exchange are yet to be secured and this implies that the government will have to depend on external support not only for development objectives, but also for short and medium term consumption.

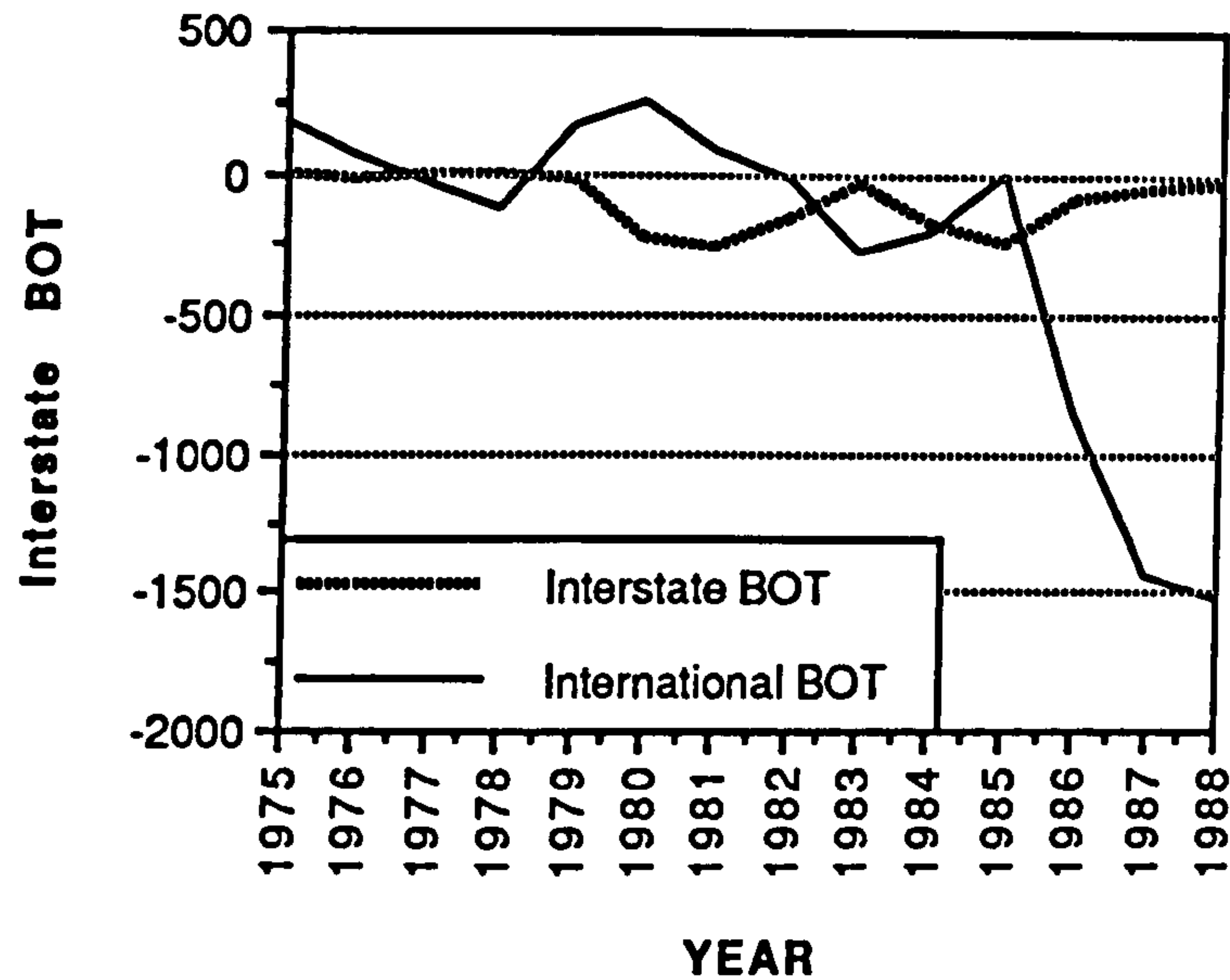
#### 11.42 Interstate Trade

For most of the post-independence period interstate trade (i.e., between Zanzibar and the mainland) has been balanced heavily in favour of the Mainland. Figures 11.6 and 11.7 show trends in interstate balance of trade from 1975 and the balance of trade between the two sides has always been in favour of the Mainland up until 1987. Sudden increases in the volume of trade are experienced from 1985 with increased exports to the Mainland. This has subsequently affected the balance of trade situation between the two countries, such that by the 1990s the balance of trade has swung in favour of the Isles.

More recently the gap has narrowed. Much of the change is due to increased 're-exports' to the Mainland. Zanzibar is taking advantage of the large and relatively more prosperous Mainland market through the economic relationship that exists between the two sides through the Union. Exports to the Mainland consist of a few agricultural products and manufactures such as spirits. However, "re-exports" make up the bulk of the export contents. Merchants in the Isles are able to import consumer goods under relatively favourable customs and excise conditions (compared, that is, to those of the Mainland) and then these are re-exported to the Mainland, since duties between the two countries are relatively small. This is attractive to Mainland traders, since first it removes the need for seeking foreign exchange and second the problems associated with imports, such as documentation and other uncertainties. However, on the other extreme, the balance of trade between Zanzibar and other countries (international) has widened dramatically over the same period (Figures 11.6 and 11.7).

Clearly indicating the value of this activity for Zanzibar, the Hon. Minister of Finance stressed that "more efforts are still needed to increase the volume of trade with the Tanzania Mainland" (GoZ, 1991:4) The statement confirms that this is also a deliberate policy by GoZ. It appears that interstate trade is a positive economic aspect that the Union has facilitated. However, although there does not appear to be apparent economic benefits for the Mainland yet, political ones may exist.





Source: GoZ, (1984, 1988a, 1988f, 1990, 1991)

**Figure 11.7 Zanzibar's Balance of Trade position between 1975-1988**

Despite the positive balance of trade with the mainland, the level of imports from the Mainland has also gone up. However, there is an inbuilt advantage here to Zanzibar. Most of the Mainland imports are largely obtained by local currency (Tanzania Shilling), conserving scarce foreign exchange. These include food, fuel, spares and building material and GoZ also raises revenues from duties on these imports.

#### 11.43 The contribution of trade to government revenues

The growth of trading activities have meant that it is now contributing a substantial share of government revenues. By the late 1980s it was reported that; "Revenue receipts from cloves which were second to only sales tax in terms of collections have since been replaced by import duties (GoZ, 1989:18). Although sources of government revenue have continued to be limited and are confined primarily to customs duty, sales and income tax and profits from parastatals, GoZ acknowledges that in the short term, revenues from both import duty and sales tax have improved significantly mainly because of re-exports (table 11.4 and figure 11.8)



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Source	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89
Import Duty	79.4	117.4	156.8	177.7	343.5	477.4
Export Duty	4.1	4.5	9.2	4.6	4.7	3.2
Sales Tax	293.0	299.2	267.7	407.1	601.6	784.9
Income Tax	25.4	47.6	48.6	59.2	92.5	113.1
Parastatal Organisations	141.2	217.3	88.5	107.9	150.9	180.5
Others	116.4	50.4	98.6	167.2	202.3	202.9

Source: GoZ, (1988a , 1988c 1991)

**Table 11.5 Sources of Government Revenues in percentages 1983-1989**



there, something which would have had a more positive and perhaps long term contribution to the Zanzibari economy. GoZ attributes this failure to develop manufacturing for both import substitution and exports due to "...high production costs, production bottlenecks and inadequate marketing strategies" (GoZ, 1991:12).

Basically, the last six years have seen the creation of an elaborate and fairly efficient international trading network, extending to the Middle and Far East, areas from which most of the imported goods originate. Liberal banking policies help guarantee safer and quick transactions encouraging trade. However, the pattern of trade developing in Zanzibar over the last eight years is different from those in most other SIS. Zanzibar does not benefit so much from trade structures which grant preferential access to some goods from SIS such as the Lomé Conventions of the EEC or the Caribbean Basin Initiative. Nor does it effectively participate in the regional organisations concerned with economic development such as the Indian Ocean Commission (IOC), mainly because of its status not being recognised as an independent entity but rather an extension of a larger Mainland state. The confusing status generally leads to an erroneous international understanding that it lacks autonomy and therefore loses many opportunities.<sup>1</sup> However, the fact remains that it remains with a very narrow range of exports and so has little to offer to Western markets. Moreover, its economic and political ties are closer and stronger with the East African mainland, the Middle and to a lesser extent the Far East. Being a double-dependent entity, it participates in the global economic system mainly through the 'emerging cores' and the other peripheries. The new trading patterns and links that Zanzibar has developed herald its formal relinking into the global economic system, although it continues to occupy an extreme peripheral position.

In general international trade has not favoured SIS and many have been unable to raise their output and exports despite a period of rapid expansion of world trade. This situation is largely caused by the relatively small income elasticity of demand for primary commodities globally, with dire consequences to primary producing SIS (UNCTAD, 1985). Zanzibar is mainly an exporter of a single cash crop there has been no expansion in global trade for cloves and nor is it likely to happen. Its inability to diversify into service industries and manufactures for export implies that it will continue to rely on crop exports for capital formation.

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<sup>1</sup> For example Zanzibar is omitted from many of the island oriented regional meetings/organisations of the South West Indian Ocean region, encompassing Seychelles, Comoros, Reunion, Mauritius and Madagascar, largely as a result of its unique status, and therefore cannot benefit from any successful aspect of such a regional grouping, despite of the fact that it shares a lot in common with some of the other islands and could learn as well as impart to the other positive and negative experiences. However, it does participate in the regional fisheries and marine research and development programme (The South West Indian Ocean Programme).



#### 11.44            The role of the Private sector

With liberalisation, the private sector (especially merchants) has re-emerged and is gradually assuming a dominant position in the economy, as it did prior to the Revolution. Their operations are more efficient and they maintain elaborate, usually personal and effective international trade and commercial network based on trust and kin. This gives them access to short term credit facilities and they can also order goods together, reducing overheads. While the early signs in economic performance undoubtedly causes much pride to the proponents of the liberal economic policies, past experience in which the trade sector was dominated by private capital has shown that there is in reality little benefit for the island economy, especially if there is no or little indigenous reinvestments in other productive sectors in the economy. Although the government is attempting to create the appropriate conditions for this to occur, it is not without problems. For example, it is interesting to note that a good percentage of private investments applications remain on paper, which signifies a degree of uncertainty and related difficulties.

At the moment it is unknown to what degree private capital is influencing the state or to what extent there is a flight of capital from the Isles. Nor is there evidence of it being reinvested in productive sectors apart from agriculture and hotels. In urban areas there is a clear indication of a construction boom, while in rural areas there is an increased level of demand for land, presumably for agricultural production, if not speculation. The once 'dormant' merchant class has re-emerged and is assuming greater economic and political influence as the interests of the 'bureaucratic bourgeoisie', the merchant classes and international capital converge. It will be of significant interest to see how the pace and direction of political and economic developments in Zanzibar proceed over the next decade.

#### **11.5    Summary and Conclusions**

Using secondary sources, this chapter showed the existence of distinct regional disparities in Zanzibar, particularly between rural and urban areas. This reflects on the weaknesses in the planning and implementation of development policies as well as problems associated with the scarcity of resources. It also highlights the dangers associated with the neglect of peripheral areas, and especially those which produce the largest share of cash and food crops. Inevitably the urban lobby applies pressure on government, further compounding the problem and enhancing rural underdevelopment. The implications of this is migration and a stagnation in rural production. Agriculture remains the backbone of Zanzibar's economy even though its importance has declined somewhat.



In chapter 10 it was shown that Zanzibar had become increasingly dependent on aid for development and as a form of subsistence. In this chapter it has been shown that trade has emerged as an important part of the economy. The combination of the newly emerging sectors encroaching on the contributions of agriculture has meant that the latter's role in the economy in terms of GDP, food, taxation and foreign exchange earnings has decreased. However, it still provides considerable employment and food

The regional disparities that exist are a geographical consequence of the concentrations of incomes in the island economy, both between social groups and geographical areas. This is reflected by expanding class differences, and rural-urban and inter-island dichotomies. The poverty and underdevelopment of rural Unguja and Pemba are the result of the drain on rural incomes.



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## CHAPTER TWELVE

### ***12.0 Detailing the Zanzibari Mirage Economy and its spatial and structural consequences***

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#### **12.1 Introduction**

The conclusions in chapters 6, 8 and 9 are largely based on secondary sources. It was necessary to obtain original information to support the analyses and discussions in chapters 7, 10 and 11, where several important conclusions are made about Zanzibar's contemporary development. These are based on information either obtained from government (official) or other secondary sources. Other information was obtained through observations, discussions and interviews with various officials and other experts. Nevertheless, there remained the need to verify some of the analyses and seek explanations for others. This chapter attempts to do this by presenting the analyses and findings of the survey of seven sample areas that represent a socio-economic profile of Zanzibar. The chapter presents the general characteristics of the socio-economic analysis such as age, sex, occupation, incomes, food preferences, gradually focusing on the variables relating to the implications of a MIRAGE economy for the rural and urban areas and the two islands. These include migration, remittances, rural economic activities and resources use.

The results presented here are drawn mainly from the survey, secondary sources being used to complement the findings. The most recent secondary sources include the 1991 *Zanzibar Household Budget Survey* (HBS), the primary results of the 1988 Census and others. The objectives of the survey are to establish the differing socio-economic conditions between rural and urban areas and between Unguja and Pemba households. It also seeks to identify the scale and nature of variations in social, economic and cultural aspects of development between these areas and in doing so assess and explain the existing patterns and status of regional development. These include some of the endogenous factors which inhibit the socio-economic development of Zanzibar.

Where the degree of fragmentation is small as is the distance between the two islands and from the islands to the Mainland. Under these circumstances there should be relatively small differences in their socio-economic development. However, as it was demonstrated in chapters 7-11, the reality is different. Zanzibar faces a plethora of constraints ranging from demographic to physical and these exert different pressures, producing a variety of impacts in different areas, which are reflected at the macro level by the contemporary MIRAGE economy.



Zanzibar is small, yet it exhibits considerable spatial variation, including inequalities. The identification of such problems helps explain the lopsided patterns of development occurring in Zanzibar. For example, the flow of population through rural-urban migration is primarily directed towards Zanzibar Town in Unguja with peripheral and predominantly rural coral-rag areas losing population. The implications of this include a shortage of rural labour affecting agricultural production, especially food and cash crops. The differences in the development status between the two islands appear to favour Unguja island. Within Unguja it is the urban areas that attract the bulk of the population (Zanzibar West and Town regions) and this has tended to bias the limited resources of the state towards urban areas.

One of the main problems relating to Zanzibar's development stems from recent attempts aimed at reversing socio-economic and socio-spatial injustices, particularly those resulting from the early post-Revolution period (chapters 6 and 7). Although inequalities were more pronounced before the Revolution, recently a widening of class (social and economic) differences have taken place. Overall class distinctions may have been reduced but not eliminated, with a 'bureaucratic bourgeoisie' emerging to replace the former dominant classes, plantation owners and mercantile classes. Economic liberalisation has led to the emergence of the mercantile class, which has a growing influence in the economic and political life in the Isles.

The survey covers many aspects spanning a wide range of social, economic and policy matters that directly or indirectly influence or hinder the development process in the islands. The manner in which these are interrelated has already been explained by the model in chapter two, but what is attempted here is a direct analysis, isolating the more obvious factors. For example, if the demographic analyses support the position that there exists a movement of the younger population from rural to urban, or from Pemba to Unguja, then it follows that this, a) contributes to a shortage of labour in rural area and Pemba island, and/or, b) contributes to decreasing pressure on land, partly due to falling demand for it, c) a decline or stagnation in food and/or cash crop production, and d) a type of safety valve responding to growing population pressure on resources. One or a combination of these will confirm, a) some of the hypotheses made in chapter one, b) the experiences in other SIS in a similar situation and, c) some observations made by recent government reports such as the ERP, relating to the probable effects of past government policies.



## 12.2 Background to the survey and analyses

Testing the nature and implications of the MIRAGE economy is possible through survey analysis. The main objective of this chapter is to tease out the nature of such an economy based on the findings of a survey conducted in different sample areas within Zanzibar in 1989/90. Complementing the primary survey, use is made of recently published preliminary results of the 1988 Census of the population and in particular the 1991 Zanzibar Household Budget Survey.

The survey data was collected using a stratified random approach, the strata being chosen to represent the different economic sub-regions of the two islands comprising Zanzibar, i.e., Unguja and Pemba. In all 345 households were contacted, though allowing for non-cooperation and non-responses some 305 returns form the basis of this analysis. The geographical breakdown of the sample returns is shown in Table 12.1.

The sampling procedure was based on taking a proportion of households (at least 30%) within an administrative unit known as *tawi*, which is essentially a branch of a ward (*kata*). The sampling procedure was influenced by the local administrative structure, since written permission was required for each area, which was verified by the branch secretaries or chairpersons, taking up considerable time. Thus the areal sampling unit was the *tawi*. This was manageable given the time, resources and logistical support at hand.

The survey sought to identify the main features characterising the socio-economic development of Zanzibar, especially those emerging more recently. The results will assist in providing an understanding of the current socio-economic and sociocultural characteristics of Zanzibar and illustrate how these have changed over time and space, with concomitant implications to the SIS economy. They show how Zanzibar differs from, and in some respects shares similar experience with other SIS. Specifically the aims of the survey were to:-

- To test arguments concerning economic and social development that existing (secondary) information could not explain sufficiently.
- To provide a check against the existing data/information and the observations made in earlier chapters in this study.
- To present further analysis of the spatial variability of development problems in Zanzibar.
- To test the hypotheses postulated in chapter one relating to the existence of spatial disparities and their implications. Examples include the outcome of economic



development policies affecting aspects such as population movement. Others include differences in agricultural activities (because of contrasting agro-economic zones and agricultural policies) that result in widening income differentials.

The questionnaire survey focused on the dominant socio-economic and cultural factors relating to development. The following aspects were studied:-

- *The main socio-economic activities in each of the sample areas.* A physical survey of the selected areas was conducted to assess this. The intention was to confirm that the areas represented the main economic zones existing in the islands.
- *Respondents' views regarding developmental issues affecting their immediate environment.* Interviews were conducted in the selected settlements to obtain peoples' perceptions on developmental problems in their respective areas. The issues that were addressed include the following:
  - *The socio-economic background:* socio-economic, cultural, educational background of respondents, such as household size, income, economic activities and education.
  - *Economic activities:* subsistence and cash crops cultivation, artisanal fisheries, service and informal sector activities, unemployment and underemployment and non-farm activities are identified in different areas, highlighting the differentiation in economic activities in a small area.
  - *Food and nutrition:* to assess food preferences in different areas in the light of recent socio-economic changes. The intention is also to assess the importance of food crops other than rice and the degree of food dependency on imported foods.
  - *Water and energy:* main forms of energy and sources of water used in different areas and associated problems.
  - *Population:* migration trends, rural-urban, inter-island and international (including inter-state) and the motives and effects of such movements .
  - *Remittances:* evidence of flows, duration and significance of remittances from migrants.
  - *Agriculture land use:* types of land ownership, tenure and land use, evidence of environmental deterioration due to land use and population pressure.



The statistical methods applied consist mainly of graphs, descriptive statistics and non-parametric statistical tests, testing for differences in the principal variables between the sister islands and between rural and urban areas. They also provide an overall picture of the socio-economic characteristics prevailing in Zanzibar in the early 1990s. *Chi Square* ( $\chi^2$ ) is used to test for significance and measures of association since the nature of the responses and data are categorical. It is also used to test hypotheses that compare and contrast the responses between the different areas. The significance level (*alpha levels*) for the tests was determined at .05 (or at 95%). The responses are tabulated as percentages. Where appropriate, histograms and pie charts are produced to present visually the similarities or differences and reveal other important aspects. Since not all the assumptions of  $\chi^2$  are met and because many tables are greater than 2 x 2, additional measures such as *Continuity Coefficients*, *G Statistics*, *Yate's Continuity Correction*, *Cramer's V* and *Phi* are calculated to assist in arriving at more accurate results and conclusions.

DISTRICT	SAMPLE AREA ( <i>Tawi</i> )	DOMINANT ECONOMIC ACTIVITIES	SAMPLE HOUSE-HOLDS (approximate population covered)
Zanzibar Town and West	Vikokotoni	Urban (commerce, services, wage employment)	56 (263)
Zanzibar Central	Kitumba & Kidimni	Rural (agriculture)	51 (240)
Zanzibar Central	Uroa	Rural (agriculture & fishing)	46 (216)
Zanzibar North	Mangapwani	Rural (agriculture & fishing)	29 (136)
Wete	Kipangani	Urban (commerce, services, wage employment)	37 (174)
Mkoani	Michenzani	Rural (agriculture)	33 (155)
Chake Chake	Pujini	Rural (agriculture)	54 (254)
Total	-	-	305 (1438)

\* Source: URT (1988) Population Census: Preliminary Report.

**Table 12.1 Sampling Framework**



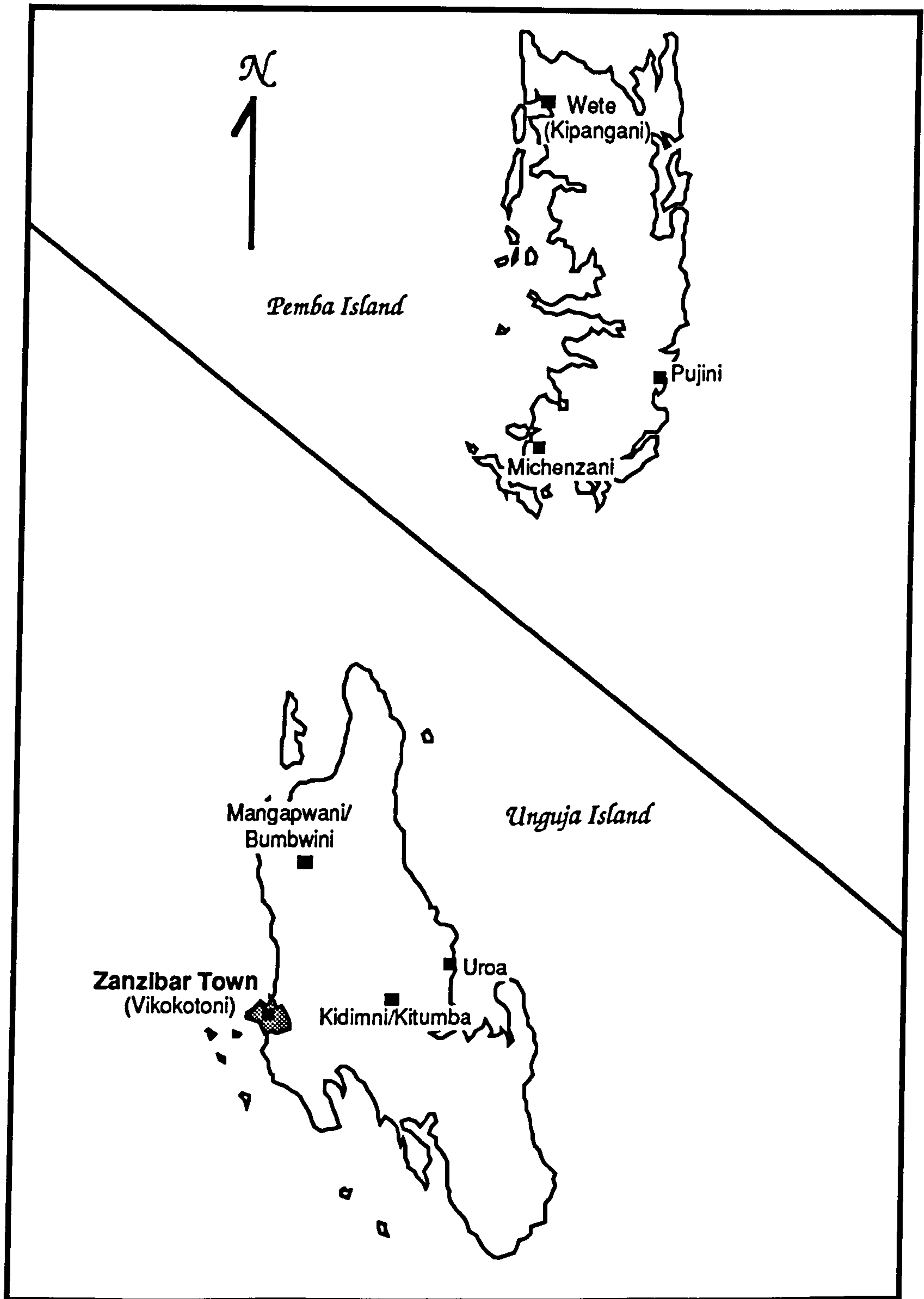
In some instances responses for some cells are few so caution was exercised when making the relevant analyses. The main weakness of  $\chi^2$  is when the number of cells in a table increases disproportionately to the sample size. Although the overall sample size is 306, not all households were required to respond to all questions since, for example, many urban households do not participate in agriculture. For example, not all households participate in fisheries and some questions apply only to those engaged in that activity. In appreciation of the sensitivity of  $\chi^2$  to sample size, where possible, the cells were reduced to the minimum through combining similar responses.

In developing the sampling framework, the following factors were considered; a) the type of information that is required and the applicability of the data obtained, b) the degree of representation of the sample to the general population as an economic, physical, social and cultural cross-section of the population, c) the degree of accuracy and depth of information sought, d) the time and resources available, and e) the conditions under which the survey was conducted.<sup>1</sup> Table 12.1 provides an overview of the manner in which the samples were drawn and Figure 12.1 shows the location of the sample areas.

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<sup>1</sup> At the time of the research, the political situation in the islands was rather tense with pockets of political and socio-cultural unrest taking place. Some officials and indeed several respondents were unwary of in depth interviewing which at times sought personal opinions taking place during the same period. Due to logistical and other difficulties the survey could not be postponed. The assistants were cautioned to conduct the survey with care and tactfulness.





**Figure 12.1** The location of sample areas



### 12.3 Migration

Migration is characteristically important in SIS. In the survey the respondents were asked whether there were any members of their households who had moved away in recent years, that is over the last 10 years. They were also asked to identify which these household members were, where they went to and what were the reasons for their departure. The movements indicated are either permanent and at least of one year. This definition is important as many of those leaving anticipate that their departures are temporary, though they often spend more than two years away. For others this movement has become permanent. Over the last decade nearly one in six households of those surveyed (i.e. 52) had at least one member who had migrated or emigrated. Emigrating includes movement to the Mainland. Although migration to the Mainland may appear easy because of proximity, in reality political and economic restrictions have constrained such movement. It is only since the 1980s that such movements have become increasingly frequent. The direction and flow of movement is shown in Figure 12.2

Over 55% of the migrants and emigrants in the household samples originate from Pemba. This not only supports the observation both in Unguja and the Mainland that it is Pemba islanders who are more involved in migration, but also shows that the trends that appeared in the 1978 census have continued. In 1978 the proportion of Zanzibaris born in the islands enumerated on the Mainland was 6.4% of which 2% were from Zanzibar's urban population and 4.4% were rural in origin (URT, 1982). From the survey, it was calculated that 15.7% of the households had someone who had migrated or emigrated within the last 10 years. On the basis of this observation, the 1988 migration statistics should indicate a considerable increase in the proportions that migrate from Pemba and those emigrating from the Isles.

The survey sought to find out what numbers and proportions of the sample ever migrated from the islands. It is known from the 1976 census that only a small proportion of the population migrated from the islands, largely because of stringent regulations against emigration. However, from 1972 onwards and particularly by the 1980s, these regulations were relaxed, while the means of travel and transport had improved and the economic motivations which underpin such movements were more apparent. These include the liberalisation policies both in the islands and on the Mainland. The oil boom in the Middle East in the 1970s created a demand for labour and many skilled and unskilled Zanzibaris of Middle East descent migrated there in search of better economic opportunities.



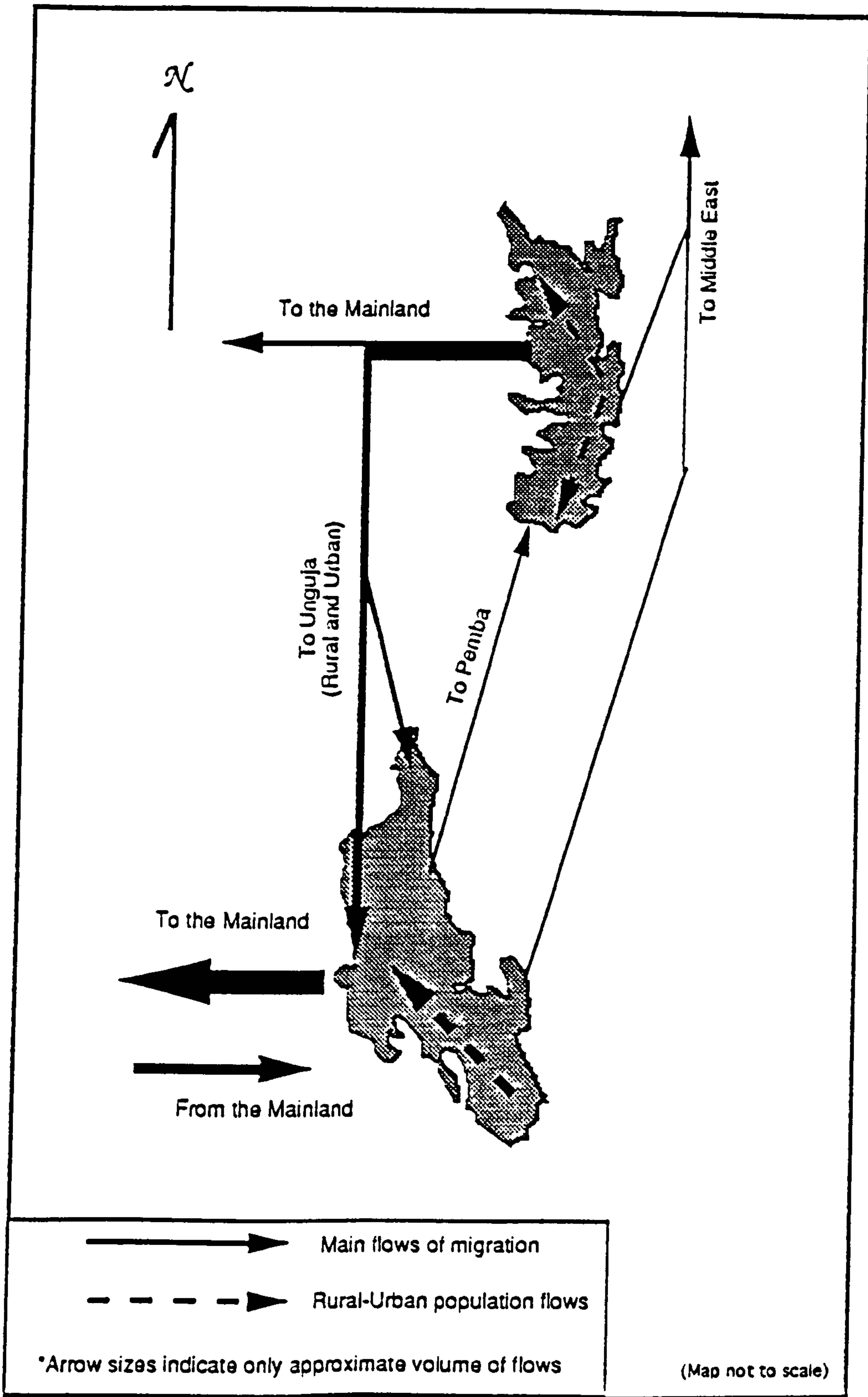
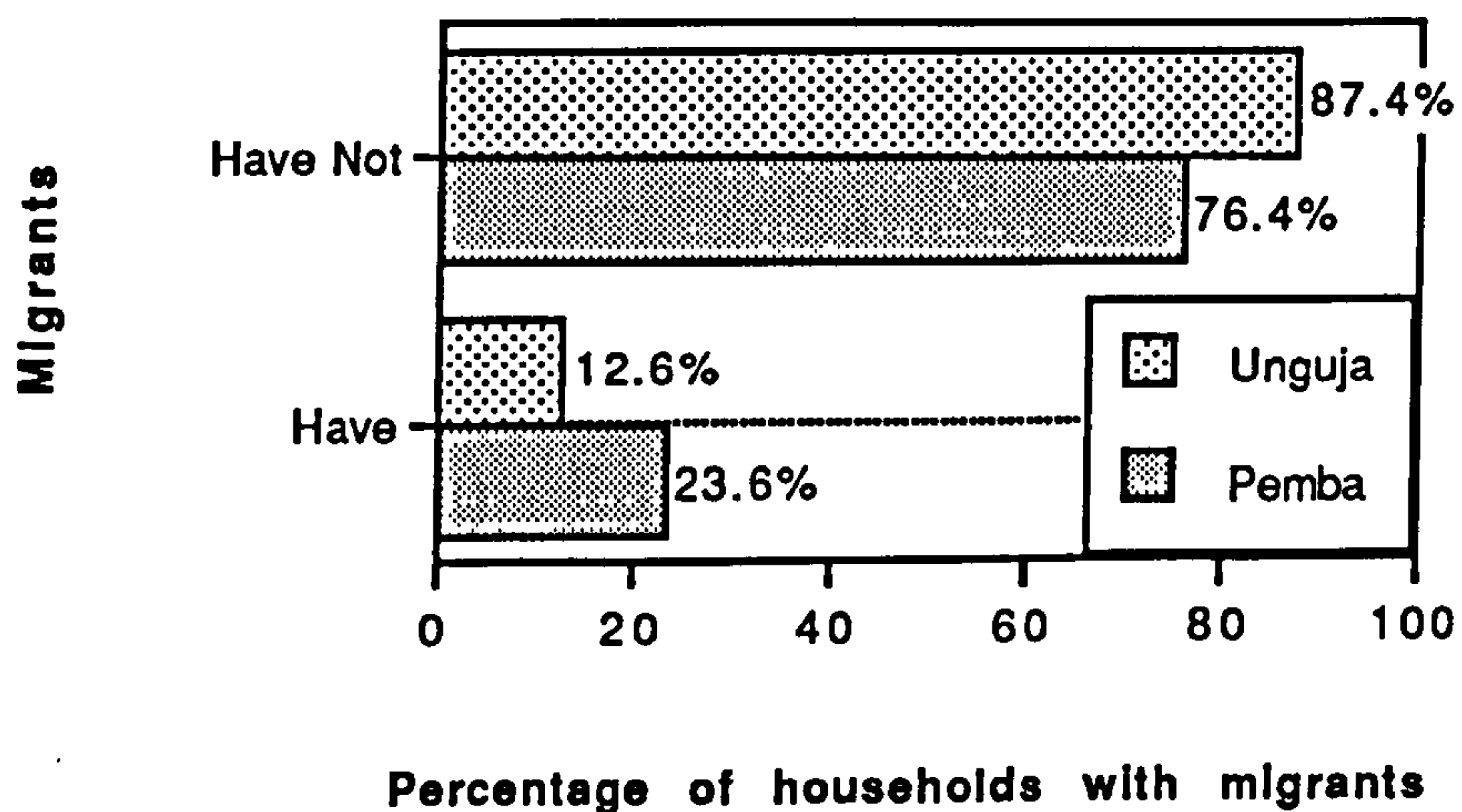


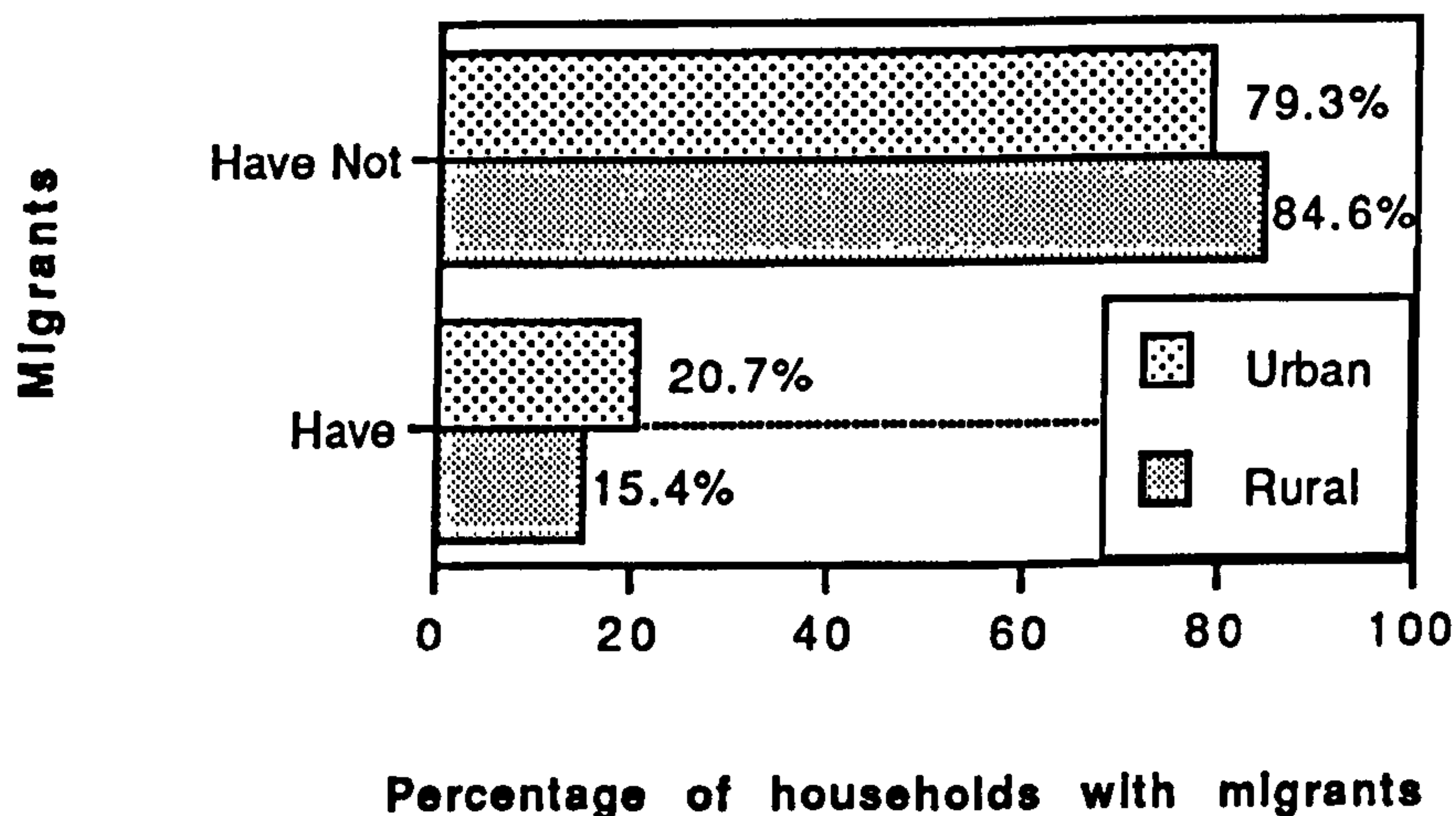
Figure 12.2 Directions and patterns of migration in the 1980s



Nearly one sixth of the total households interviewed had at least one person who had emigrated. Figure 12.3 shows that Pemba households tend to have a larger proportion of people who had emigrated compared to Unguja. Also comparing rural and urban households, the results show that a greater proportion of urban households will have at least one member that has migrated (Figure 12.4). This suggests the possibility that migration is taking place in stages, in which for example, a person moves from rural Pemba to a nearby urban area or Zanzibar and from there they go on to the capital or abroad.



Source: Survey  
**Figure 12.3 Migrants in households (Unguja-Pemba)**



Source: Survey  
**Figure 12.4 Migrants in households (Rural-Urban)**

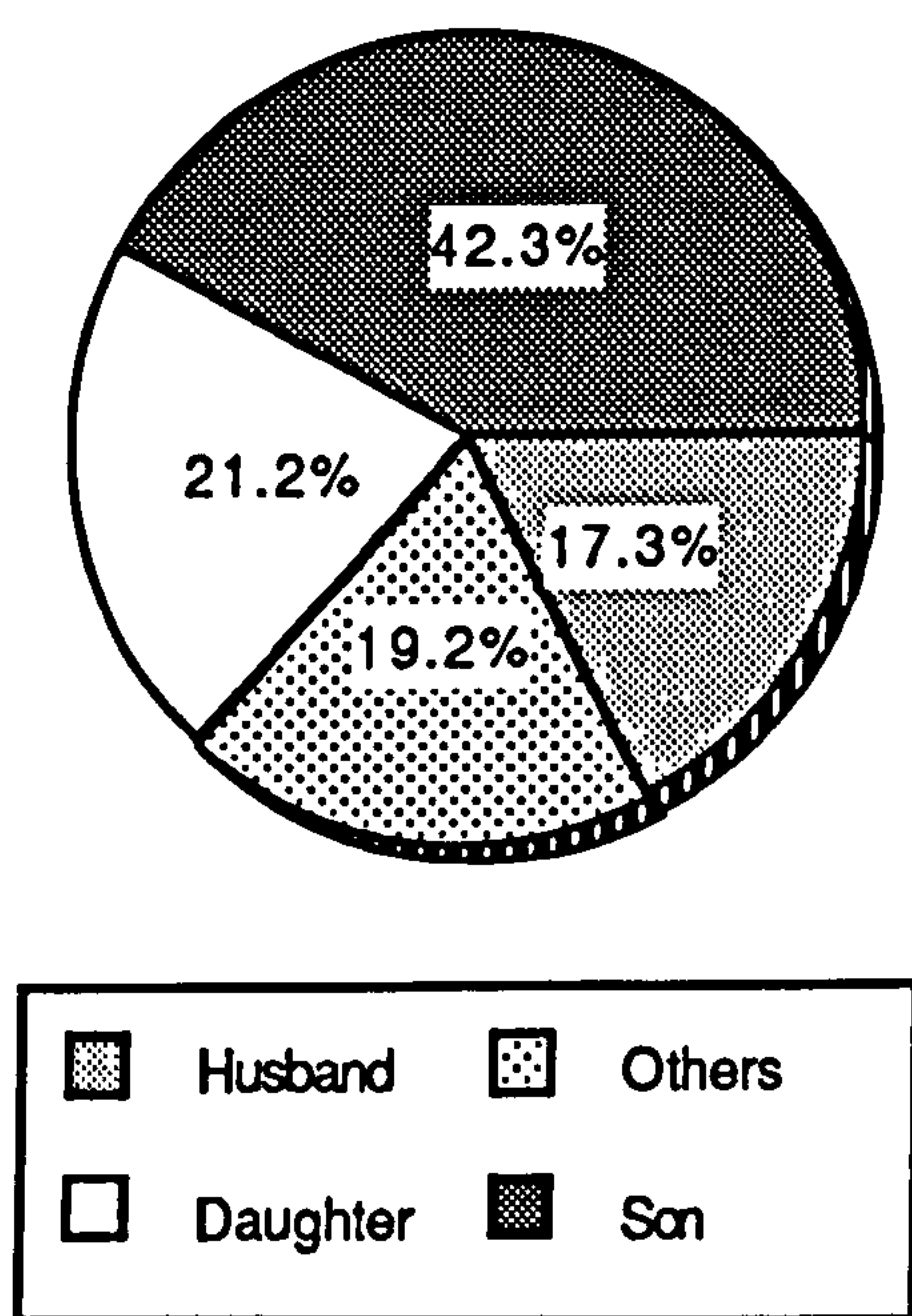
From the contingency analysis (see following box), the  $\chi^2$  statistic testing between Unguja and Pemba households shows that there are significant differences between households that have a migrant and those that do not. This implies that the existing differences cannot be accrued to chance.



Summary of contingency table analysis:		Unguja-Pemba	
df :		1	
Total $\chi^2$ :		6.3202	p = .0119
G Statistic:		6.20058	
Contingency Coefficient:		.14225	
Cramer's V:		.14372	
$\chi^2$ (with continuity correction):		5.56383	p = .0183

Summary of contingency table analysis:		Rural-Urban	
df :		1	
Total $\chi^2$ :		1.2484	p = .2639
G Statistic:		1.2133	
Contingency Coefficient:		.10647	
Cramer's V:		.0639	
$\chi^2$ (with continuity correction):		.9051	p = .3414

In contrast the results of the  $\chi^2$  test comparing the rural and urban populations support the null hypothesis (see box above) which states that there are no significant differences between the rural and urban households that have migrants. These results suggest and support the contention that migration is predominantly from Unguja to Pemba and from rural to urban.



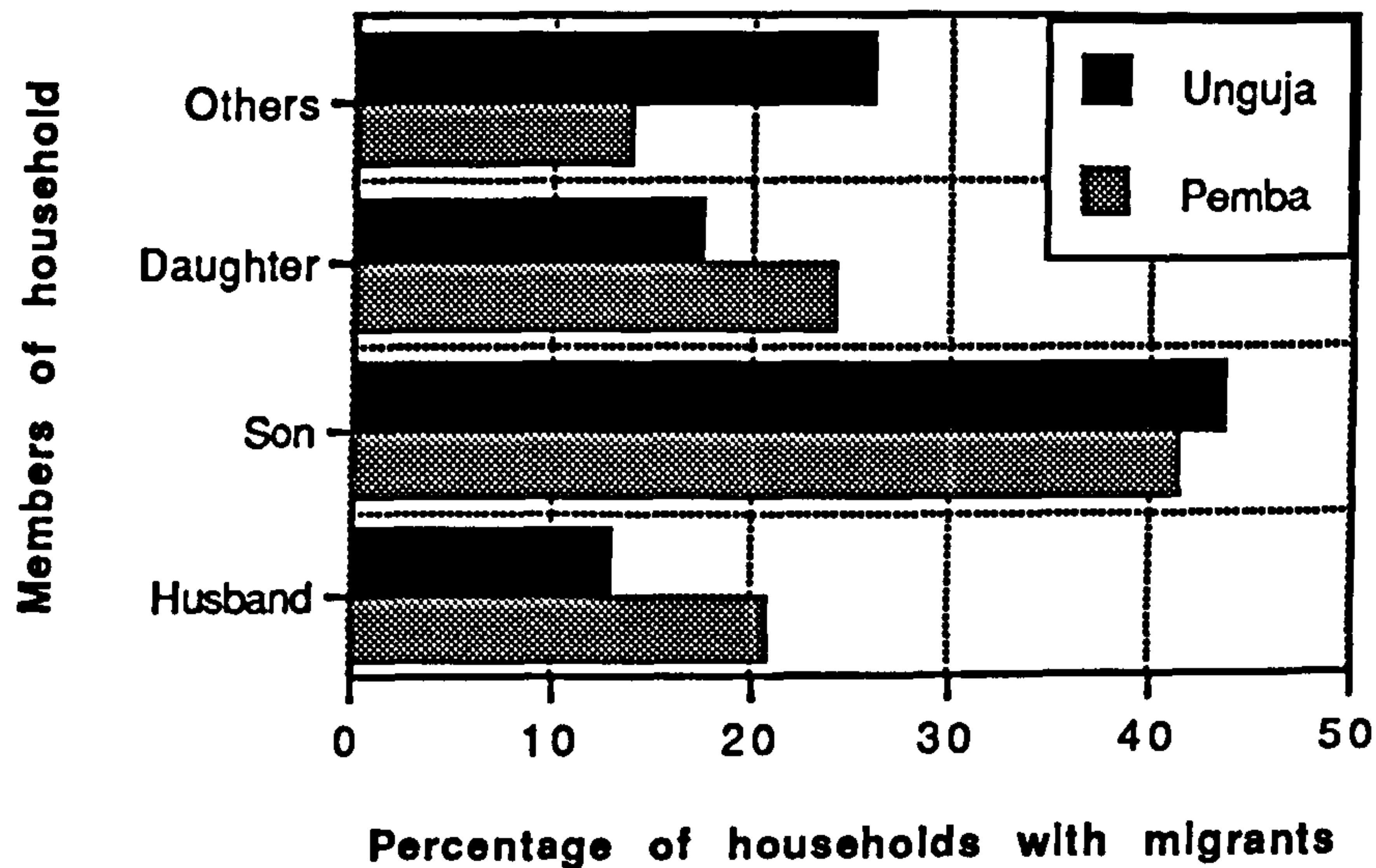
Source: Survey

**Figure 12.5 Proportions of household members who migrated**

Among household members migration tends to be selective. Predominantly it is sons and daughters who are the chief migrants followed by other relatives and husbands (Figure 12.5). It is clear from these proportions that a greater percentage of males are involved in migration, the ratio being about 3:1. In both island sample populations sons account for over 40% of household members moving away. In Unguja, in terms of percentage, sons are followed by other members of the household, such as cousins, nephews and nieces (26%), followed by daughters (17.4%) and husbands (13%). In

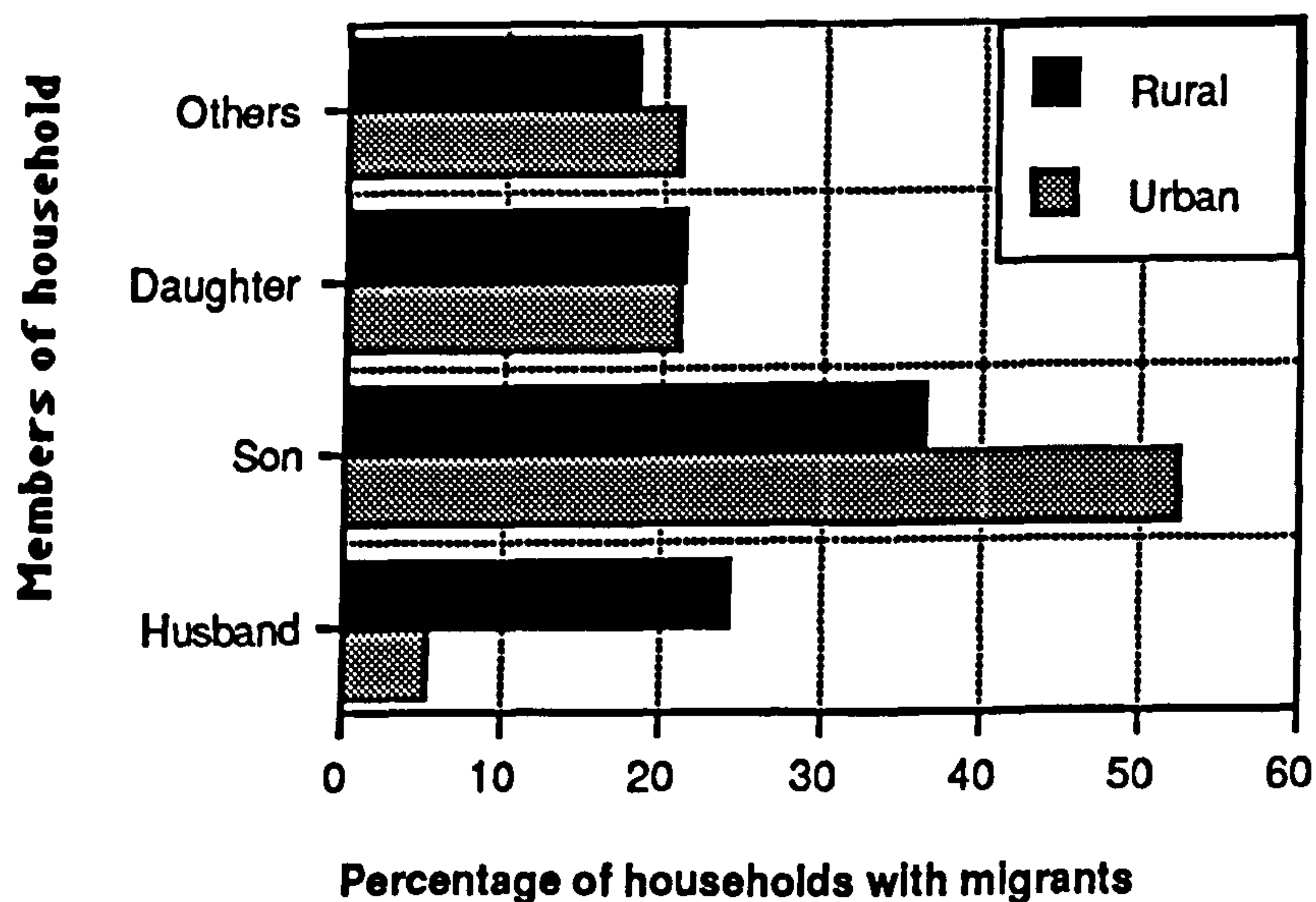


Pemba it is daughters (24.7%), husbands (20.7%), and other members of the household (13.8%) who follow sons in terms of being the main migrants (Figure 12.6). Although there are similarities in the members of household who migrate, proportionally, more husbands and daughters migrate from Pemba compared to Unguja. In contrast the proportion of other relations is greater in Unguja.



Source: Survey  
**Figure 12.6 Household members who migrated (Unguja-Pemba)**

Comparing rural and urban households (Figure 12.7), the proportion of other relations and daughters who migrated is similar. The main differences occur in urban areas where a greater proportion of sons migrate while in rural areas it is husbands.



Source: Survey  
**Figure 12.7 Household members who migrated (Rural-Urban)**

Clearly, it is the younger generation who tend to migrate, often sons and daughters but also other young members of the households. What is also interesting is the frequency of husbands who migrate but leave behind households, remitting money. Some would



even have another household or family at their new destination. However, for many this trend is synonymous to 'suitcase farming', where they would move for a certain period to pursue a given economic activity. However, the 'temporariness' is where the similarities end. For many what was a temporary movement would become a long term one, often even culminating with making long term business investments where they have moved to.<sup>1</sup>

Finally the  $\chi^2$  tests for the islands and for the rural and urban areas show that there are no significant differences between the sample populations according to the members of households who migrate (see boxes below).

<i>Summary of contingency table analysis:</i>		<i>Unguja-Pemba</i>	
<i>df :</i>		3	
<i>Total <math>\chi^2</math>:</i>		1.73073	<i>p = .6301</i>
<i>G Statistic:</i>		1.73896	
<i>Contingency Coefficient:</i>		.17947	
<i>Cramer's V:</i>		.18244	

<i>Summary of contingency table analysis:</i>		<i>Rural-Urban</i>	
<i>df :</i>		3	
<i>Total <math>\chi^2</math>:</i>		3.3155	<i>p = .3455</i>
<i>G Statistic:</i>		3.7947	
<i>Contingency Coefficient:</i>		.2448	
<i>Cramer's V:</i>		.2525	

The survey sought to establish the main motivations for migrating. Apart from Todaro's "bright city lights" theory, it is expected that there may be other reasons that have to do with the side-effects of the development policies and strategies in the past. From discussion with government and non-governmental organisation officials and evidence from elsewhere in the literature review, the lack of adequate economic opportunities and decline of the rural sector have been the catalyst for the movement of people away from those areas. Also, from the analysis in chapter 11 it would appear that this situation has been compounded by inappropriate and inadequate agricultural policies. Thus apart from finding out what proportion of the sample population have members of their household who migrated, it is also pertinent to find out the motivations for doing so.

The evidence shows that economic factors are the main motivations for migrating with over 67% of the households expressing that the migrants moved for purely economic reasons (Table 12.2). A further 9.6% cited that access to land for agriculture was the main reason for migrating. Although this is also an economic reason, the respondents stressed the need for more and better land and it is also tied to pressure on land from where they moved. Besides economic factors, there are other reasons too. Marriage tends to have socio-economic and sociocultural motivations, with most of those getting

<sup>1</sup> This explanation was derived from discussions with experts from the statistics department in Zanzibar and other government and development agency officials. This is particularly true in Dar es Salaam and Tanga.



married subsequently moving to places that are relatively better off economically. About 23% of the households indicated that those who moved did so to get married. There is an ethnic and cultural bias in marriage and this ultimately influences the geographical destinations of those getting married, and so it is quite common for Zanzibaris of Arab descent to get married to people of similar descent who reside outside the islands.

Reasons for moving COUNT ROW% COLUMN%	UNGUJA	PEMBA	ZANZIBAR ROW TOTAL
Economic	17 48.6 73.9	18 51.4 62.1	35 67.3
Land / agriculture	5 100.0 21.7	0 0.0 0.0	5 9.6
Marriage	1 8.3 4.3	11 91.7 37.9	12 23.1
COLUMN TOTAL	23 44.2	29 55.8	52 100.0

Source: Survey

**Table 12.2 Reasons for migrating/emigrating**

Economic constraints influence migration, especially for young males who move in search of better economic opportunities. Inevitably, most of them end in urban areas. In contrast the female migrants moved to get married. However, caution is required here since even if some of them migrated for reasons other than marriage, in a conservative society where many of the norms regarding young women are a sensitive issue, it is likely that respondents may have been reluctant to state that the daughters moved for such reasons.

In Pemba, problems concerning land do not appear to be a motivation for migration. However, this does not reveal whether scarcity of land could be a trigger for seeking other alternatives. So although economic motivations are paramount, the results do not necessarily suggest that there is an abundance of land in Pemba. At the same time, the responses show that a greater proportion of the female population, especially from Pemba migrate for reasons of marriage.

Having established who the migrants are and why they migrate, it follows that their geographical destinations may provide some interesting insights. It is known that colonial legacies, cultural similarities, post-Independence policies, and skills influence the destinations of migrants.

The main destinations are the Mainland (50%) followed by the Middle East (25%) and inter-island movement, with the main share going from Pemba to Unguja. Movement to the Mainland is facilitated through socio-economic and sociocultural links as well as the



political union. Historical and cultural links between Zanzibar and areas of the Middle East encourage movement. More recently links to both geographical areas have become apparent.

The census analysis report for 1978 observed that there had been a relatively constant flow of migrants between Zanzibar and Mainland Tanzania, especially Dar es Salaam, stating also that it was possible, although at the time there was no explicit evidence, that there may be substantial emigration from Zanzibar to the Arabian Peninsular, especially up to 1975 (URT, 1982:167). The survey shows that these observations continue to apply for the period between the 1980s and 1990s.

Destinations COUNT ROW% COLUMN%	UNGUJA	PEMBA	ZANZIBAR ROW TOTAL
Middle East	6 46.1 16.1	7 53.9 24.1	13 25.0
Mainland	11 42.3 47.8	15 57.7 51.7	26 50.0
Kenya	1 50.0 4.4	1 50.0 3.5	2 3.8
Inter-Island	2 25.0 8.7	6 75.0 20.7	8 13.4
Others/Europe	3 100.0 13.0	0 0.0 0.0	3 5.8
COLUMN TOTAL	23 44.2	29 55.8	52 100.0

Source: Survey

**Table 12.3 Destinations of migrants**

Inter-island migration accounts for 13.4% of the sample households, and of this 11.5% move from Pemba to Unguja and 3.8% from Unguja to Pemba (Table 12.3). This shows that the trends seen in 1978 in which it was observed that the largest volume of migration was from rural to urban, mainly to Zanzibar Town, are continuing. At the time the volume of migrants from rural to regional centres was almost three times that of rural to smaller (district) urban centres (URT, 1982:166). Inter-island migration in 1978 showed that the Net Migration for Unguja and Pemba islands were +11211 and -11211, while the Net Migration Rates (%) were 53.5 and 17.7 respectively (URT, 1982:160).

Migration to Kenya, Europe and other areas is modest numerically. This can be explained by difficulties regarding emigration restrictions into Kenya, especially during the 1970s and 1980s and the relative difficulty of entering the commercial sector there.



The lack of appropriate skills required in Europe, cultural differences and stringent immigration regulations that are in force there, make migration to the metropolises even more difficult.

From the evidence derived in the preceding analysis, certain directions of migration flow can be identified and volumes of migration can be approximated (Figure 12.2). Although not possible to specify volumes accurately, the information from the survey permits the generation of approximate flows. Moreover the findings show that some trends identified in the 1967 census may still be valid and, indeed, may have increased. The report on migration following the 1978 census (URT, 1982) points out that migration to towns in Zanzibar is more urban oriented than in Mainland Tanzania; culturally Zanzibaris are more urban oriented than Mainland Tanzanians so that movement to urban areas is more likely to involve the whole family. Finally, the report notes that there were (and this remains the case) fairly limited employment opportunities in urban centres in the Isles and thus some of those seeking employment generally migrate to the Mainland (Dar es Salaam and Tanga), Kenya (Mombasa) or to the Middle-East. The flows are depicted in Figure 12.2. It is expected that the main flows of remitted incomes would be from the destinations and the amounts remitted may generally reflect the volume of migrants and relative wealth of the receiving areas.

Considering the argument that many considered migration as temporary, the survey sought to establish whether there had been any return migrants within the households over the last ten years. There were a total of 14 such households (from a sample of 52) with return migrants, out of which 12 came from Pemba (Table 12.4). The results show that Pemba island has a greater share of return migrants, and this is expected given that most migrants originate from Pemba. During the survey it was noted that some migrants retained their links with their places of origin by moving frequently between their two or more homes.<sup>1</sup> The possibility of having more than one wife permits this trend, especially if one of the wives lives on the other island or the Mainland. If the wife happens to be in a rural area, she will maintain the household with a small farm supported by remittance from the husband. The migrant husband or partner would usually, though not exclusively, migrate to an urban area.

Problems exist with the definition of return migrants. Many of the return migrants continue to maintain homes elsewhere although at the time of the survey they had returned and stayed for over a year. However, given their respective situations and nature of economic activities, it is likely they will continue to move between the two or more destinations.

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<sup>1</sup> Through subsidiary questions asked to interviewees to elaborate their responses, though not included in the questionnaire. Also confirmed with officials from the Zanzibar Statistic department.



Return migrants COUNT ROW% COLUMN%	UNGUJA	PEMBA	ZANZIBAR ROW TOTAL
Return migrants	2	12	14
COLUMN TOTAL	2 14.3	12 85.7	14 100.0

Source: Survey

**Table 12.4 Return migrants**

#### 12.4 Remittances

From the preceding analysis evidently migration has become an important issue in Zanzibar and is a response to economic factors, both at the sending and receiving ends. In the former, there are economic pressures which stimulate movement, while in the latter there is the promise of better economic opportunities. Although economic factors stimulate migration, it is not clear to what extent they are important. This importance is obscured in part by the fact that the total volume of remittances is influenced by moneys remitted from the growing and ongoing interstate trade that is carried out at various levels. In addition, it is expected that a considerable part of remitted incomes does not necessarily pass through banks and the post office and so cannot be traced easily. Even when asked, many of the respondents were not sure about the total amounts remitted to their households, while others were reluctant to divulge such information. Thus rather than their amounts, respondents were asked to state how important such incomes were to their households, based on the regularity, amounts and impact to the household.

Respondents were asked whether their respective households received any remittances from abroad. The definition of 'abroad' implied outside the islands, including the Mainland as well as from abroad proper. It must also be remembered that there are also inter-island flows of remittances, predominantly from Unguja to Pemba, and though information was not specifically sought on this, it was frequently mentioned during the interviews. Equally there are also urban-rural remittances (within Zanzibar) which may be of some significance to rural households.

Over 16% of the total sample reported receiving remittances from some members of their household who migrated (Table 12.6). Between the two islands, a greater proportion of Pemba households (26%) receive remittances, compared to only 10% of Unguja households. Given that most migrants are from Pemba, such a distribution is expected.



Response COUNT ROW% COLUMN%	UNGUJA	PEMBA	ZANZIBAR ROW TOTAL
Yes	18 36.0 9.9	32 64.0 26.0	50 16.4
No	164 64.3 90.1	91 35.7 74.0	255 83.6
COLUMN TOTAL	182 59.7	123 40.3	305 100.0

Source: Survey

**Table 12.5 Households receiving remittances from abroad (Unguja-Pemba)**

Comparing rural and urban areas (Figure 12.6), a greater proportion of the urban households (25.3%) obtain remittances, compared to rural ones (12.6%). Such a distribution is explained by the fact that most emigrants tend to come from urban areas, rural migrants going first to urban areas or from Pemba to Unguja island. Thus if there are remittances to rural areas, these would tend to originate from urban areas. Moreover, given that the amount of overseas remittances is likely to be larger, this means that urban households will have also received larger amounts.

Response COUNT ROW% COLUMN%	URBAN	RURAL	ZANZIBAR ROW TOTAL
Yes	23 25.3 46.0	27 12.6 54.0	50 16.4
No	68 74.7 26.7	187 87.4 73.3	255 83.6
COLUMN TOTAL	91 29.8	214 70.2	305 100.0

Source: Survey

**Table 12.6 Households receiving remittances from abroad (Rural-Urban)**

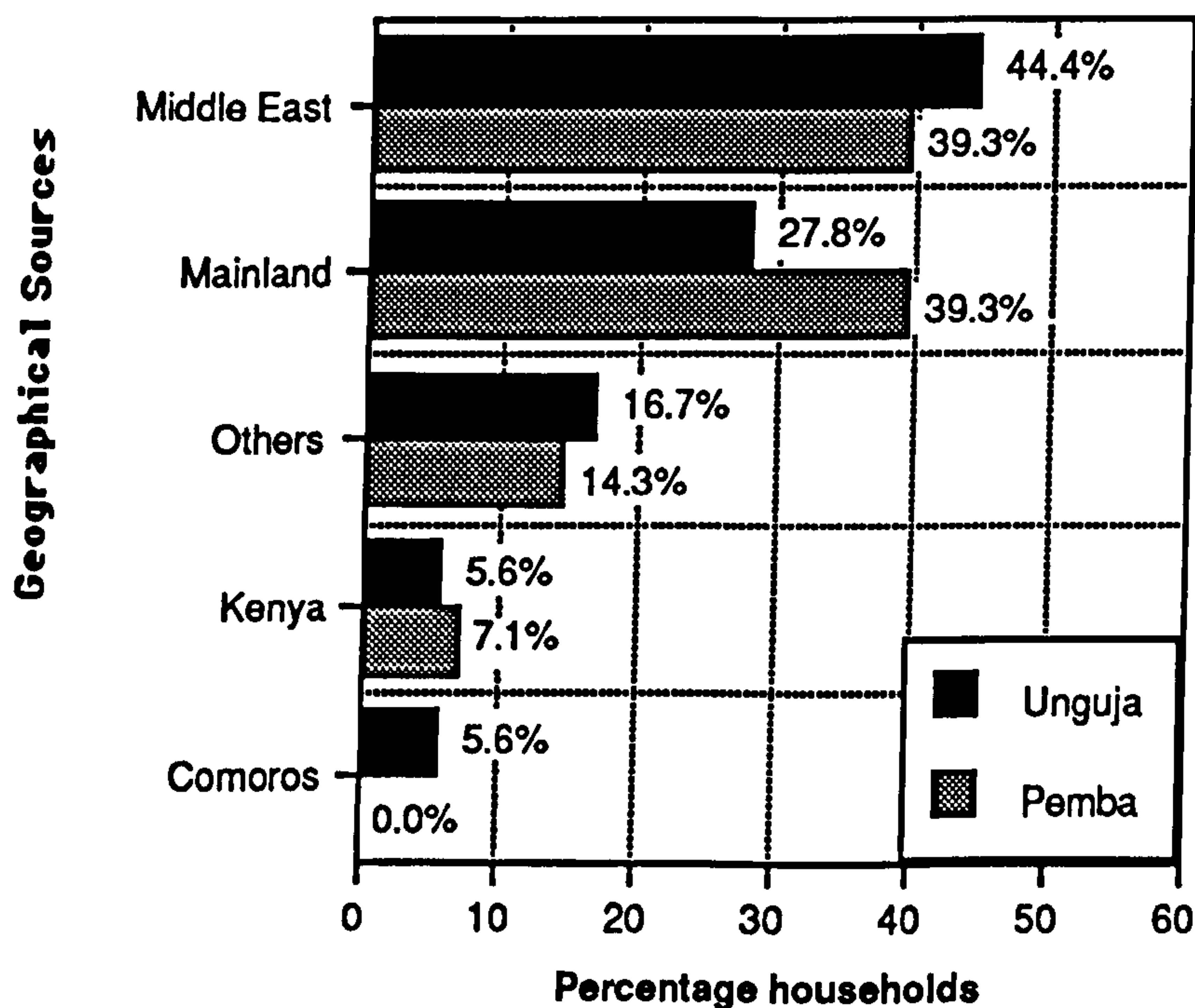
A  $\chi^2$  test between the islands and between rural and urban areas generates similar results. The  $\chi^2$  statistic with continuity correction suggests that the  $H_0$  is rejected, implying that there are significant differences in the receipt of remittance between the households in Unguja and Pemba island and between rural and urban areas (see boxes below). It is also likely that where there is a greater tendency for the population to emigrate remittances will be more important, as is apparent from the second test.



Summary of contingency table analysis:		Unguja-Pemba	
df :		1	
Total $\chi^2$ :		14.0875	p = .0002
G Statistic:		13.8305	
Contingency Coefficient:		.2097	
Phi:		.2145	
$\chi^2$ (with continuity correction):		12.9287	p = .0003

Summary of contingency table analysis:		Rural-Urban	
df :		1	
Total $\chi^2$ :		7.4639	p = .0063
G Statistic:		7.0249	
Contingency Coefficient:		.1546	
Phi:		.1564	
$\chi^2$ (with continuity correction):		6.569	p = .0014

Of the 48 households responding to the question, the main geographical sources of remittances include the Middle East (41.3%) followed by the Mainland (34.8%), other places (15.2%), Kenya (6.5%) and Comoros (2.2%) (See Figure 12.8).<sup>1</sup> Such a distribution underscores the historical, political and economic links that continue to exist particularly with the Middle East. However, further analysis shows that such proportion is contributed mainly by the Zanzibar urban samples (Vikokotoni and Kipangani), which as explained earlier, are distinctive since many of the residents tend to have particularly strong links with the Middle East. The same applies to the Pemba sample, although there it is not exclusively urban oriented. Historically many Pemba residents tend to have Middle Eastern origins, especially in two of the three sample areas.

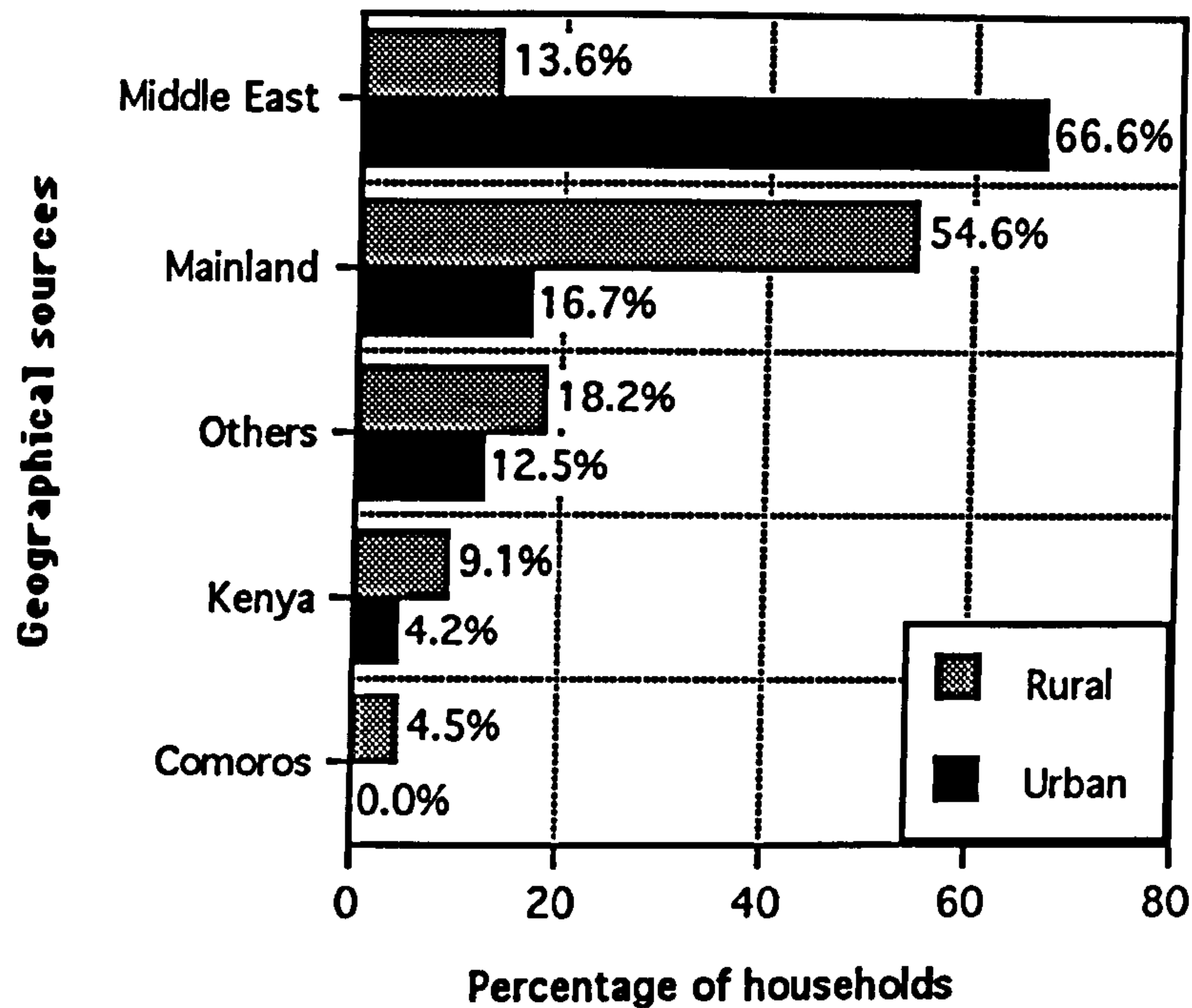


Source: Survey

**Figure 12.8 Geographical Sources of Remittances (Unguja-Pemba)**

<sup>1</sup> Mainland here implies the mainland side of Tanzania.





Source: Survey

**Figure 12.9 Geographical Sources of Remittances (Rural-Urban)**

The other areas important for remittances, though modest in terms of absolute household numbers affected, include Kenya (Mombasa) where again there are historical and economic links and the Comoros. Slightly more households in Pemba (78.6%), compared to 72.2% in Unguja, receive remittances, from the two main geographical sources, the Mainland and Middle East though overall there is no significant difference in the pattern of remittances received between the two islands. However, such differences are significant statistically between urban and rural households (see boxes below). Looking at Figure 12.9, it can be seen that the larger percentage of urban households receiving remittances from the Middle East as opposed to a large section of rural households receiving remittances from the Mainland, account for these differences.

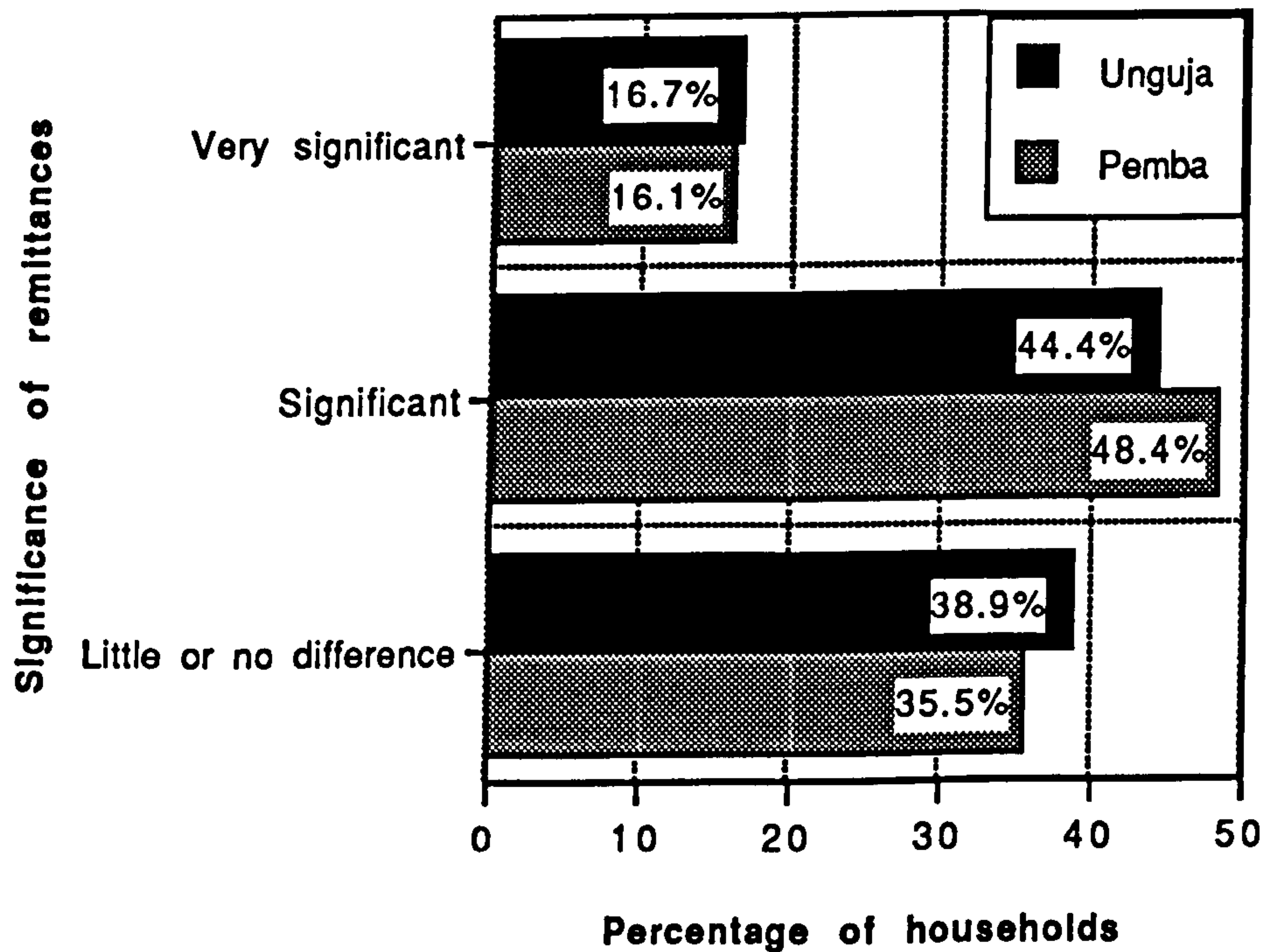
Summary of contingency table analysis:		Unguja-Pemba	
df :		4	
Total $\chi^2$ :		2.12646	p = .7125
Contingency Coefficient:		.2102	
Cramer's V:		.21501	

Summary of contingency table analysis:		Rural-Urban	
df :		4	
Total $\chi^2$ :		14.311	p = .0064
Contingency Coefficient:		.4871	
Cramer's V:		.5578	



More important than their origins is the question of the significance and uses made of remitted incomes. Households receiving remittances were asked to indicate how significant these were to their budgets, responses being collapsed into three basic ones, i.e., *very significant*, *significant*, and *made little or no difference*. As mentioned earlier, the reason for using this approach was the general reluctance to state amounts of money received by households.

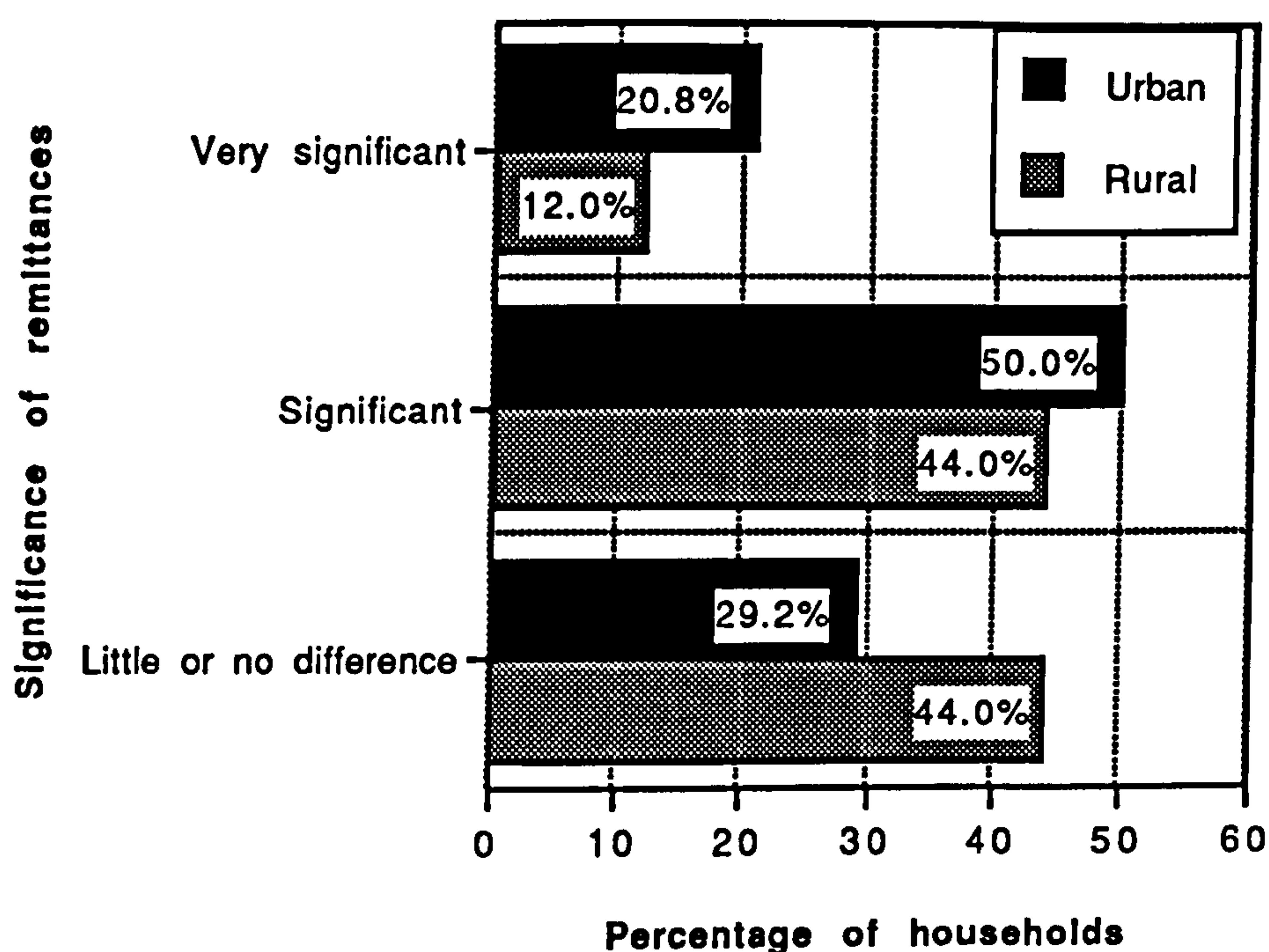
Overall, remittances were of some significance for 62.6% of the households and made little or no difference to the remaining 37.4% (n = 49) - see also Figure 12.10 below. In other words, for nearly two thirds of the households remittances were of significance for their domestic budget. Negligible differences exist between islands, the same being also the case between rural and urban areas (Figures 12.10 and 12.11).



Source: Survey

**Figure 12.10 Significance of Remittances (Unguja-Pemba)**





Source: Survey

**Figure 12.11 Significance of Remittances (Rural-Urban)**

The similarities in receipt and role of remittances in the domestic budget between the islands and between rural and urban areas are confirmed by the  $\chi^2$  statistics shown in the boxes below.

Summary of contingency table analysis:		Unguja-Pemba	
df :		2	
Total $\chi^2$ :		.0757	p = .9629
G Statistic:		.0757	
Contingency Coefficient:		.0393	
Cramer's V:		.0393	

Summary of contingency table analysis:		Rural-Urban	
df :		2	
Total $\chi^2$ :		1.4125	p = .4935
G Statistic:		1.4248	
Contingency Coefficient:		.1674	
Cramer's V:		.1698	

While remittances are clearly of importance, their uses vary. Three main 'use categories' were identified, these being the purchase of:- 1) consumer goods, 2) domestic assets, 3) capital and business investments. The majority of households (87.8%) used remittances for the purchase of consumer goods such as food and clothing and other daily requirements such as fuel and travel. Almost twice the number of households in Pemba (compared to Unguja) used remitted incomes mainly for purchasing consumer goods (see Table 12.7). A very small proportion of households made other uses of remitted incomes. Thus only 4 households bought major household assets (e.g. sewing machines



or a radio set), while only 2 households reported making some major capital investments such as establishing a business or constructing a house. Both cases were in Unguja.

Main Uses COUNT ROW% COLUMN%	UNGUJA	PEMBA	ZANZIBAR ROW TOTAL
Purchase of consumer goods	15 34.9 83.3	28 65.1 90.3	43 87.8
Purchase of household assets	1 25.0 5.6	3 75.0 9.7	4 8.2
Capital and Business investments	2 100.0 11.2	0 0.0 0.0	2 4.0
COLUMN TOTAL	18 36.7	31 63.3	49 100.0

Source: Survey

**Table 12.7 Main Uses of Remittances by Unguja and Pemba Households**

Comparing rural and urban households (Table 12.8), the majority of them used remitted incomes for the purchase of consumer goods are in urban areas. Those purchasing household assets and making major investments are also predominantly in urban areas. These results suggest that the benefits of remitted incomes are greater for households in urban areas and in Unguja island. These trends would also suggest the migration of the rural population to urban areas does little in the way of generating incomes and investments for the areas that they leave. It can be concluded that rural areas suffer considerably by losing the more youthful and skilled population, since they get very little in return and the long term results appear to reinforce such movements.

Main Uses COUNT ROW% COLUMN%	RURAL	URBAN	ZANZIBAR ROW TOTAL
Purchase of consumer goods	18 41.8 100.0	25 58.2 80.6	43 87.8
Purchase of household assets	0 0.0 0.0	4 100.0 12.9	4 8.2
Capital and Business investments	0 0.0 0.0	2 100.0 6.4	2 4.0
COLUMN TOTAL	18 36.7	31 63.3	49 100.0

Source: Survey

**Table 12.8 Main Uses of Remittances by Rural and Urban Households**



While emigration is often associated with the 'remittance economy', over time the amount and regularity of remittances usually falls (Connell, 1988). The decline is more rapid for rural-urban migration than for international migration. In the latter the probability of return migration is considered to be higher. It was shown earlier (in chapter 10) that the official volumes of remittances coming into Zanzibar have increased substantially since 1984/85. At this juncture then, it is necessary to assess whether there are links between the people who migrated recently (during the past 10 years) and the household receiving remittances.

In the preceding analyses it was shown that over 16% of households in the survey received remittances and that about 17% of households had someone who had migrated in recent years. The proportions are similar, and a cross tabulation was attempted to assess whether it is the same people who migrated that are sending remittances to the households remaining in the islands (Table 12.9). The results show that over 94% of the migrants had remitted something at some point. Although it was not possible to establish the regularity of remittances, it became known that much of the remitted incomes were not sent through banks and that some came in the form of goods or food.

Remittances COUNT ROW% COLUMN%	Husband	Son	Daughter	Other	ZANZIBAR ROW TOTAL
Sent	9 18.4	12 24.5	11 22.4	10 34.7	49 94.2
Not sent	0 0.0	3 100.0	0 0.0	0 0.0	3 5.8
Total	9	22	11	10	52 100.0

Source: Survey

**Table 12.9 Remittances sent by household members**

More sons and husbands send remittances, though this is expected given that it is males who dominate international migration. However, daughters who quite often emigrate for reasons of marriage, also send remittances, suggesting that there are economic benefits relating to movements caused by marriage. The family links, such as through sons and daughters who alone account for 40% of the sampled households with migrants, confirm that it is the younger generation who emigrate most.

The importance of the remittance economy needs to be viewed against the economy of the islands as a whole. The issues of employment, unemployment and the range of available economic activities is of critical importance to SIS and to rural-urban interaction within them. The adoption of economic liberalisation policies recently will have had some impact on employment since one of the prerequisites of continued development aid tied to external support is that the GoZ has had to reduce its role as

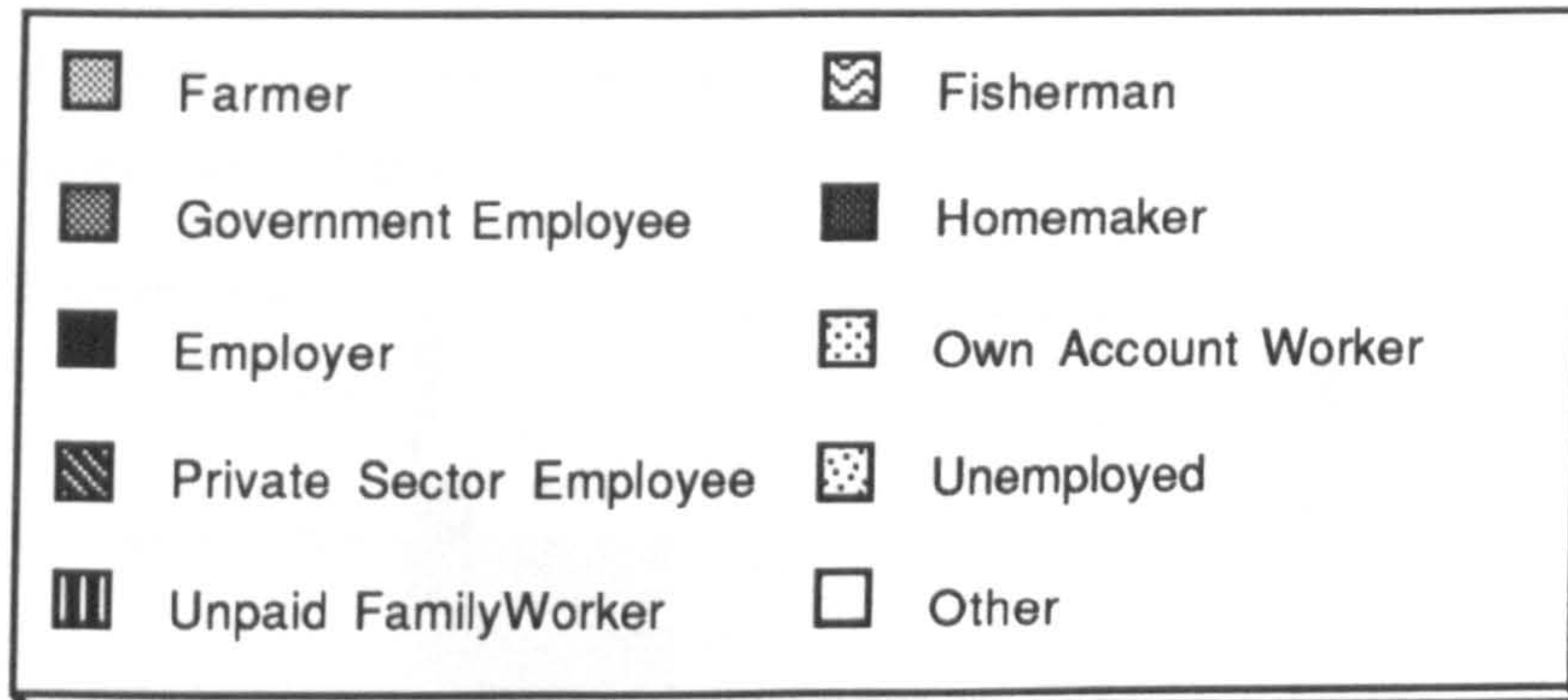
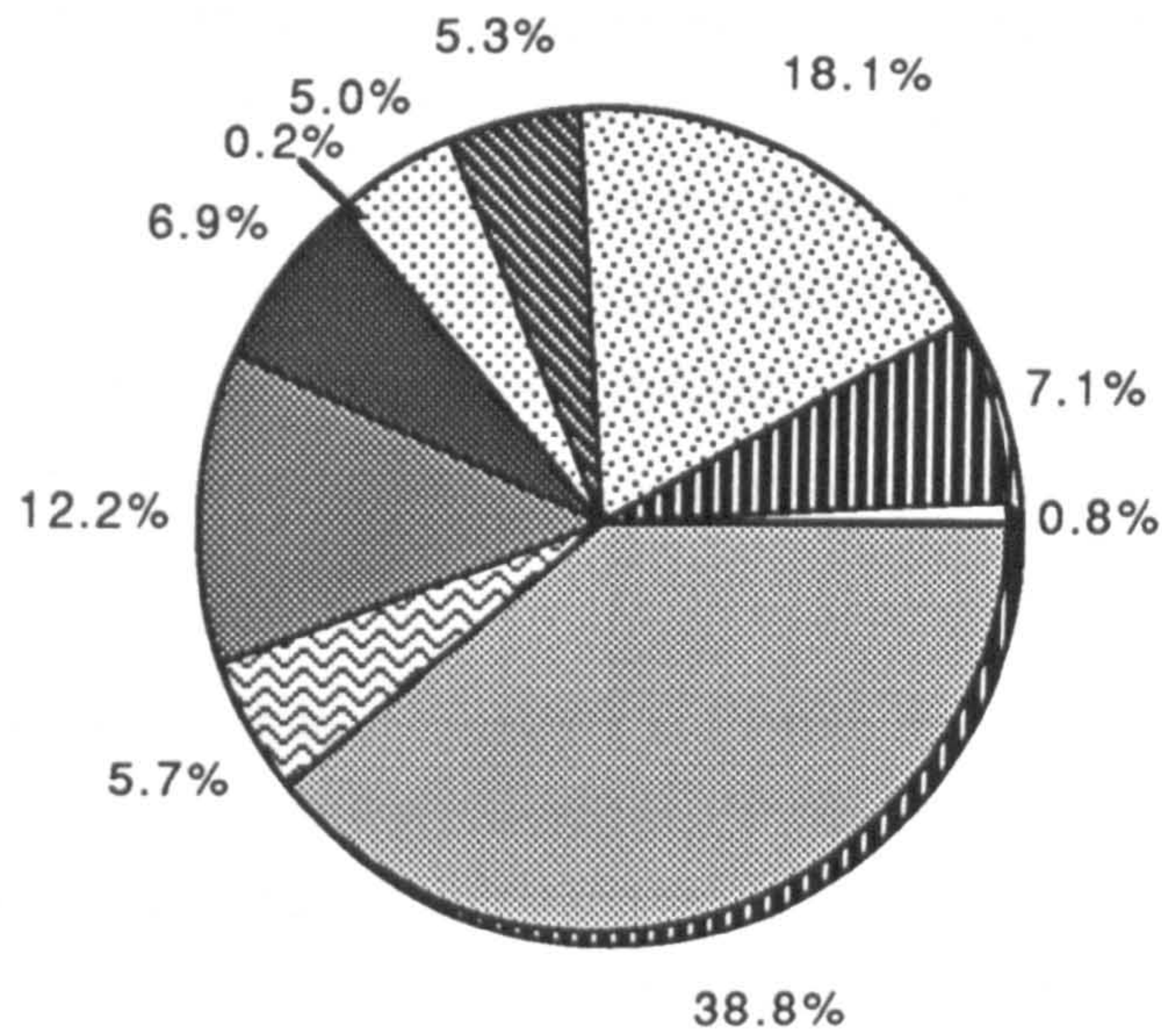


the dominant employer and to permit a greater degree of participation by the private sector in the economy. Meanwhile Zanzibar remains a primary producing economy focusing on the export of cash crops and so a large percentage of the population continues to be engaged in agriculture, although this proportion is smaller when compared to say the Mainland due to the higher degree of urbanisation in Zanzibar.

Agriculture is undoubtedly the most important sector, not only because it provides cash crops for exports and raw material for processing and manufactures, but also subsistence for the largest section of the population. According to the 1991 HBS (see Figure 12.12), 38.8% of the total sample population (n = 1794) are farmers. The state sector is the largest employer outwith agriculture, employing 18.1% of the sample, a phenomenon that fits the MIRAGE model and is characteristic of many other SIS in the developing world. The percentage of the sample that is unemployed (18.1%) is quite prominent. The private sector's share of employment is 5.3% and those categorised as employers, account for the smallest share (0.2%). About 5% of the sample are categorised as self-employed, i.e., those engaged in their own small scale, often informal economic activities. The role of homemakers and unpaid family workers is important, considering that 14% of the sample is engaged in such activities and contributing substantially to the household in terms of labour availability and foregone labour costs. Fishing is also important, though only 5.7% of the sample is engaged in this activity.

From this profile of the employment characteristics, a more detailed analysis is necessary - comparing the range of occupations between the islands and between rural and urban areas. Such information illustrated the differentiation of economic activities between these areas and helps explain the motivations and patterns of movement within the islands in the search of economic opportunities.





Source: HBS, 1991

**Figure 12.12 Types of occupation (Zanzibar)**

The  $\chi^2$  statistics for both, Unguja and Pemba and rural and urban areas indicate that there is a clear and significant difference in the types of occupations and economic activities available within the pairs being compared (see boxes).

Summary of contingency table analysis:	Unguja-Pemba	
df :	11	
Total $\chi^2$ :	125.8823	p = .0001
G Statistic	132.4207	
Contingency Coefficient:	.256	
Cramer's V:	.2648	

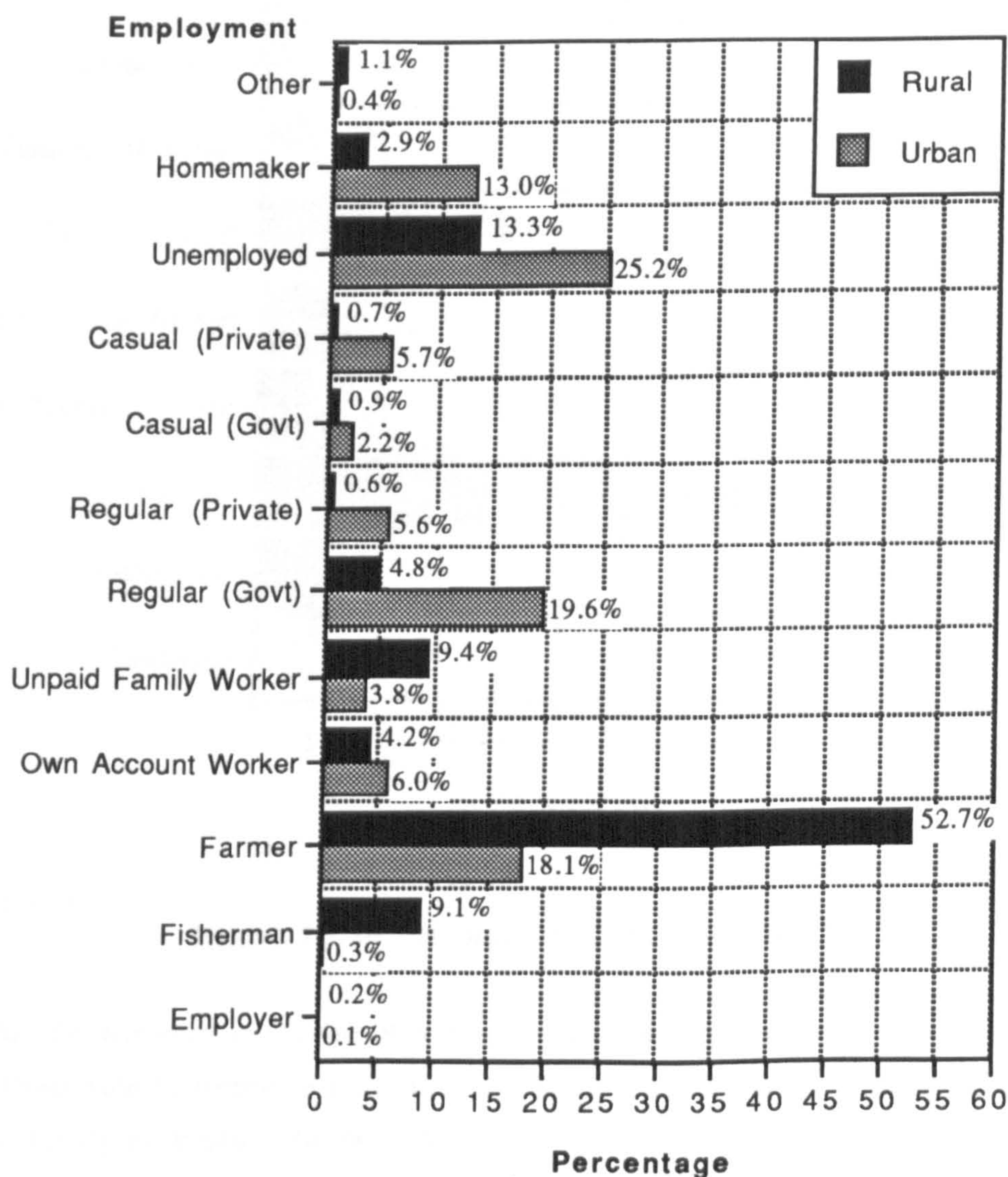
Summary of contingency table analysis:	Rural-Urban	
df :	11	
Total $\chi^2$ :	489.0798	p = .0001
G Statistic	529.1448	
Contingency Coefficient:	.4631	
Cramer's V:	.5226	

The results confirm the existence of considerable differences in occupation between the areas being compared, reflecting the variations in economic opportunities and resources. This reveals the underlying concentration of 'development', partially due to the spatial concentration of public investments in certain areas during the three phases.



For example, while a larger share of Pemba's sample population is engaged in agriculture and fisheries (49% and 6% respectively), employment in the state sector shows a distinct bias in favour of Unguja with 14% (regular and casual) compared to Pemba's 10% (Figures 12.13 and 12.14). There is a greater percentage of unpaid family workers (8.5%), self-employed (6%) and fishermen (6%) in Pemba, while the proportion of those employed in the private sector, homemakers, and 'others' is greater in Unguja. Unguja island has over 22% of its sample population registered as unemployed, compared to Pemba's 13%.

These differences show that economic activities in Pemba are distinctly associated with, and affected by, developments in the rural sector. It has more arable land with a high value cash crop. In contrast, Unguja has a predominance of urban oriented economic activities which are concentrated in Zanzibar Town, with the rural areas producing low value food crops. The greater degree of unemployment (nearly double) in Unguja reflects the movement of people from Pemba and from rural to urban areas and the shortage of arable land in Unguja island (Figures 12.13 and 12.14).

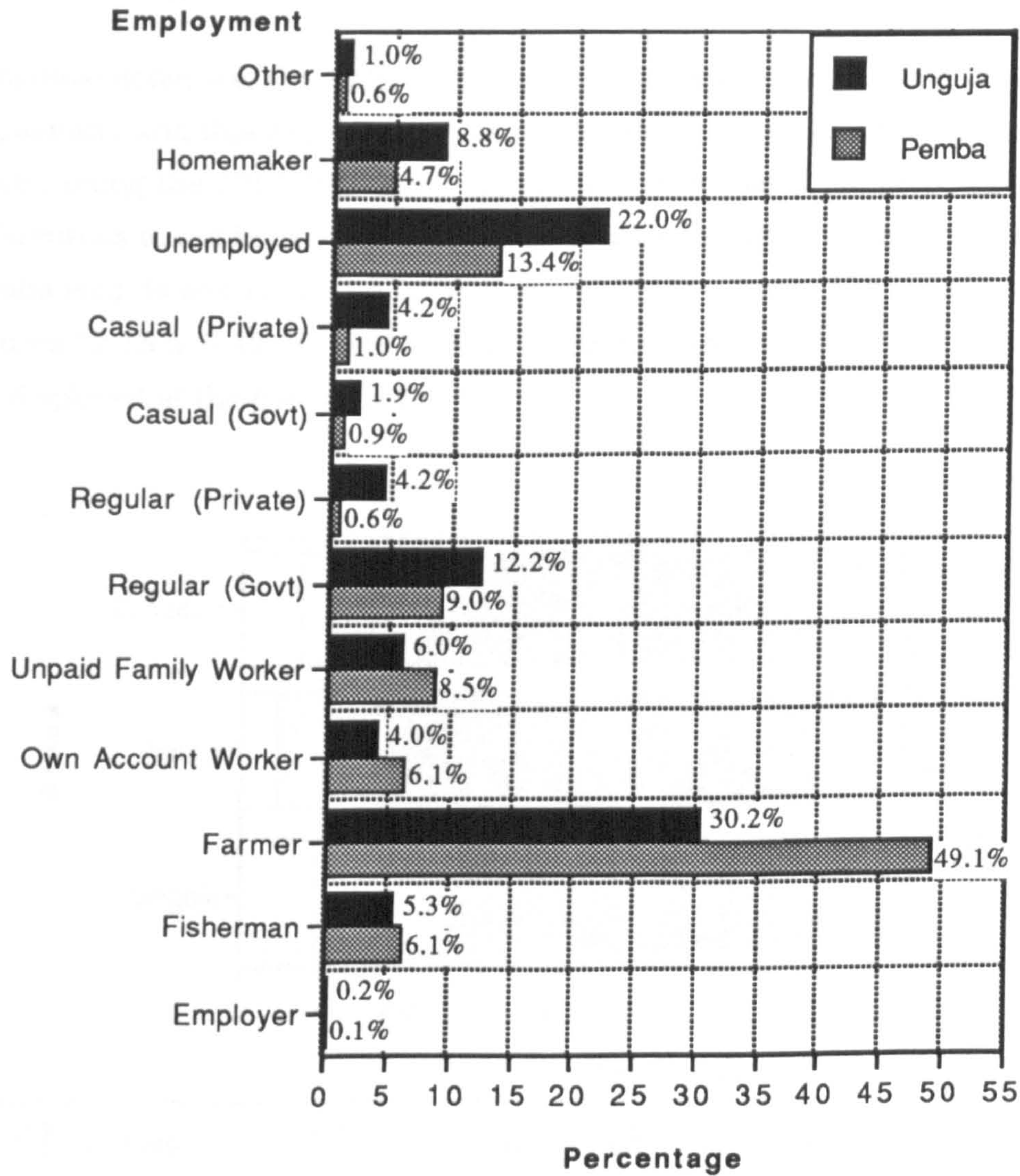


Source: HBS, 1991

**Figure 12.13 Occupation (Rural-Urban)**



Even in urban areas farming is important and over one fifth (18.1%) of the sample population is engaged in it. About one quarter (25%) of the urban sample population is unemployed compared to 13% in rural areas and those employed by the government, both regular and casual, make up for 21.8% of the urban sample. Conversely, only 5.7% of the rural sample are employed by the state sector. Regular and casual private employment predominantly both occur in urban areas, accounting for 6% of the urban sample population. This contrasts significantly with the rural percentage of 1.3%. Fishing is predominantly a rural activity employing over 9% of the rural population and a very small proportion of the urban (0.3%).



Source: HBS, 1991

**Figure 12.14 Occupation (Unguja-Pemba)**

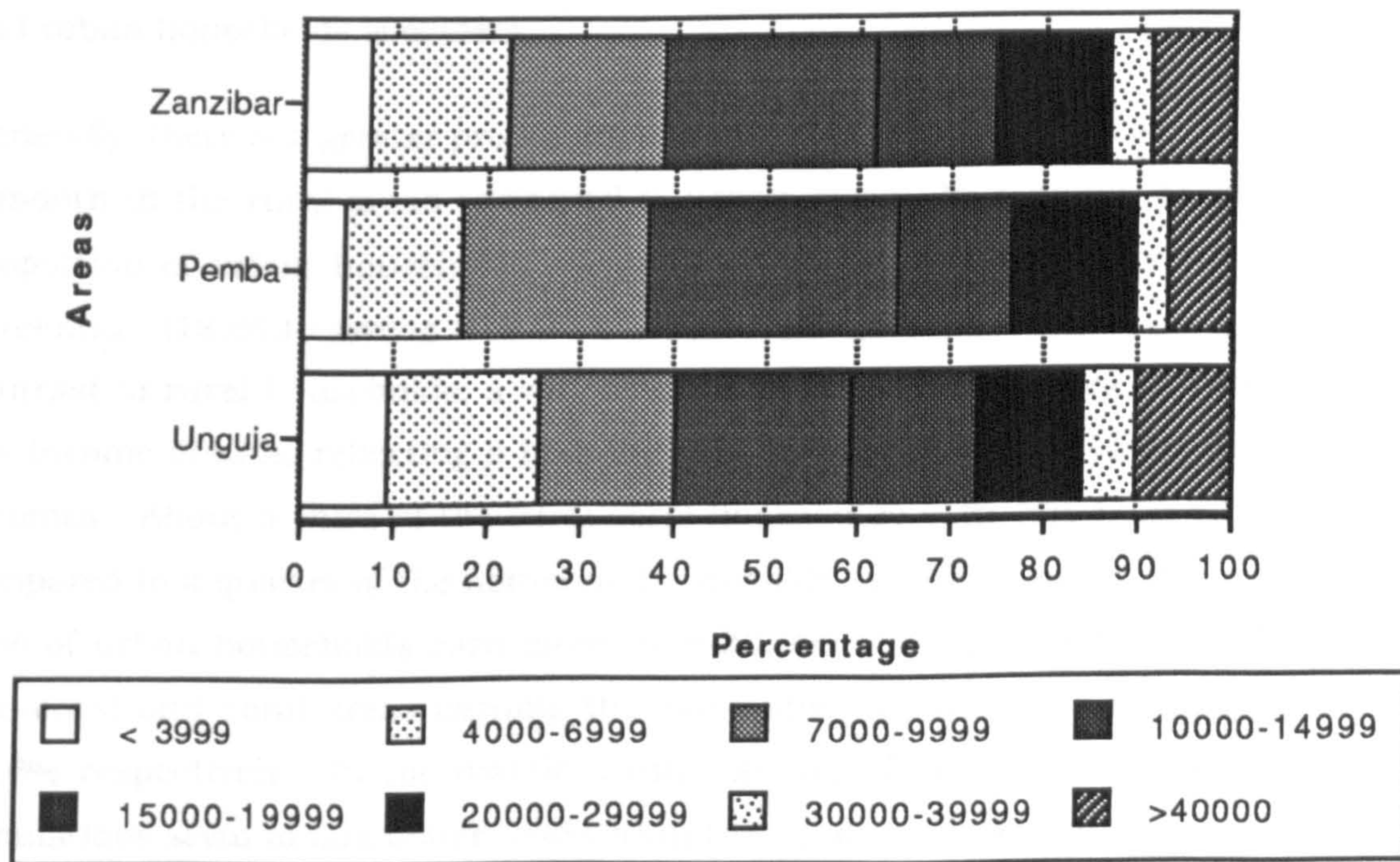
Unpaid family workers comprise 8% of the rural sample, compared to 3,8% of the urban. Their role is important in rural areas, often providing much needed labour, especially during harvests. The percentage of unpaid family workers is much smaller in urban areas (3.8%). A larger share of the rural population is self-employed (own account workers) compared to the urban (4.2%) an indicator of the high degree of unemployment and underemployment in the latter areas. Employers and those engaged



in other activities make up for the smallest percentage in both rural and urban areas. This too emphasises the narrow range of economic activities available in Zanzibar.

The differentiation of occupations in the four areas emphasises the regional variations within the Isles. Despite its small size, spatial variations in economic activities and development continue to exist. This helps explain the current population distribution in the islands and the pressures that encourage migration and emigration. The lack of a spatial dimension in planning, both in the past and currently under the various economic recovery programmes (which tend to approach planning only from a macro-economic view), threatens to widen this gap.

Economic activities, the skills and types of employment, determine the earnings of the population, and this in turn determines the broad income groups that exist in Zanzibar. Again, using the 1991 HBS data, it can be shown that there are considerable income differentials in the household monthly disposable incomes between both the Unguja and Pemba islands and rural and urban households (n = 594). The results are presented in Figures 12.15 and 12.16. Eight broad income groups are used in the analysis and these are displayed at the bottom of the figures.



Source: HBS, 1991

**Figure 12.15 Income groups (Unguja-Pemba)**

The results show there are considerable differences in household monthly incomes between all the areas being compared, i.e., between Unguja and Pemba island, and between rural and urban households. For example, in Figure 12.15 Pemba island has a smaller percentage of households that earn less than 6,999 shillings (17%) compared to



Unguja (26%). Conversely, there is a larger percentage of households in Pemba earning between 7,000 - 14,999 shillings than in Unguja. The proportion earning between 15,000 - 19,999 is nearly the same in both samples, while there is a greater percentage of Unguja households (16%) in the higher income brackets (over 30,000) compared to Pemba (10.4%).

The  $\chi^2$  value indicates that there is a significant difference in income groups of the households between the two islands (see box below), and the preceding sections clearly show differences in their respective proportions of income groups.

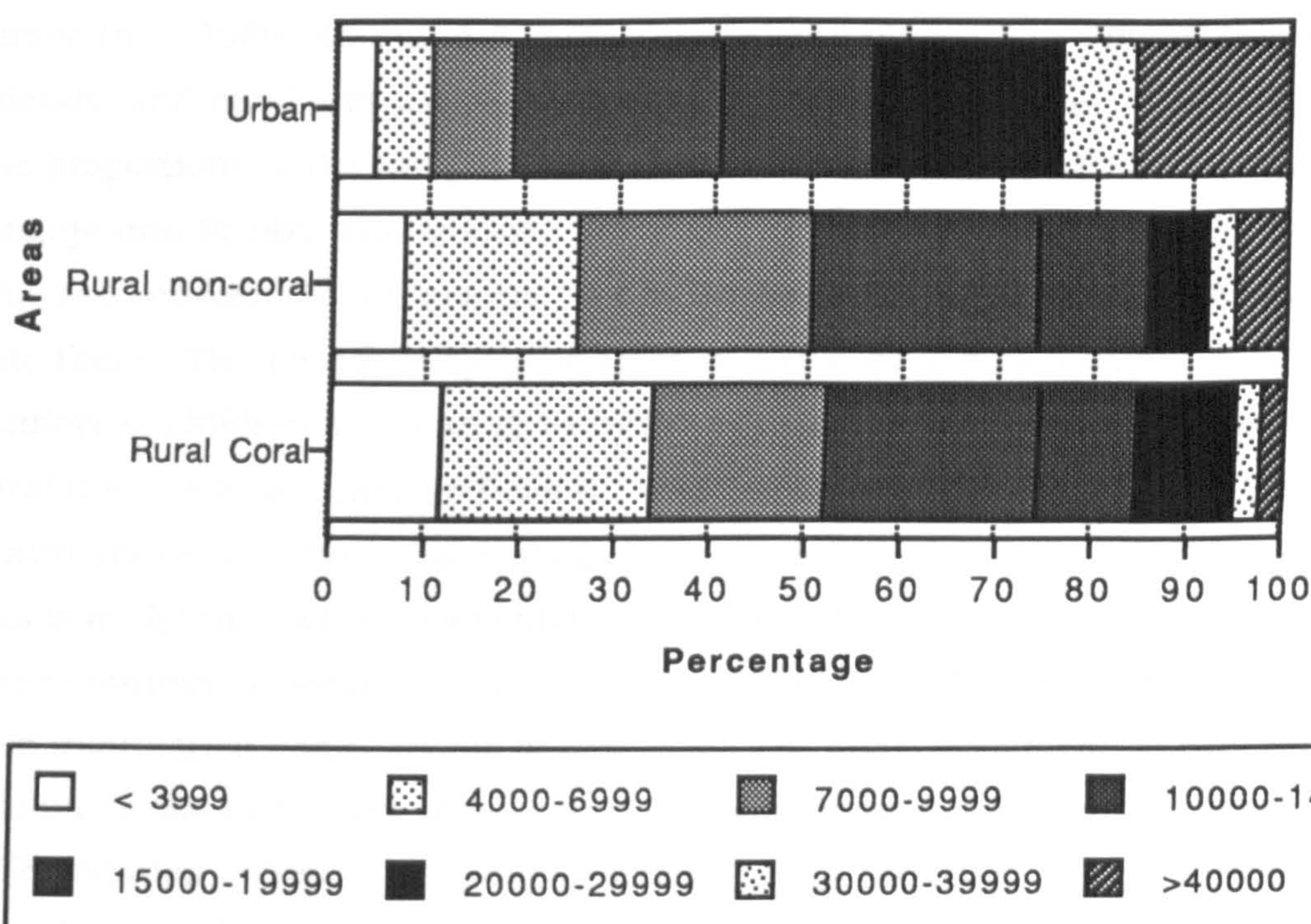
<i>Summary of contingency table analysis:</i>	<i>Unguja-Pemba</i>	
<i>df :</i>	7	
<i>Total <math>\chi^2</math>:</i>	16.6599	<i>p = .0197</i>
<i>G Statistic:</i>	16.8634	
<i>Contingency Coefficient:</i>	.1652	
<i>Cramer's V:</i>	.1675	

An analysis similar to the preceding one is made comparing the rural and urban sample populations.<sup>1</sup> A proportionate bar chart is presented (Figure 12.16) for the three areas, (the urban, and the rural coral and non-coral areas). The chart shows considerable differentials between the income groups in the three areas. The difference between rural and urban households is evident.

Generally, there is a greater proportion of households earning less than 14,999 shillings a month in the rural areas compared to urban areas. In contrast, there is a greater proportion of urban households earning over 15,000 shillings a month and a small percentage (18.6%) earning less than 9,999 shillings per month. This means that in contrast to rural households, a very small proportion of urban ones makes up for the low income groups, reflecting a bias in favour of urban households in terms of better incomes. About a third of the rural coral households earn less than 6,999 shillings, compared to a quarter of the non-coral households and 4% of urban households. Over 40% of urban households earn more than 20,000 shillings a month, while the rural non-coral and coral areas earning the same amounts accounts for only 14.9% and 15.6% respectively. In the middle income groups (7,000-14,999), the rural sample populations seem to fare better, and within the rural areas the rural non-coral area has a larger share. This is indicative of its arable land and cash crop economy.

<sup>1</sup> A contingency analysis is not made since the relevant data is available only in percentages.





Source: HBS, 1991

**Figure 12.16 Income groups (Rural-Urban)**

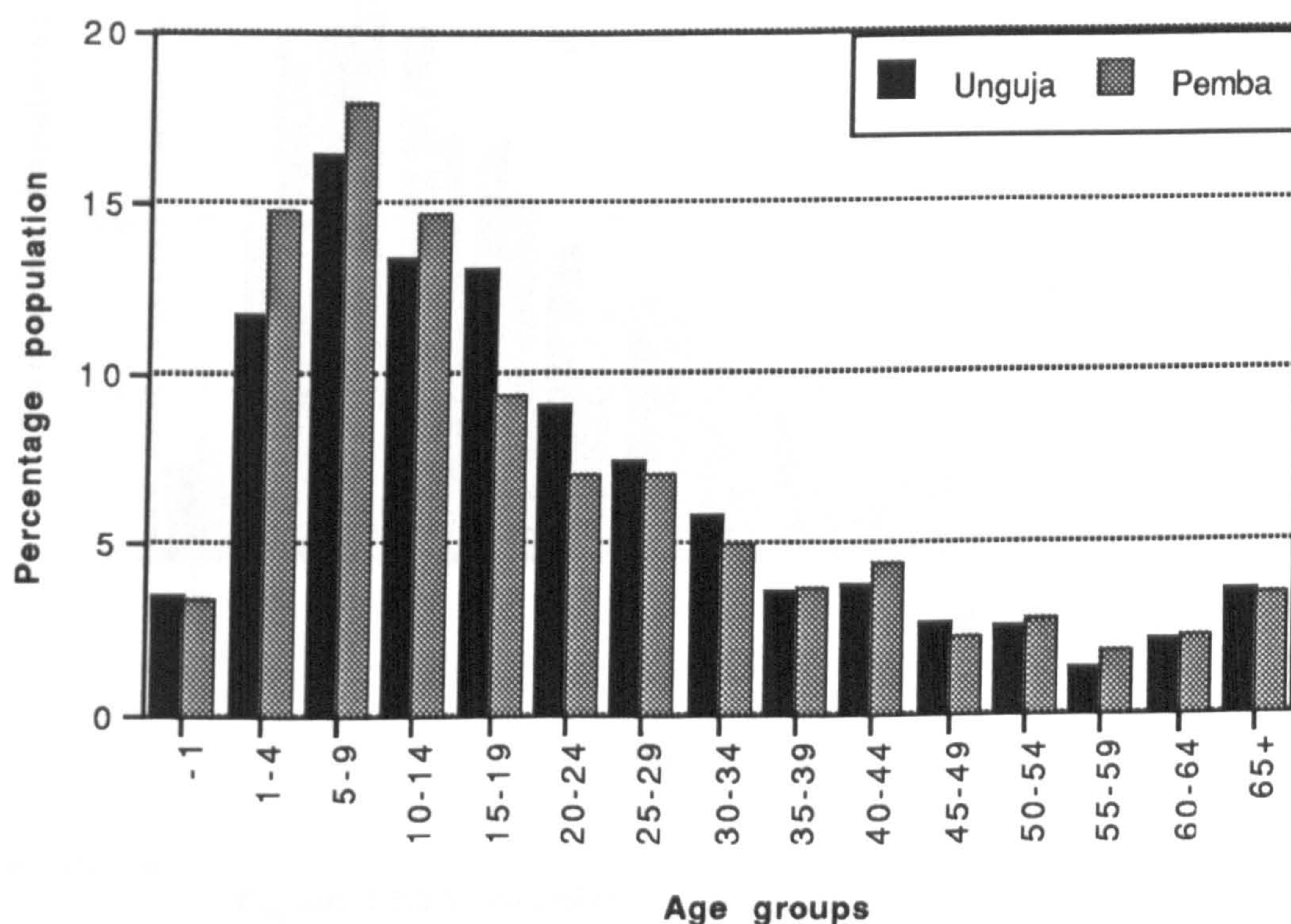
These results exhibit marked rural-urban and rural coral and non-coral variations in incomes. Such spatial variations in an otherwise small area help explain the motivations and direction of migration within and even outwith Zanzibar. At one level they explain rural-urban migration motivations in general and at another the movements from Pemba to Unguja. The income variations and proportions of different income groups also mirror the types of economic activities in different areas. Overall, they show a bias in higher incomes both towards urban areas and Unguja island. To some extent this reflects the concentration of development in certain areas, while also outlining the constraints or limitations that the coral areas on the eastern fringes of the Isles impose on development. However, it is also true that the lack of a spatial dimension in the Isles development planning bears some responsibility.

### 12.5 Demographic implications of migration

Initially the study sought to identify some of the basic and current socio-economic characteristics of the population. Information on age, household sizes, education, ethnicity was collected and used to show how these are affected by migration. The objective was to not only to give a socio-economic profile of Zanzibar as a whole, but what is more important is to identify spatial differentiation in these variables.



The analysis uses data from the 1991 HBS mainly because the sample population is larger ( $n = 3589$ ) affording a more detailed examination of differences between the islands, and rural and urban areas, both using 14 age groups. Figure 12.17 presents the proportions of the sample in their respective age groups differentiating between the Unguja and Pemba populations. The graph reveals that there are proportionally more children between the age groups 1-14 in Pemba island, which reflects the higher fertility rate there. The total fertility rates (TFR) in 1988 for Pemba were 9.1 (i.e., the average number of children a woman gives birth to during her productive life-span). In Unguja rural it was 8.2, in Zanzibar Town 6.7 and Zanzibar as a whole 8.2 (GoZ 1988d, 1988e). It also shows a sudden change in proportions at the age group 15-19. Coincidentally, this is at the time when most children complete their universal primary education, and some continue to secondary schools and others seek other alternatives, such as work. This information complements observations and comments made in previous chapters relating to the movement of the youth from Pemba and indeed rural households.<sup>1</sup> The differentiation between age groups continues until the 35-39 age group when it swings the other way, levelling out at the older age groups.



Source: HBS, 1991

**Figure 12.17 Population age groups (Unguja-Pemba)**

A  $\chi^2$  test between the sample population of the two islands confirms the observations made, indicating that a significant difference between the age groups exists (see box below).

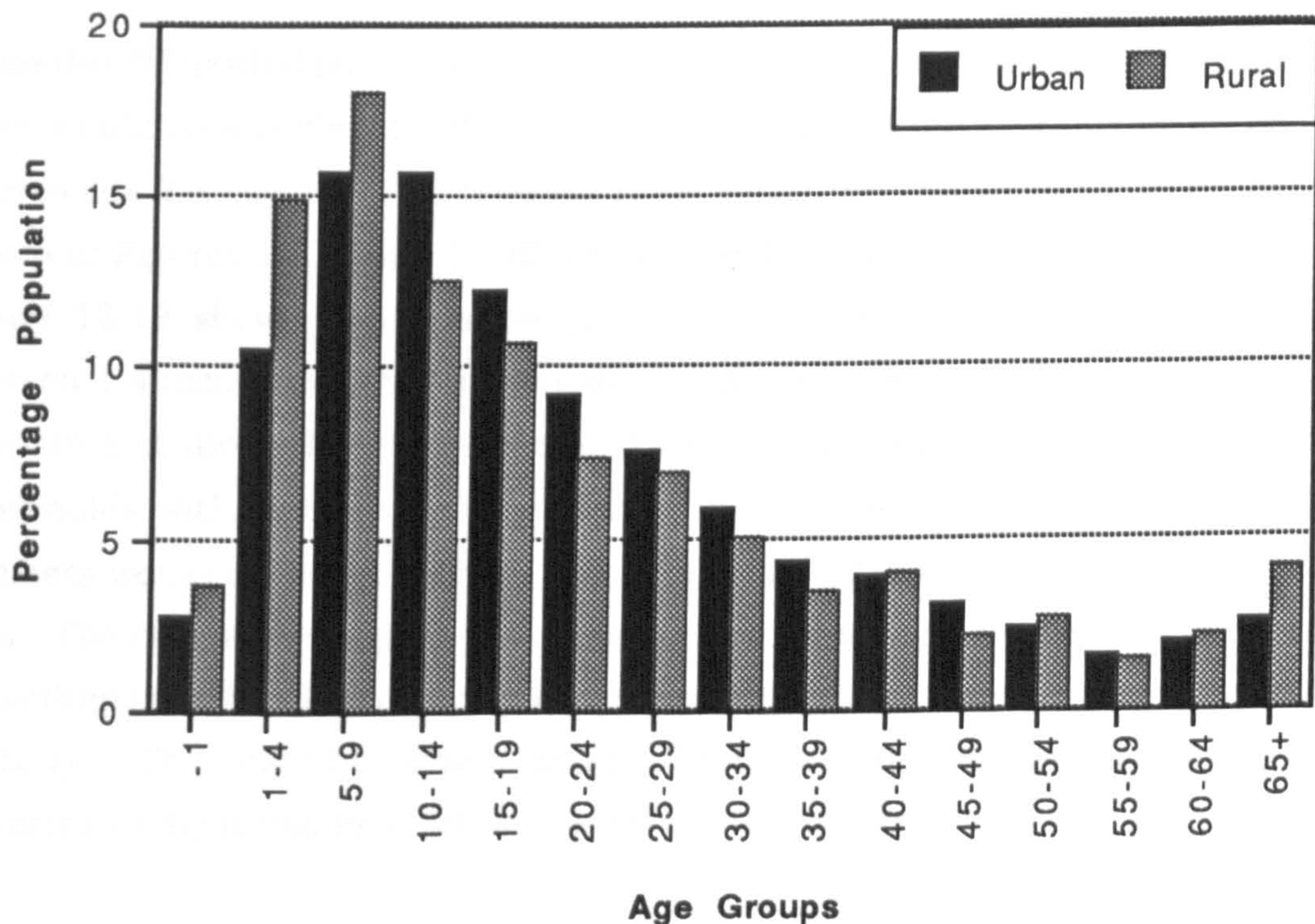
<sup>1</sup> This is also presented and discussed in the following chapter.



*Summary of contingency table analysis:*

	<i>Unguja-Pemba</i>	
<i>df :</i>	14	
Total $\chi^2 :$	28.5208	<i>p</i> = .0121
G Statistic:	28.6825	
Contingency Coefficient:	.089	
Cramer's V:	.0893	

A similar analysis is made between rural and urban areas and the results are displayed in Figure 12.18. It shows considerable differences between age groups in the rural and urban populations. As in the previous graph, it reveals that a high percentage of those between the ages 0-9 is in rural areas and again this reflects the differential fertility rates. However, the majority of those in the age groups 10-39 are in urban areas. These variations such as between the age groups 10-14 in this case, and 15-19 in the previous one, are linked to the movement of the younger population from rural to urban areas and from Pemba to Unguja. The older population (from the age group 40 onwards and especially over 65 years) remain in rural areas.



Source: HBS, 1991

**Figure 12.18 Population age groups (Rural-Urban)**

A  $\chi^2$  test is made between the rural and urban population and yields similar results to the Unguja-Pemba tests (see box below). That there is a significant population movement from Pemba to Unguja island, and from rural to urban areas is to be expected given that Pemba island plays a peripheral role to Unguja and is predominantly rural.

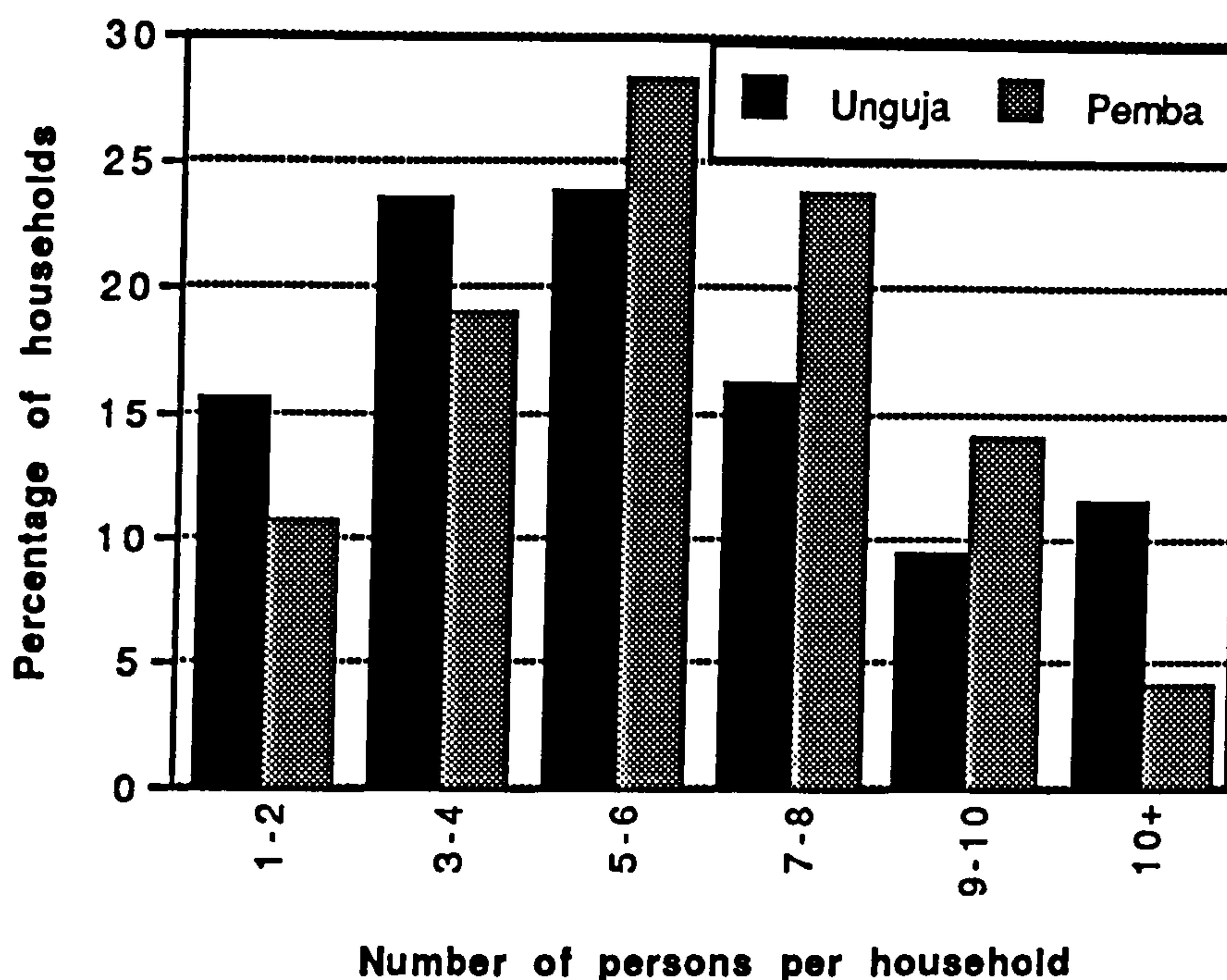


<i>Summary of contingency table analysis:</i>	<i>Rural-Urban</i>	
<i>df :</i>	14	
<i>Total <math>\chi^2</math> :</i>	40.9039	<i>p = .0002</i>
<i>G Statistic:</i>	41.2574	
<i>Contingency Coefficient:</i>	.1061	
<i>Cramer's V:</i>	.1067	

The trends also suggest that migration patterns have remained similar to observations made in the 1978 census (see also chapter 10). Equally important is that they support the hypotheses about Zanzibar being a **MIRAGE** economy. Finally such an age distribution has implications for labour supply and agricultural production in rural areas. For the urban areas this translates into excess labour availability and thus unemployment and underemployment. This situation contributes to demographic and economic pressures on urban areas and these in the long term lead to the existence of a strong urban lobby which in turn influences development policies in the SIS to their advantage.

Given the differential fertility rates and population movements, it could be expected that there would be significant differences between the composition of Unguja and Pemba households (i.e., by size) and between rural and urban households. Household size is shown in Figures 12.19 and 12.20 which reveal considerable variations. For example, Figure 12.19 shows that a larger proportion of Unguja households are small, i.e., between 1-4 members, while the situation changes in favour of Pemba with households consisting of more than 5 members. However, Unguja has a greater proportion of households with more than 10 persons. In the case of Pemba island, most of the members would consist of the very young and the old, implying a high age dependency ratio. The data also suggests that explanations for smaller household sizes in Unguja are perhaps due to a lower fertility rate there compared to Pemba where household sizes are larger. The larger household sizes in Pemba is evidence of population pressure on resources in the island in which migration is a safety valve.





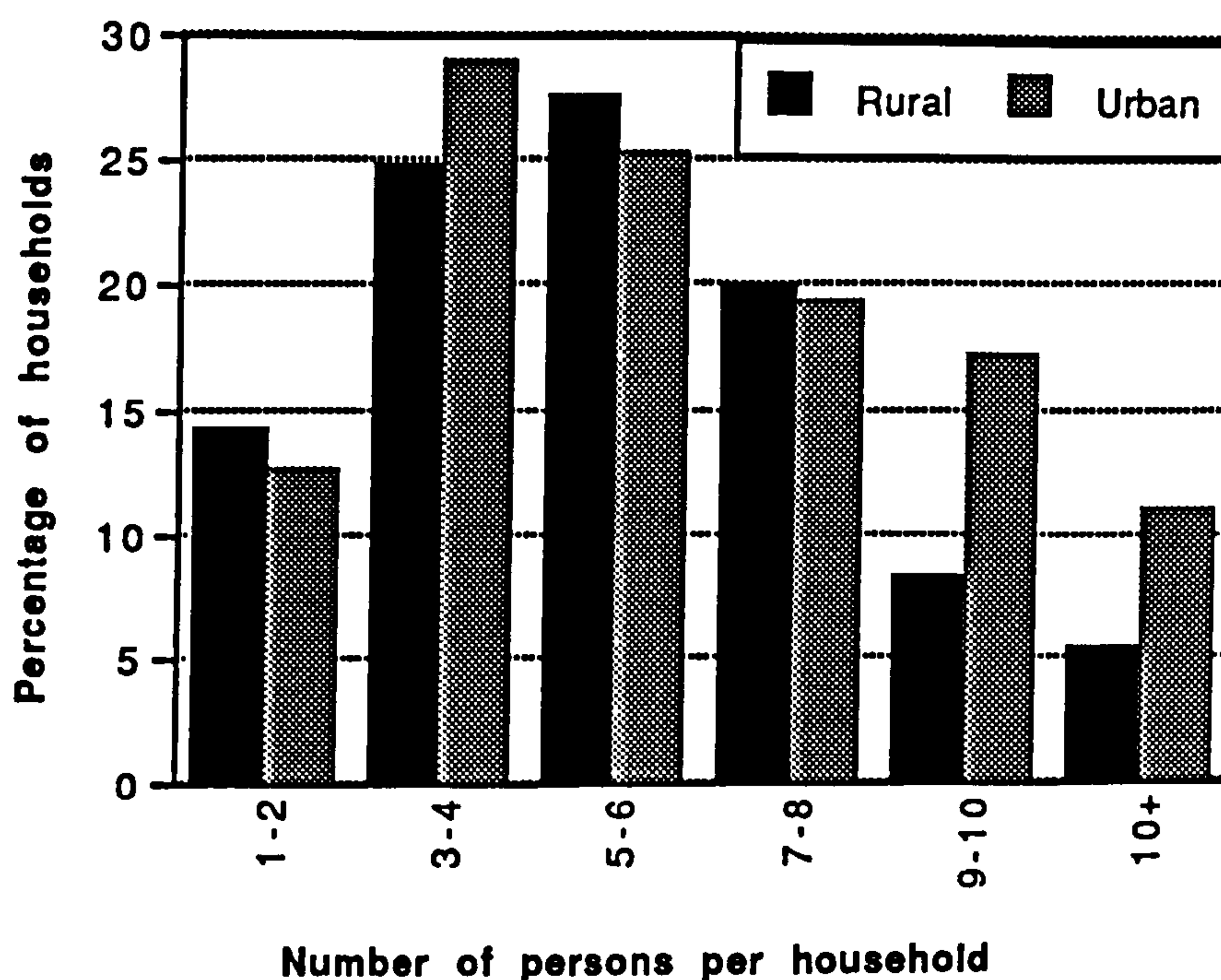
Source: HBS, 1991

**Figure 12.19 Numbers of people in households (Unguja-Pemba)**

Similar variations occur between rural and urban households. According to Figure 12.20, more rural households have between 1-2 and 5-8 members, while a larger share of urban households has 3-4 and over 9 members. From the graph it appears that urban households on the whole tend to be bigger. This would suggest that the greater proportion of urban households with large numbers, i.e., in excess of 9 is largely due to a rural-urban migration, while the rural households with 5-8 members are largely accounted for by higher fertility rates.

There are considerable implications following from such a demographic structure for both the rural and urban areas. The former suffer from a quantitative and qualitative labour shortage, while the urban areas have an abundance of the more youthful and innovative labour, though this contributes to prominent urban underemployment and unemployment. These results concur with observations made in chapters 10 and 11 - that much of the surplus urban youths originate through rural-urban migration.





Source: HBS, 1991

**Figure 12.20 Numbers of people in households (Rural-Urban)**

Finally, the  $\chi^2$  values for both tests reject the null hypothesis since they exceed their respective critical values significantly (see boxes), implying that there are significant differences in the sizes of households between the two islands. These results confirm the analyses made earlier. Migration is to an extent to be linked to an illiterate and educationally impoverished population.

Summary of contingency table analysis:		Unguja-Pemba	
df :		5	
Total $\chi^2$ :		22.1169	p = .0005
G Statistic:		22.8834	
Contingency Coefficient:		.1905	
Cramer's V:		.194	

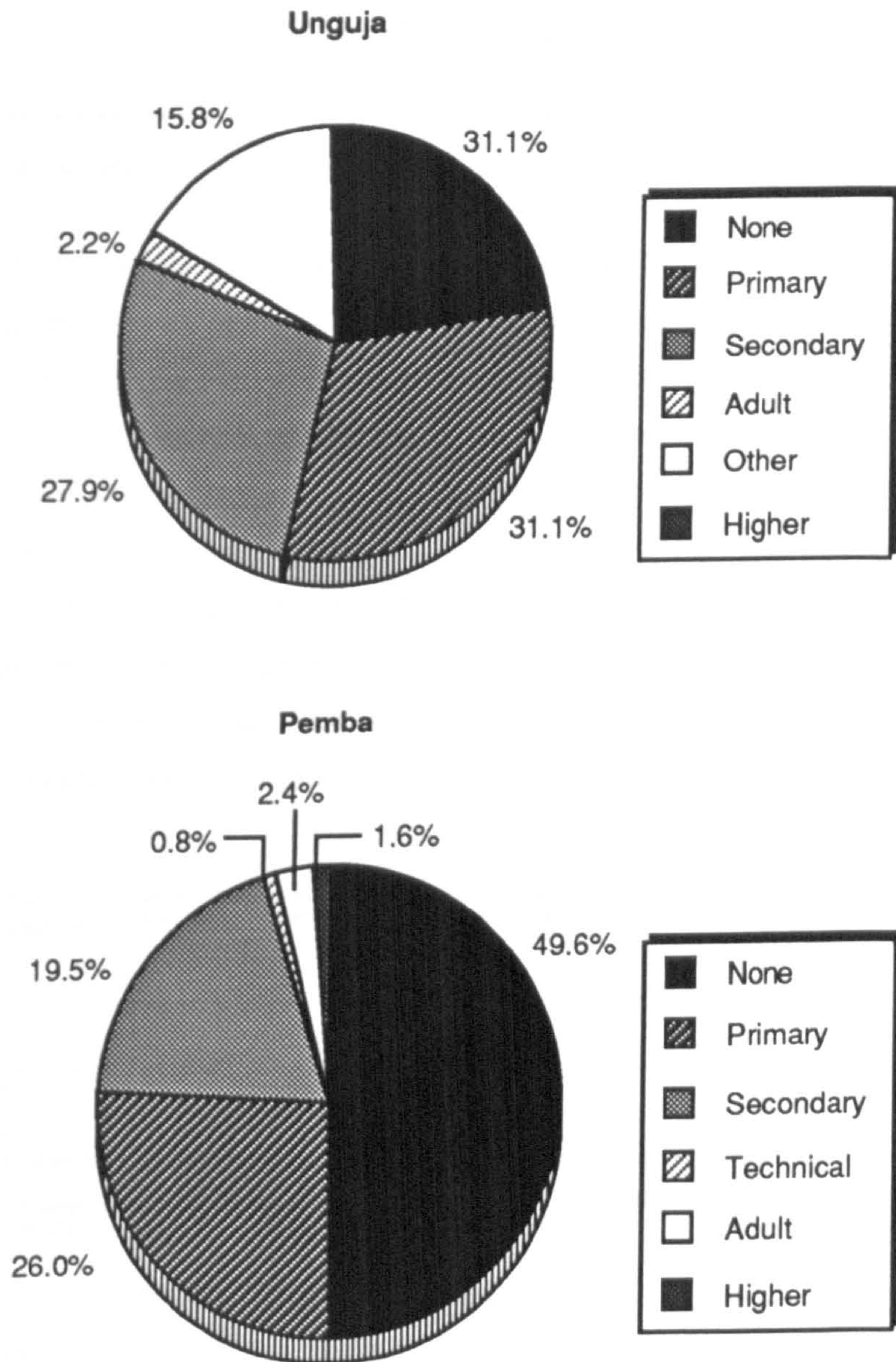
Summary of contingency table analysis:		Rural-Urban	
df :		5	
Total $\chi^2$ :		68.7038	p = .0001
G Statistic:		59.0541	
Contingency Coefficient:		.322	
Cramer's V:		.3404	

Overall, the level of literacy in Zanzibar has improved.<sup>1</sup> According to the 1978 census and the 1988 *Mortality and Fertility Survey*, illiteracy fell from 65.5% (1978) to 34.0% (1988e). However, as shown in chapter 11, spatial variations in these changes are considerable and obviously this reflects on the socio-economic status of the respective areas with long term development implications, including demographic aspects.

<sup>1</sup> The definition of literacy used by the 1978 census was anyone who could write in Kiswahili. The 1988 Fertility and Mortality survey considered a person literate provided they could write in any language.



The survey shows that about 70% of the respondents in Unguja had some level of education compared to 30% in Pemba (Figures 12.21, 12.22 and Table 12.10). Clearly fewer Pemba islanders tend to have any educational attainment compared to their counterparts in Unguja. This suggests that there are spatial variations in educational and, by implication, skills attainment.



Source: 1991 HBS

**Figure 12.21 Educational attainment of respondents (Unguja-Pemba)**



Education COUNT ROW% COLUMN%	UNGUJA	PEMBA	ZANZIBAR ROW TOTAL
Yes	142 70.0 78.0	61 30.0 50.0	203 66.6
No	40 39.6 21.9	61 60.4 50.0	101 33.0
COLUMN TOTAL	182 59.8	123 40.2	304 100.0

Source: Survey

**Table 12.10 Education attainment of respondents**

The  $\chi^2$  statistics for both tests exceed the critical value considerably and it is stated that there are considerable differences in the attainment of education between the islands and between rural and urban samples (boxes). Pemba and rural residents have a much lower educational attainment. This has implications to the respective populations in training, skills and quality of life. Moreover, it would support the contention that the more skilled population has moved away from Pemba and rural areas, leaving behind those with a lower level of educational (and skills) attainment. This concurs with the observations made in chapters 10 and 11, that it is often the more skilled and youthful population who migrate from rural areas. However, it is also equally possible that the delivery of and access to, skills and education tend to favour urban areas and Unguja island in particular.

*Summary of contingency table analysis: Between Unguja-Pemba*

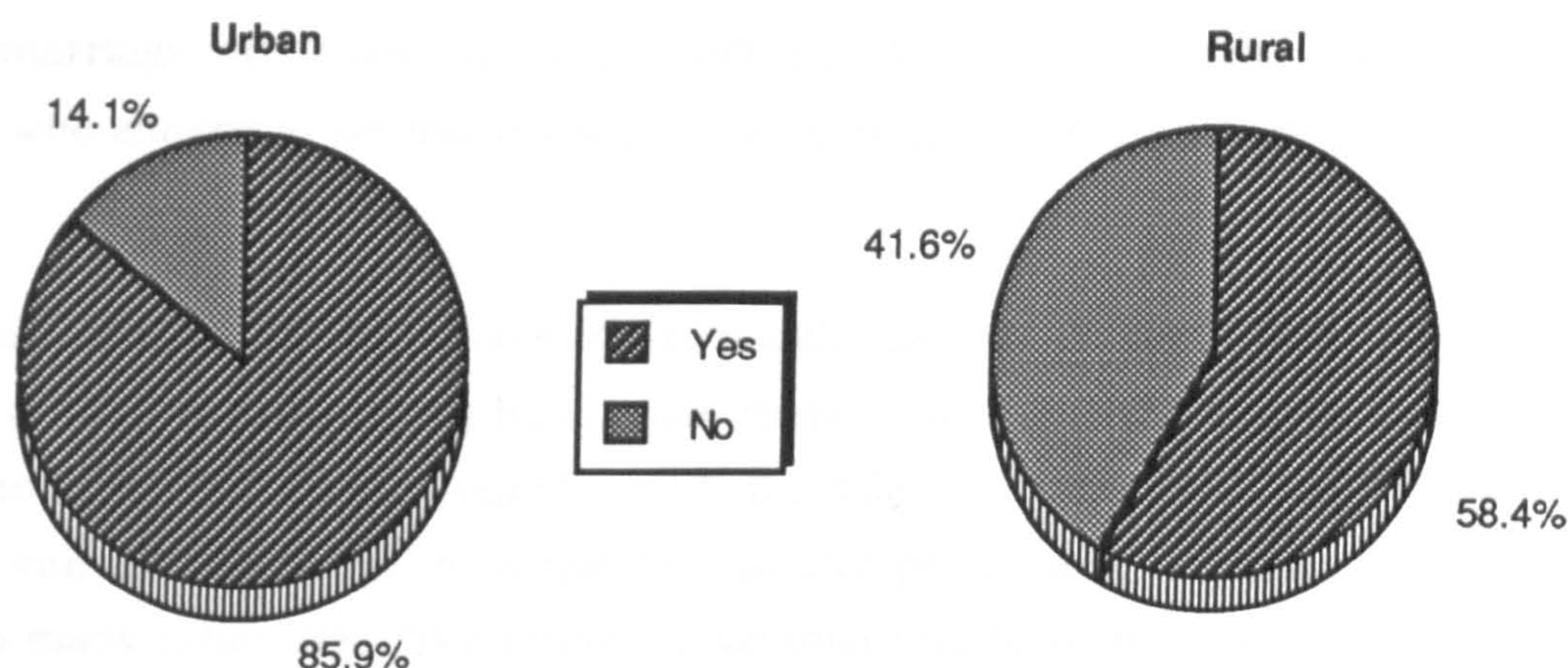
df :	1	
Total $\chi^2$ :	25.8514	p = .0001
G Statistic:	.25.7157	
Contingency Coefficient:	.2799	
Phi:	.2916	
Cramer's V:	.24.6038	p = .0001

*Summary of contingency table analysis: Between Rural-Urban*

df :	1	
Total $\chi^2$ :	23.2541	p = .0001
G Statistic:	.25.7949	
Contingency Coefficient:	.2662	
Phi:	.2761	
Cramer's V:	.21.9895	p = .0001

The survey results are also consistent with the findings of the surveys on mortality, fertility and contraception in Zanzibar (GoZ, 1988d, 1988e) which found that illiteracy amongst young adult women in rural areas is higher than those from urban areas. The same report shows that nearly 21% of women aged under 30 in Unguja are illiterate compared to about 47% in Pemba. The combination of lower educational achievements and age group discrepancies such as those in rural areas and in Pemba will no doubt limit the development potentials of those areas.





Source: Survey

**Figure 12.22 Educational attainment of respondents (Rural-Urban)**

The largest proportion of educational attainment is at the primary and secondary school levels - accounting for nearly 54% of the sample population. A very small percentage achieved higher levels of education (1.3%). Figures 12.21 and 12.22 show clearly that a smaller proportion of Pemba islanders attains primary and secondary education (45.5%) compared to Unguja (59%). Similar trends are reflected in the 1991 HBS, with 56.7% in Pemba and 71.9% in Unguja. Twice the proportion of people in Unguja get secondary education compared to Pemba and this is reflected both in the survey and the HBS. Also a larger proportion of Pemba respondents had no education.

The  $\chi^2$  values for both the Unguja-Pemba and rural-urban tests support the claim that there is a significant difference in educational achievement at various levels of educational (none, primary, secondary, vocational, Koran school, technical and higher)

Summary of contingency table analysis:		Unguja-Pemba	
df :		6	
Total $\chi^2$ :		40.9499	p = .0001
Contingency Coefficient:		.3435	
Cramer's V:		.3658	

Summary of contingency table analysis:		Rural-Urban	
df :		6	
Total $\chi^2$ :		39.7131	p = .0001
Contingency Coefficient:		.3389	
Cramer's V:		.3603	

The  $\chi^2$  results (boxes above) confirm all the preceding observations implying that rural areas and Pemba are unlikely to benefit directly from their population attaining better and higher education. Such a situation has wider implications, for health, nutrition, and in production.



Ethnicity, and the linkages which it generates, are also of considerable importance in the understanding of Zanzibari migration. For example, it is common for some Zanzibaris of Arab origin to migrate to the Middle East, particularly Oman, but also Yemen and the United Arab Emirates, seeking employment. Female emigration follows from intermarriage with males from the Gulf and Arabian Peninsula. Marriages to Zanzibaris who emigrated several years ago and to nationals of the Middle East are also common.

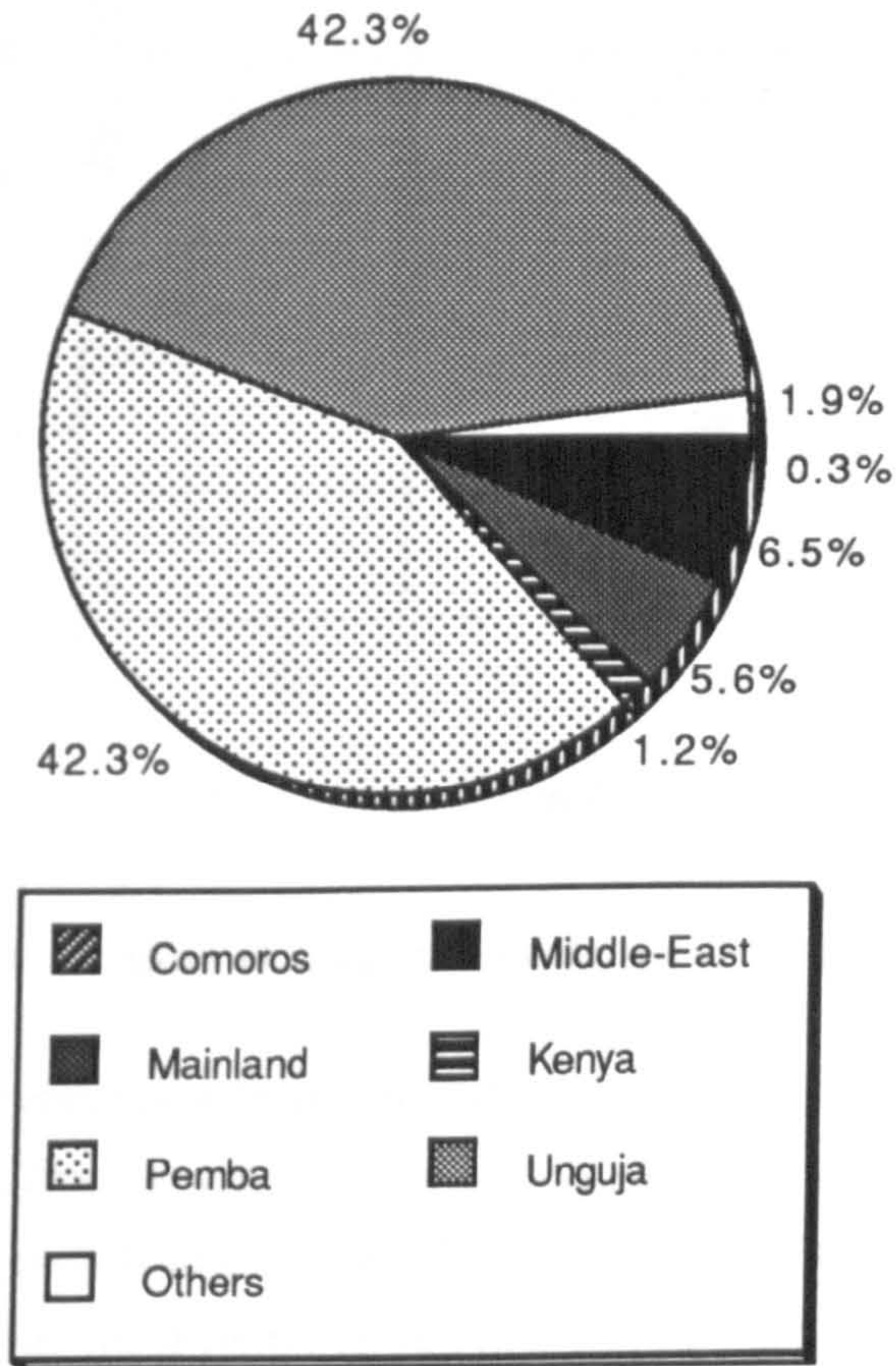
Some households were found to have contacts with their kin on the Mainland and took advantage of this by establishing businesses there. For many this has facilitated the move to the Mainland, though contact with the Isles is maintained. Although this movement can be long term, it is not necessarily permanent, a phenomenon also common to many other SIS. The tendency for migrants to go to areas in which they have established links is known. What is important is that once migration is facilitated, and especially to places where better economic opportunities are available, the possibility of remitting some savings or investment capital arises. While for many years this was difficult in Zanzibar, the barriers have since been removed (Chapters 8 and 10). Considerable amounts of money are being remitted through banks, though what is not known is their impact on peripheral areas.

Caution is necessary when considering issues of descent or origin. The issue of ethnicity and ethnic identity remains a sensitive issue in Zanzibar and is often entwined in a complex manner into local politics and allegiances. Some respondents found it difficult to categorise themselves after more than a generation of mixed marriages, whilst others 'preferred' to state their origins from one place or another depending on how they perceived themselves. For example, descendants of mixed marriages may perceive themselves as of Arab origin particularly if this entails relative prosperity or higher social standing. They may refer to themselves as indigenous Africans if they are in a predominantly African populated area or sympathise with the common good of the African population. Finally, there were those who gave their origins as Zanzibari largely from their nationalist stance. However, some were uneasy about such questions, especially considering the overt and covert role of ethnicity in local politics, and gave 'neutral' responses by simply declaring that they were Zanzibari. A measure of tact was essential with this matter and where relevant the question was re-phrased in a more acceptable manner.

The results from the survey are displayed in Figures 12.23, 12.24 and 12.25 (n = 306 households). Over 84% claimed their origins as in Zanzibar, i.e., either from Unguja or Pemba. Those with Middle-Eastern origins made up 6.5% of the sample, while those originating from the Mainland accounted for 5.6%. According to the 1978 census, 15% of all migrants from the Mainland live in Unguja (15%) and only 1.8% in Pemba. This



corresponds fairly closely to the distribution in Figure 12.25. Only a small percentage of respondents was from elsewhere. On the premise that areas of origin influence migration destinations, the results suggest that the direction of migration would be between the islands of Pemba and Unguja, to the East African mainland and the Middle-East respectively.

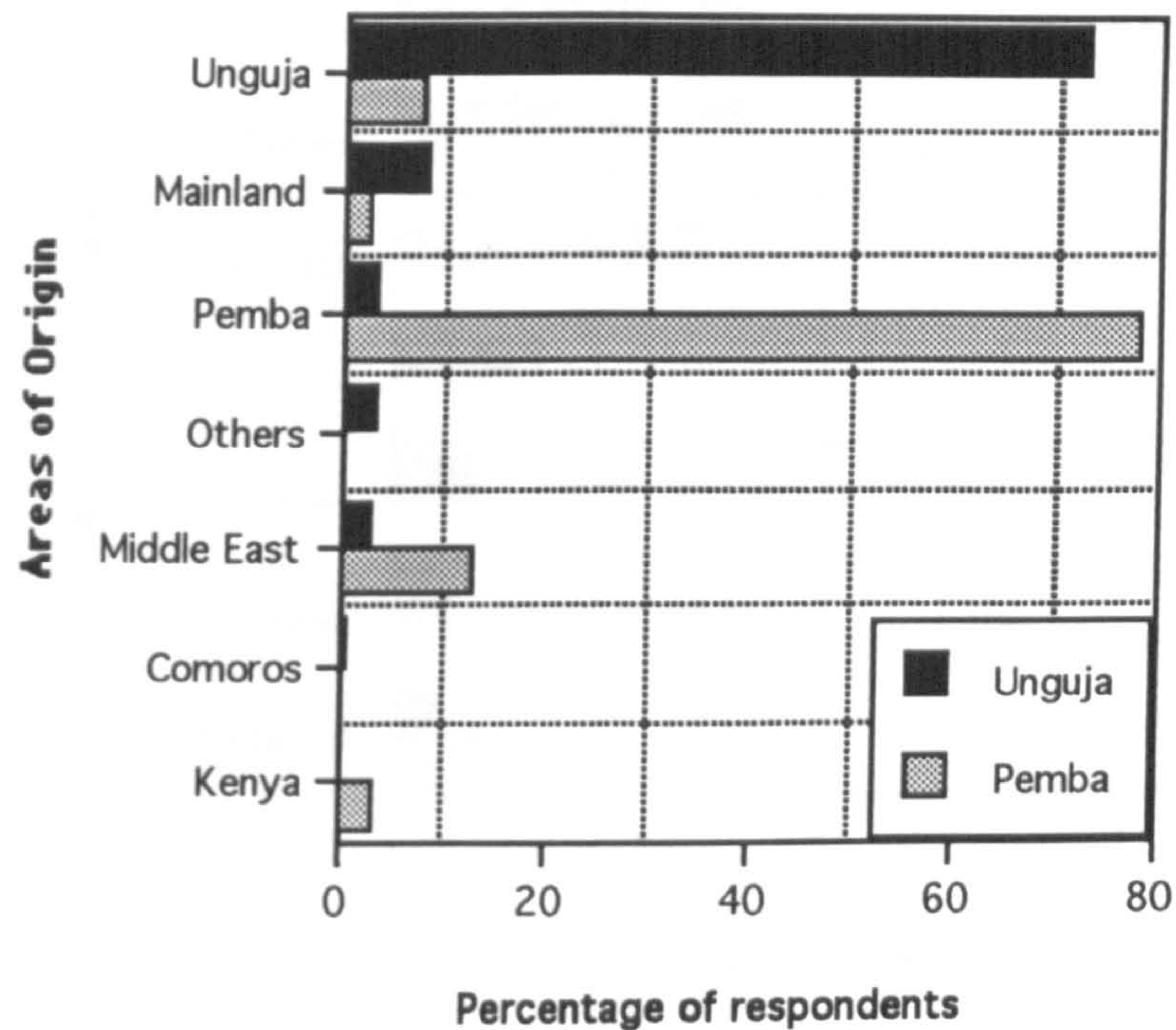


Source: Survey

**Figure 12.23 Origins of Zanzibari Respondents**

Figure 12.24 reveals that the vast majority of the respondents in Unguja and Pemba come from the same areas, with just over 3% of Pemba respondents originating from Unguja and 7.7% of Unguja respondents originating from Pemba. A larger percentage of Pemba respondents declared Middle-Eastern origins (13%). Unguja's share was lower at 2.7%. There was a larger proportion of Unguja respondents of Mainland origins (8.2%) compared to Pemba's 2.4%. A greater proportion of Pemba respondents declared Kenyan origins (3.3%) while there were none in Unguja. Those of Comorian descent were mainly in Unguja (0.5%).



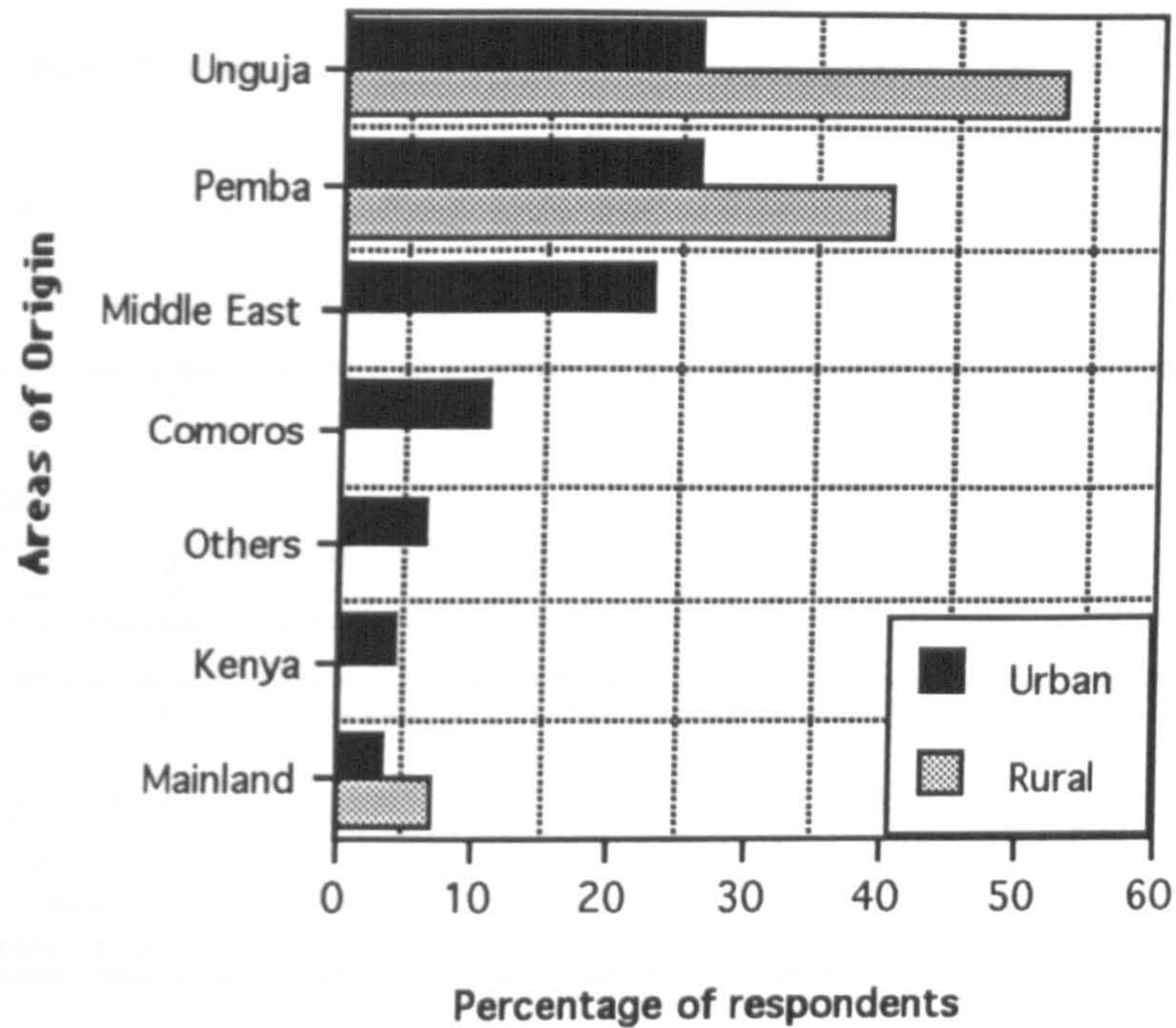


Source: Survey

**Figure 12.24** Origins of Unguja-Pemba Respondents

Figure 12.25 compares the responses from the rural-urban samples. Those from the urban areas revealed origins from a wider range of geographical sources. Most urban respondents came from their own island, followed by the Middle-East and the Comoros. An interesting dimension is that rural respondents originating from areas other than the islands are mainly from the Mainland (7%). This is a partly the result of labour migrants from the Mainland to Zanzibar who have subsequently settled permanently.





Source: Survey

**Figure 12.25 Origins of Rural-Urban Respondents**

These results reveal a number of important facets. They show that most respondents are indigenous to Zanzibar, although a larger share of those in Unguja came from the other island, compared to those in Pemba. As expected, it shows that a larger proportion of those with Middle Eastern origins are in Pemba. However, they also show that those originating from the Comoros, the Middle East, Kenya and other areas tend to be urban dwellers. The reasons for this is can be traced to their historical roots during the height of the Arab influence and the development of mercantilism in Zanzibar. In contrast, many of those with Mainland origins tend to be rural dwellers and this is explained by migrant labourers from the Mainland who come to work in rural farms.

The results also show that the urban composition of the sample has wider geographical origins than the rural sample. This suggests that the urban population comprises people who have moved in from many different areas, but also confirms that many of those of Arab and Comorian origin are resident in urban areas. This conforms with the tendency for the land owning classes, who were often Arabs and Asians, to reside in urban areas. The land redistribution policies of the *First Phase* alienated the predominantly Arab and Asian land-owning groups who then moved to urban areas. In contrast, the rural sample indicate origins from within the islands and the Mainland.



The  $\chi^2$  results testing for differences between the origins of respondents of different areas are shown below (boxes), the null hypothesis stating that there are no significant differences in the origins of the interviewees between the islands and between rural and urban area. However, the  $\chi^2$  values indicate otherwise, asserting that there are significant differences between the sample populations in both tests.

<i>Summary of contingency table analysis:</i>	<i>Unguja-Pemba</i>	
<i>df :</i>	6	
<i>Total <math>\chi^2</math> :</i>	205.18912	<i>p = .0001</i>
<i>Contingency Coefficient:</i>	.62745	
<i>Cramer's V:</i>	.80581	

<i>Summary of contingency table analysis:</i>	<i>Rural-Urban</i>	
<i>df :</i>	6	
<i>Total <math>\chi^2</math> :</i>	110.7224	<i>p = .0001</i>
<i>G Statistic</i>	*	
<i>Contingency Coefficient:</i>	.5155	
<i>Cramer's V:</i>	.6015	

The results can be explained by Zanzibar's historical legacy and policies that have been implemented since the Revolution. These have also had significant influence on the migration players. Thus Zanzibari migration (and subsequent remittances), exhibit the following characteristics. Those with Arab heritage tend to migrate from Pemba to Unguja and to the Middle East. Some go to the East African mainland. Those without Arab heritage, migrate within the Isles and a few to the Mainland. As migrants tend to be skilled, the implications for remittances are obvious.

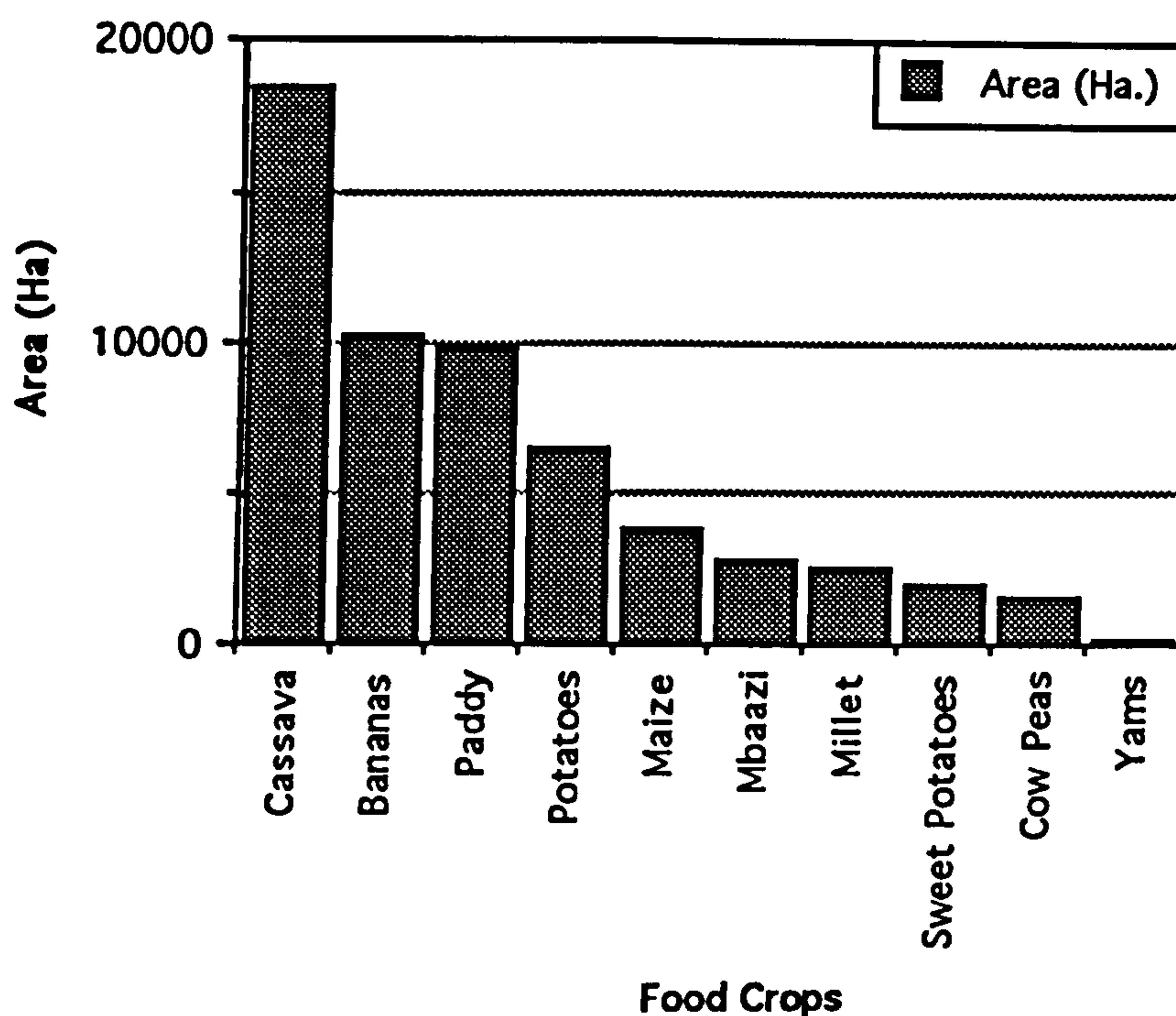
## 12.6 Implications of the MIRAGE economy to agricultural production

Rural out-migration has implications for agricultural production and the rural economy as a whole. This section seeks to assess such implications on agriculture, comparing the agricultural activities between the islands, its development and the relationship between migration and land and labour availability. Other aspects discussed include the use of modern agricultural technology to increase yields and possible environmental impacts emanating from land use pressures.

About 68% of the survey households are engaged in agricultural activities, cultivating some land for food and cash crops. Figure 12.26 depicts the size of the main food cropping areas in 1982 (GoZ, 1984). Cassava occupied the largest area followed by bananas and paddy. Potatoes and maize also occupy fairly large areas. Cassava, bananas and potatoes are important to many rural households and provide the poorer urban households with a source of cheap carbohydrates. Although rice is also an important crop, domestic production falls far short of demand. However, following the removal of subsidies and with possible import restriction, it is anticipated that the land



area under rice cultivation may increase in the near future.



Source: GoZ, 1984

**Figure 12.26 Area which main food crops occupy**

Cash crops are an important source of income for many rural households. For Zanzibar cloves and copra have been the dominant cash crops for many years. However, the recent drop in prices for the two crops has meant that they have become less attractive to many farmers. Overall, the cultivated land area in 1982 was put at 135,938 hectares out of which 59.5% was under cash crop production and 40.5% under food crops, highlighting Zanzibar's dependency on cash crop exports. Meanwhile, the majority of the population continues to depend on subsistence agriculture for provision of domestic food supply. The low production of food is partly because of low productivity. Meanwhile pressure on land in parts of Pemba has led to some of it being lost to soil erosion (GoZ, 1984).

The survey sought to assess whether individual households engaged in agriculture have expanded or contracted their farm sizes. As such, this would indicate whether households are producing more for the market and responding to agricultural incentives. Conversely, it may suggest that either the policies are ineffective or that some factors of production constrain expansion. Most of the households stated that there was a difference in the area which they cultivated (67.7%), while 24.4% had increased the size of their plots (Table 12.11). Only 7.9% stated that they had decreased the size of plots they normally cultivated.



An interesting pattern emerges when comparing responses between the islands. In Unguja 29.8% indicated an increase in area cultivated compared to 18.1% in Pemba, while decreases were noted as 3.9% in Unguja and 12.3% Pemba. Clearly, the statistics suggest there are factors inhibiting agricultural expansion in Pemba, possibly land or labour shortages or both. However, the main expansion of the cultivated area in Unguja may be due to its harsher economic climate with many households unable to partake in producing a relatively high value crop such as cloves and being forced to strengthen the 'domestic subsistence safety net' by producing more. The evidence of 'extensification' as opposed to 'intensification' is indicative also of low agricultural technology utilisation by most households.

Area changes COUNT ROW% COLUMN%	UNGUJA	PEMBA	ZANZIBAR ROW TOTAL
Increased	37 66.1 29.9	19 33.9 18.1	77 24.4
The same	82 52.9 66.1	73 47.1 69.6	56 67.7
Decreased	5 27.8 4.0	13 72.2 12.3	155 7.9
COLUMN TOTAL	124 54.2	105 45.8	229 100.0

Source: Survey

**Table 12.11 Changes in cultivated areas**

The reasons for these changes (or non-change) in the land cultivated by households were grouped into five broad categories: 1) land shortages and conflicts, 2) labour shortages, 3) decrease in household size (falling demand for food and shortage of labour), 4) increase in household size (and hence increased demand and availability of labour) and 5) economic and market motivations emanating from new agricultural policies (n=217).

About 65% of respondents reported that they had not increased the sizes of their holding due to the combination of land shortage and land-use conflicts, while about 5.6% indicated that they had decreased their holding due to the reduction of household size (Table 12.12). About 19.3% increased their cultivated *shambas* due to the expansion of their respective household sizes and just over 10% did this in response to the new agricultural policies. Ultimately, it appears that more households have increased their holding compared to those that did not. It appears that labour shortage is an important parameter in agricultural production since it and the reduction in households size affected a total of 24% of the households.



Causes for changes in cultivated areas - all cases COUNT ROW% COLUMN%	UNGUJA	PEMBA	ZANZIBAR ROW TOTAL
Land shortage/conflicts (same)	47 46.5 40.9	54 53.5 52.9	101 46.6
Labour shortage (same)	18 45.0 15.6	22 55.0 21.6	40 18.4
Decrease in household size (reduced)	5 41.7 4.3	7 58.3 6.9	12 5.6
Increase in household size (increased)	26 61.9 22.6	16 38.1 15.9	42 19.3
Market/economic motivations (increased)	19 86.4 22.6	3 13.6 2.9	22 10.1
COLUMN TOTAL	115 53.0	102 47.0	217 100.0

Source: Survey

**Table 12.12 Causes for changes in cultivated land areas**

Broadly, a greater proportion of households in Unguja did not increase cultivated land due to unavailability of land and labour shortages. Overall a small proportion of households reduced cultivated areas, with the larger proportion emanating from Pemba. This is presumably also due to a decrease in household size (presumably lack of spare labour). However, there were differences in the proportion of households that increased cultivated land both because of increased household sizes and in response to market motivations, largely in favour of Unguja island. This can partly be explained by an incoming population (migrants from both Pemba and labour migrants from the Mainland). Other reasons include that agriculture in Unguja is increasingly moving towards food production and that the overall population of Unguja island is also larger and growing faster hence placing a greater demand for food.

Comparing the islands, the  $\chi^2$  test shows that there is a significant difference in the motivations or reasons for changes in cultivated areas between the islands (see box). This suggests that the forces influencing agricultural production differ between the islands, and to a large extent labour availability, as influenced by migration, plays an important role.

Summary of contingency table analysis: *Unguja-Pemba*

df :	4	
Total $\chi^2$ :	14.50907	p = .0058
G Statistic:	15.81877	
Contingency Coefficient:	.25034	
Cramer's V:	.25858	



In summary, both land and labour supply conditions inhibit expansion of the cultivated area. Regarding land supply, the existing land laws compound the difficulty in transfer of land occupancy. Apart from the general shortage of land, liberalisation policies are also partly responsible for creating land speculation, inflating the price of land. The combination of land speculation and crop price incentives has led to an increase in land use conflicts. Rural-urban migration has helped to create a shortage of labour, such that during clove harvests, especially in Pemba, a substantial amount of additional labour has to be shipped in from Unguja and the Mainland.<sup>1</sup> The situation is exacerbated by the reliance on traditional cultivation methods which are labour intensive and which give low outputs per unit area of land. Seasonal migration of labour is encouraged during the clove picking season though in recent years this has been difficult to obtain due to low pay as a result of falling clove prices, inflation, the high costs of transport to and from the islands, and especially to Pemba.

Assuming that population pressure and hence demand for increased cash and food crop cultivation has increased the pressure on land, the households were asked whether they lay any of their land to fallow. The assumption is that due to the general perception that land is being exhausted through over-cultivation and with little use being made of fertilisers, fallowing is necessary to recharge the fertility of the soil. Its existence would indicate whether there is adequate available land to practice fallowing.

The responses show that 46% of the respondents (n = 84) indicated that some of their land was put to fallow (Table 12.13). About 77.8% of Unguja households practice fallowing, presumably because there is less fertile land available there and the population increase and demand for food due to migration contributes to its exhaustion more quickly. In Pemba the proportion is smaller (59.6%). However, what is also true is that the fallowing cycles have become shorter, currently ranging between one and two years and therefore not giving the land adequate time to recharge. The long term consequences will be falling yields per unit area. Such a situation is a recipe for ecological upheavals.

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<sup>1</sup> This point was made by an agricultural expert in the Isles and later reported in national newspapers.



Following practice COUNT ROW% COLUMN%	UNGUJA	PEMBA	ZANZIBAR ROW TOTAL
Yes	21 38.2 77.8	34 61.8 59.65	101 46.6
No	6 20.7 22.2	23 79.3 40.35	40 18.4
COLUMN TOTAL	27 32.1	57 67.9	84 100.0

Source: Survey

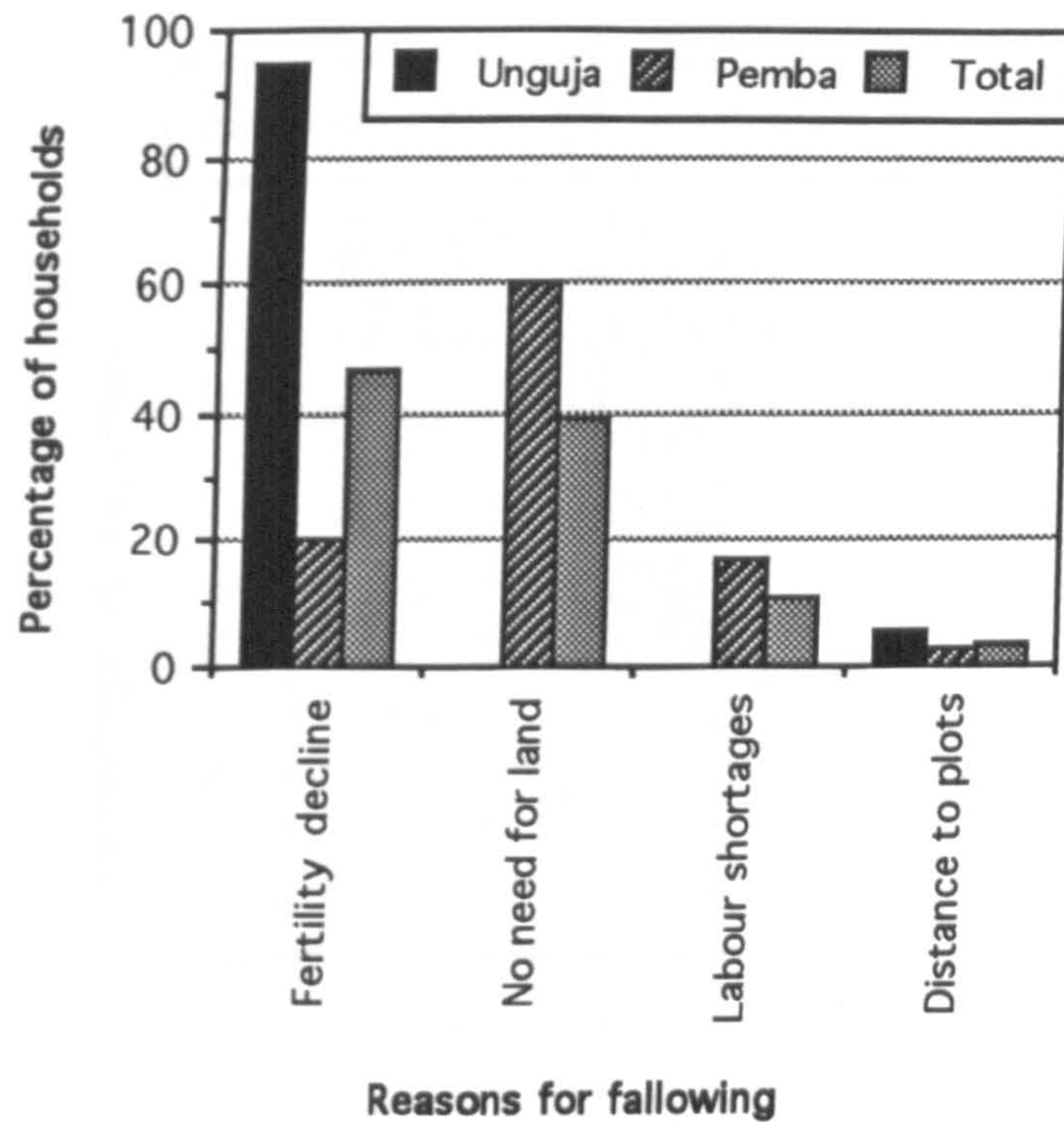
**Table 12.13 Respondents practising fallowing**

The  $\chi^2$  statistic shows a marginal significance only after the G statistic is computed and then only at the 0.10 level of significance (see box). The  $H_0$  is therefore accepted but with caution as it is appreciated that the reasons for practising fallowing may differ between the two islands.

Summary of contingency table analysis:	Unguja-Pemba	
df :	1	
Total $\chi^2$ :	2.66372	p = .1025
G Statistic:	2.78068	
Contingency Coefficient:	.17532	
Cramer's V:	.17808	

Householders that practised fallowing were asked to provide the reasons for doing so (n = 54). The results are shown in Figure 12.27. Predictably, the most common reason provided was the decline in soil fertility (46.3%), particularly in the case of Unguja (94.7%). Next were those who stated that they had no need for more land (38.9%), a response which came predominantly from the Pemba households. Labour shortages accounted for 11.1%, and again this affected mainly Pemba households (17%). Only a very small proportion (3.7%) gave distance to farms as a constraining reason. These results suggest that land fertility decline is a disturbing factor particularly in Unguja. They also suggest that labour shortages in Pemba contribute to the apparent lack of the need to expand cultivated land area. Other reasons include the absence of economic incentives, the (old) age of many producers and conflicts relating to land ownership and use. Significant differences exist between the two islands in the reasons given for fallowing (see box following).





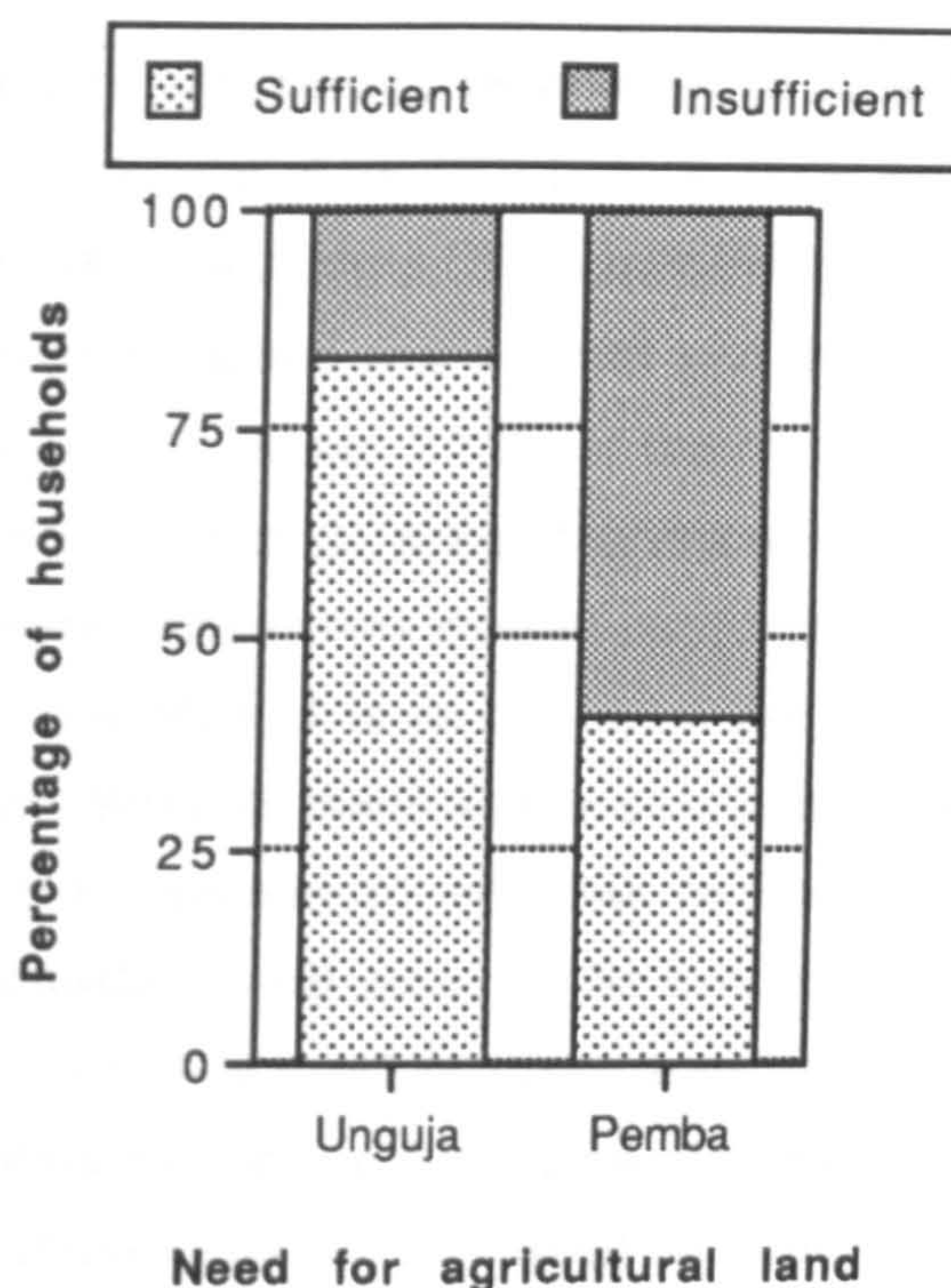
Source: Survey

**Figure 12.27 Reasons for practising following**

Summary of contingency table analysis:	Unguja-Pemba	
df :	3	
Total $\chi^2$ :	29.70731	p = .0001
G Statistic:	*	
Contingency Coefficient:	.59573	
Cramer's V:	.74171	

The respondents were then asked whether the land they had was adequate for their needs (n= 231). Overall, nearly 80% of Unguja households stated that what they had was enough, compared to about 40% in Pemba (Figure 12.28). Conversely, 17.1% and 59% respectively indicated that they did not require additional land, at least in the short term (Figure 12.27). However, such demands reflect the nature of the Zanzibari agricultural system, which is largely based on the household (including labour) and the variations in cropping within the Isles. Thus it does not necessarily imply that a general satisfaction for land exists and serves to highlight the problems associated with migration from Pemba and from rural to urban areas, urban biased agricultural pricing policies (especially in the past) and the lack of appropriate technological advancement to increase agricultural production.





Source: Survey

**Figure 12.28 Demand for Land**

The results show a significant difference in demand for land between the two sample households representing the islands. The  $\chi^2$  statistic by far exceeds the critical value, therefore confirming that a significant difference for land requirements between the two populations exists (see box below).

Summary of contingency table analysis:	Unguja-Pemba	
df :	2	
Total $\chi^2$ :	57.68499	p = .0001
G Statistic:	65.65	
Contingency Coefficient:	.44701	
Cramer's V:	.49975	

Despite efforts by government, technological change in agriculture has not been sufficient to register any significant increases in production of food or cash crops. A tiny proportion of the land is irrigated and modern farming techniques and practices are a rarity. Generally, a trend has emerged in which a decreasing proportion of the rural population is effectively engaged in agriculture. Such a situation will stifle the anticipation for increases in domestic food production in Zanzibar.

The above situation partly explains why the food production programme (MTAKULA), has had limited success, while at the same time there has been an influx of a young under- and unemployed population in the urban areas. The other equally important factor is that there do exist differences in land usage and requirements between the islands and therefore separate and more appropriate measures will be required in



addressing the problems in the two islands.

To assess the role of modern agricultural technology in agriculture, respondents were asked whether they made any use of modern inputs, such as fertilisers and pesticides (Table 12.14). A number of respondents (39%) mentioned falling yields and declining fertility as evidence of environmental degradation and 46% gave this as a reason for practising land fallowing (n= 54). About 28.2% of the respondents reported using some kind of fertiliser, with 15% using modern inputs. About 71.8% of the respondents did not use any type of fertiliser. The survey results supports one agricultural study (GoZ, 1983) which found that over 90% of farmers rarely use natural fertiliser. The same study also noted that by 1981/82 there was a small increase in the use of various modern inputs and much of this was in response to recent crop diseases and falling fertility. In informal discussions with some of the farmers it was established that the main constraints in the use of natural fertiliser and modern inputs lay in flaws in extension services, acceptance of new technologies, the associated costs and difficulties in the supply of modern inputs and the increased demand of labour that is caused by adopting some modern inputs.

Do you use modern farming practices? COUNT ROW% COLUMN%	UNGUJA	PEMBA	ZANZIBAR ROW TOTAL
No	78 63.9 79.6	44 36.1 61.1	122 71.8
Yes: Chemical fertilisers only	18 66.7 18.4	9 33.3 12.5	27 15.9
Yes: A Combination, pesticides and fertiliser	2 9.5 2.0	19 90.5 26.4	21 12.3
COLUMN TOTAL	98 57.7	72 42.3	170 100.0

Source: Survey  
Table 12.14 Households applying different agricultural methods

Comparing the uses of modern inputs in agriculture between the islands reveals considerable differences. The  $\chi^2$  statistic is significant well over the critical value, suggesting a significant difference in the usage of agricultural inputs between the islands. However, this difference generally reflects the different emphases of crop and soil types in the islands. Overall, it must be remembered that there is a low utilisation of modern agricultural inputs.



<i>Summary of contingency table analysis:</i>		<i>Unguja-Pemba</i>	
<i>df :</i>		2	
<i>Total <math>\chi^2</math> :</i>		22.79402	<i>p = .0001</i>
<i>G Statistic:</i>		24.57161	
<i>Contingency Coefficient:</i>		.34385	
<i>Cramer's V:</i>		.36617	

Comparing the responses between the islands, it appears that a larger proportion of Unguja households do not make use of any modern agricultural inputs (79.6%). Meanwhile the proportion using a 'package' of inputs, is greater in Pemba (26.4%). Because of the "Die Back" and "Sudden Death" crop diseases affecting cloves, particularly in Pemba, chemicals are used there more frequently. The nature of agriculture practices, land quality, types of crops and crop husbandry in Unguja have meant that the use of fertiliser is more common there. Apart from these factors, high transport costs and difficulties in supply of inputs have further constrained the widespread use of fertiliser in general and particularly in Pemba. Furthermore, the costs of inputs on both islands and the absence of agricultural credit coupled with unfavourable crop pricing policies have also restricted the spread in use of modern inputs. With 72% of households not using any improved techniques or technology, the expected increase in output may be difficult to achieve. Even for some of those using improved technology, the effects may not be an increase in output, but rather arresting any further decline in output.

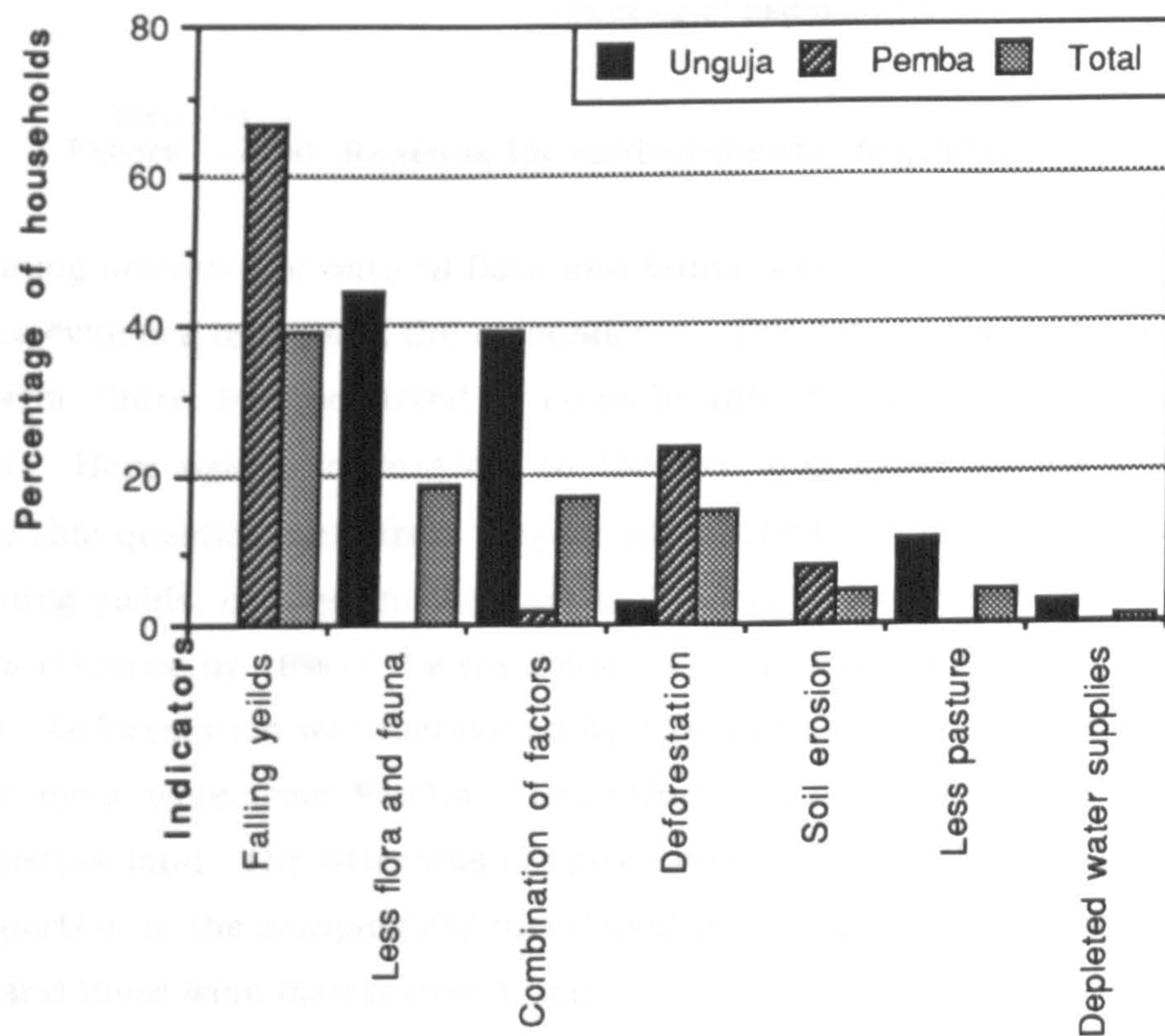
Finally, and relating to demographic pressures through demand for land and related resources such as food, wood and water, the survey sought to establish whether there was any clear evidence of environmental degradation. Official documents have pointed out some disturbing signs of environmental degradation, which are perceived to be the result of population pressure and poor land management (GoZ, 1983). The main problem appears to be shortening fallow periods in the coral rag areas and soil erosion which have had major impacts on the deterioration and supply of arable land.

The respondents were asked whether they have encountered any forms of environmental degradation in and around their respective areas in recent years (n=306) indicating the evidence they saw and what forms of degradation affected them in their respective areas. Most respondents said that they had not witnessed any environmental degradation (64.1%). Those that did not know or were not sure accounted for 7.2% of the total sample (Figure 12.29). In Pemba 41.5% of the households reported land degradation compared to 20% in Unguja. These responses reflect the consequences of poor agricultural practice and population pressure on land and confirm that environmental degradation is taking place.



Evidently more respondents from Pemba experience or perceive environmental degradation than their counterparts in Unguja. It is also possible that the forms and degrees of degradation differ between the two islands due to different soils, climatic factors, cultivation methods and crops being cultivated, differing population pressures, land use and land carrying capacity. Physical evidence shows that soil erosion is more common in Pemba due to its hilly topography and different agricultural practices, although on both islands the exploitation of wood for energy and building is widespread and intensive.

Respondents declaring that environmental degradation of some sort was taking place were also asked to provide evidence of the negative environmental changes taking place around them. The results are shown in Figure 12.29. There is a clear difference in the evidence or indicators of environmental degradation given by respondents from both islands and this is supported by the  $\chi^2$  statistic (79.3468 at 6 degrees of freedom)

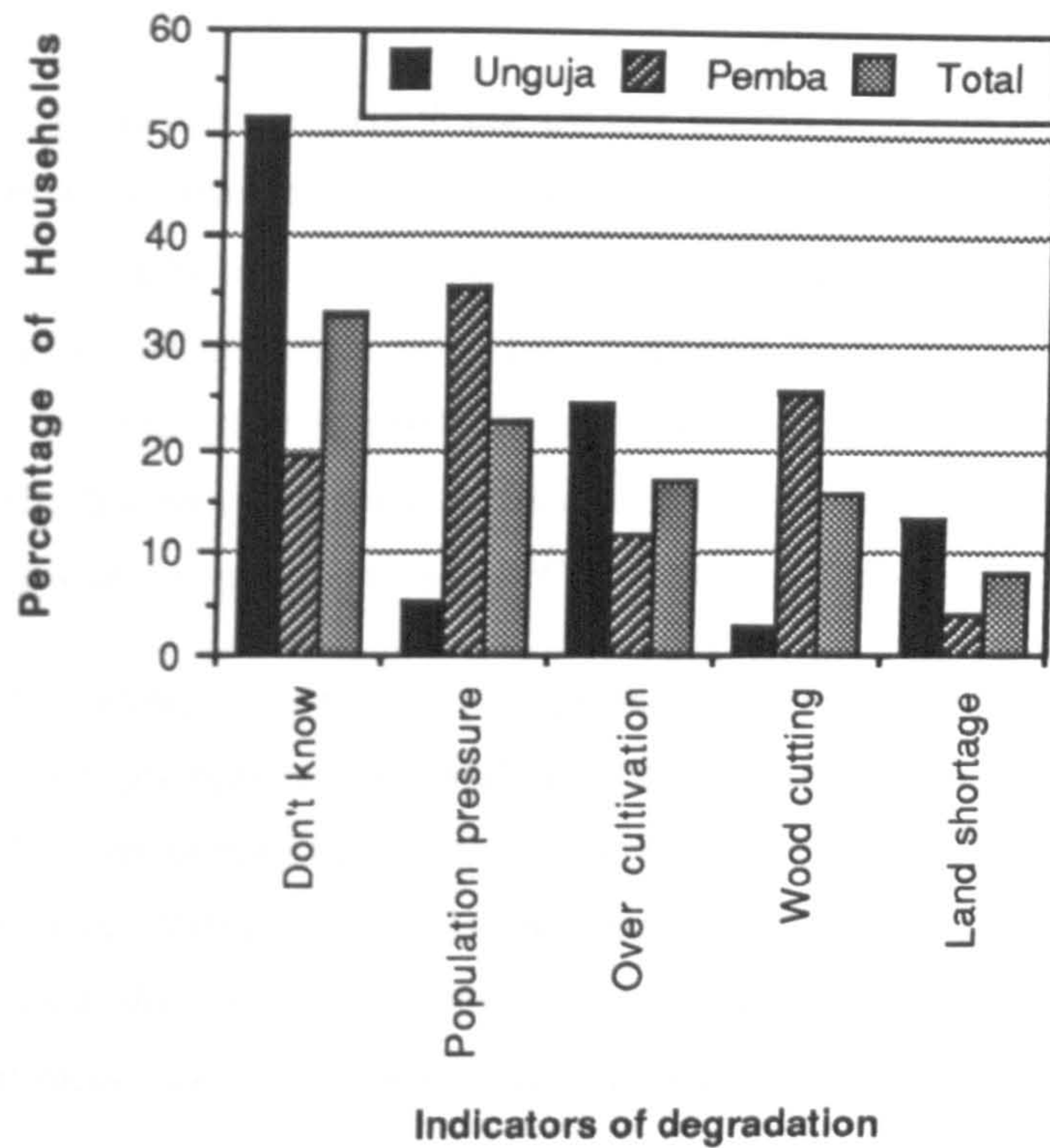


Source: Survey

**Figure 12.29 Indicators of environmental degradation**

Falling yields was the most common indicator of environmental degradation accounting for 39% of the respondents. This means that the soils have been overworked for a long time while little use of fertiliser is made. Curiously, this cause is of significance only to Pemba island as no one from Unguja mentioned it.





Source: Survey  
**Figure 12.30 Reasons for environmental degradation**

Visibly declining amounts of natural flora and fauna, mainly wild plants and animals were given as evidence by 18% of the respondents. This means that recently (over the last 10 years) there has occurred a considerable change in the surrounding environment. Here again, in contrast to the previous case, all the respondents answering to this question were from Unguja island (18%). A combination of factors, that is declining yields, changes in the flora and fauna, deforestation and soil erosion were given as evidence by 16% of the respondents. Here most of the respondents were from Unguja. Deforestation was mentioned by 15% of the households as an indicator and of these most were from Pemba. The other indicators were soil erosion and decreasing pasture land. The latter was not given mention by Pemba respondents. The smallest proportion of the sample (2%) mentioned declining natural water supplies as an indicator and these were mainly from Unguja.

The variety of responses reflect a divergence of what the respondents from the two islands witness or experience and perceive as environmental degradation. Judging from the experiences and views of the respondents, it is noted that there are different forms and degrees of environmental degradation between the islands reflecting the nature of population pressure, land use and resources exploitation. Physical examination of parts of the islands that were visited supports this observation and any subsequent campaigns or measures taken to combat these factors have to take into account that despite the islands occupying a small area there is considerable differentiation between



and within the islands.

Evidently, the various programmes broadcast by the media and the campaigns by the agricultural and other departments have made an impact and some people are more aware of the problem. It is obvious that it was difficult for some respondents to admit to and point out problems which they felt that perhaps they were responsible for. However, many (24%) thought that population pressure was a major cause, while 18% of the respondents attributed it to over-cultivation (Figure 12.30). About 17% said excessive wood cutting was the problem, while 8% attributed this to land shortages.

The respondents were asked to identify the causes of environmental degradation. Interestingly, only a small proportion responded to the question (n = 88). Although the question seems simple and straightforward enough, it proved to be quite difficult to respond to as the majority (33%) indicated that they were not sure about the causes. Some also expressed that the issue was more complex than it appeared to be on the surface, offering a combination of practical and fatalistic reasons grounded in spiritual belief.

There were differences between the two islands in the reasons or causes of environmental degradation (Figure 12.30). While in Unguja over 52% said they did not know or were not sure, in Pemba this proportion was only 20%, indicating either that the problem affects Pemba more or respondents there are more aware, or both. Over cultivation (23%) and land shortages (13%) seem to be the more dominant indicators in Unguja. In Pemba it was population pressure (36%) and wood cutting (25%) that were the main causes of degradation.

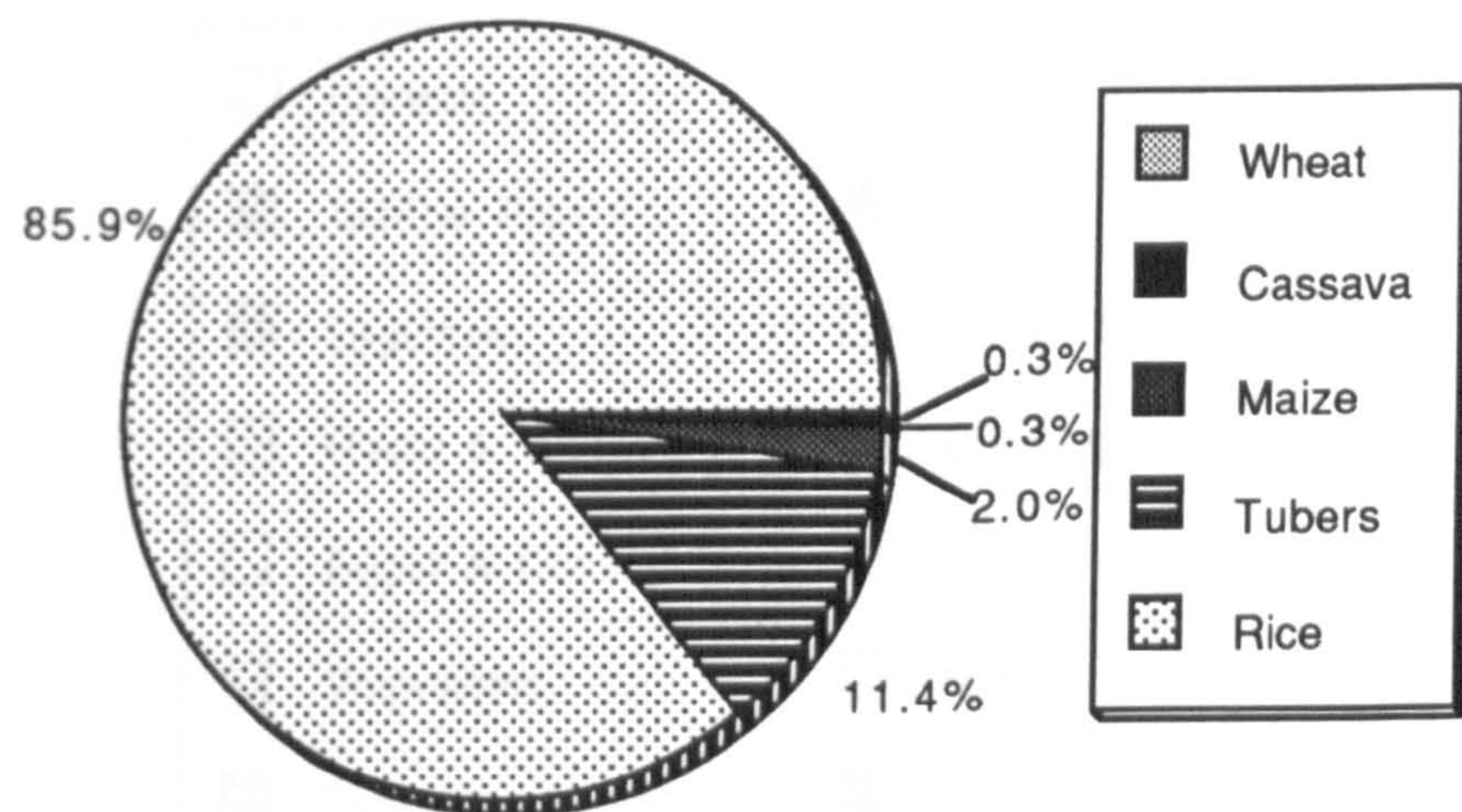
### **12.7 Implications of the MIRAGE economy for rural areas**

Past development policies and consequently the MIRAGE economy has several implications for the rural areas. The more important of these are discussed in this section. One of Zanzibar's main problems is that of having to import food. Apart from taking up about a half of its export earnings, there also exists the food or cash crop dilemma prevalent in many SIS. This is a progression from the development of plantation economy, when clove production was encouraged, while rice and wheat flour, both of which are produced more cheaply elsewhere, were imported. However, in the case of Zanzibar, clove prices and production have fallen drastically, and so have incomes, while the population is growing rapidly. Fifty years later, the situation remains extraordinarily the same. Despite having a range of other foods, and at least two major attempts aimed at being self-sufficient in food, Zanzibar continues to be a net importer of rice, wheat and sugar. The demand for these foods is growing and domestic production is unable to fulfil the gap.



There is also a considerable degree of malnutrition, particularly amongst infants and young children in the islands, and this is related to food consumption habits and preferences. In the coral rag areas a considerable amount of cassava is produced and but rice remains the most preferred food. Cassava and sorghum serve as reserve foods, although with the withdrawal of food subsidies and growing costs of living, cassava, other root crops and plantain (bananas) have become increasingly important foods. The survey sought to investigate to what extent there are differences in the preference and consumption of the main staples and what are the main sources of proteins in the different areas. It also assess to what extent the population is dependent on imported food and establishes which areas have a higher or greater preference for this.

Most respondents reported that rice was the most preferred cereal in their households and was consumed frequently (86%). The remaining foods registered a very small preference (Figure 12.31). Although cassava is one of the most widespread grown food crops, a very small percentage of the respondents indicated that they consumed it regularly. Moreover cassava is frequently grown as a 'reserve crop', and is only consumed when other preferred foods are unavailable or too expensive to buy.<sup>1</sup> These results were expected given that rice, wheat flour and sugar are amongst the important food items consumed in most households.



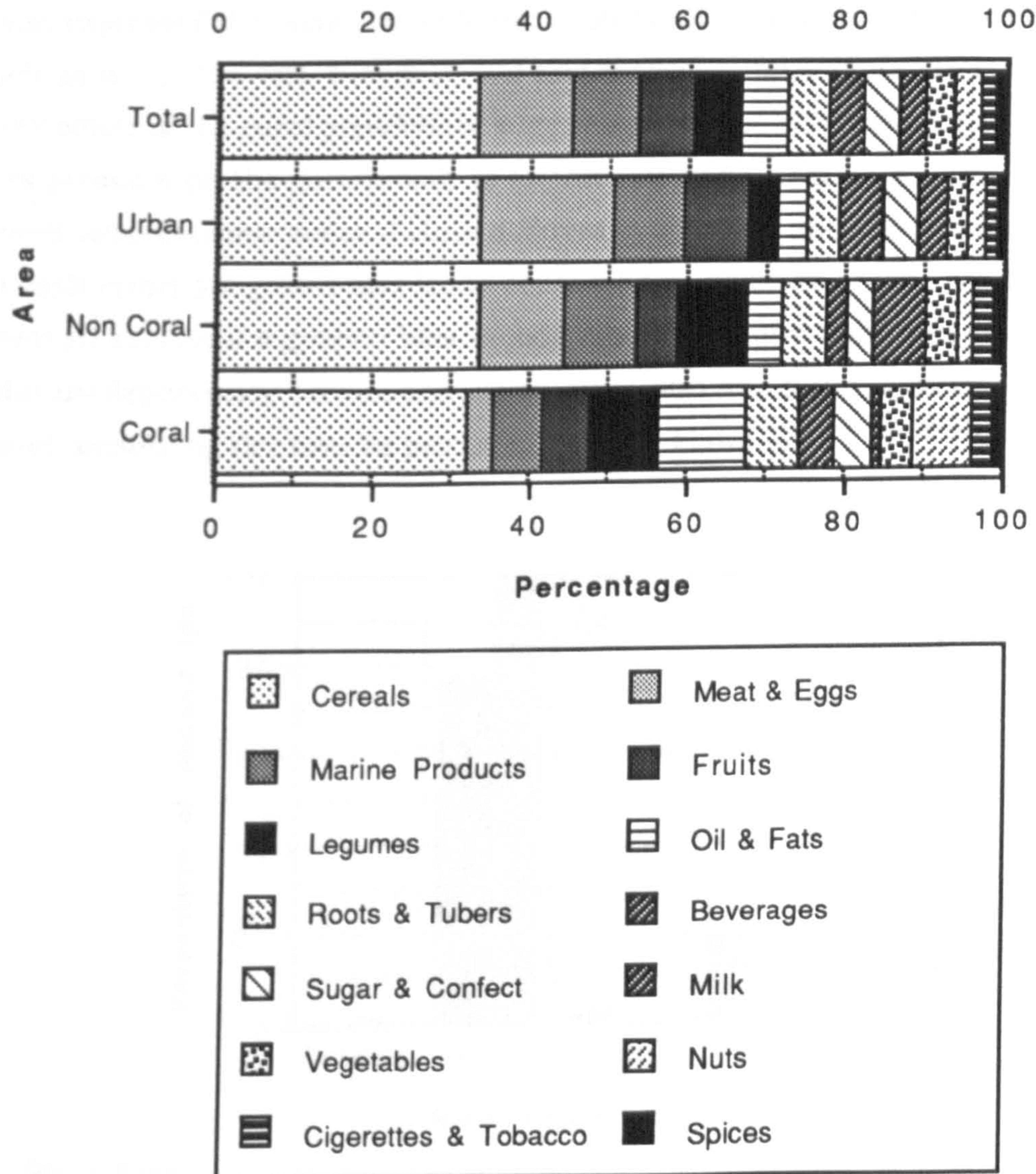
Source: HBS, 1991

**Figure 12.31 Food preferences in Zanzibar (staples)**

<sup>1</sup> It is also quite possible that these responses actually reflect what most households *preferred* as opposed to what they *actually consumed*.



Data on actual expenditure on different food types by households was obtained from the 1991 HBS (n = 594), and this is displayed as a proportionate bar chart (Figure 12.32). In terms of the proportions of the household budgets spent on domestic food consumption, the results (taking the total for Zanzibar) show that cereals (mainly rice, wheat and sorghum) rank the highest (32.8%), followed by meat and eggs (11.9%) and marine products (8.2%). These are followed by fruits (7.1%), vegetables (6.1%), oil and fat (5.9%), and roots and tubers (5.1%).



Source: HBS, 1991

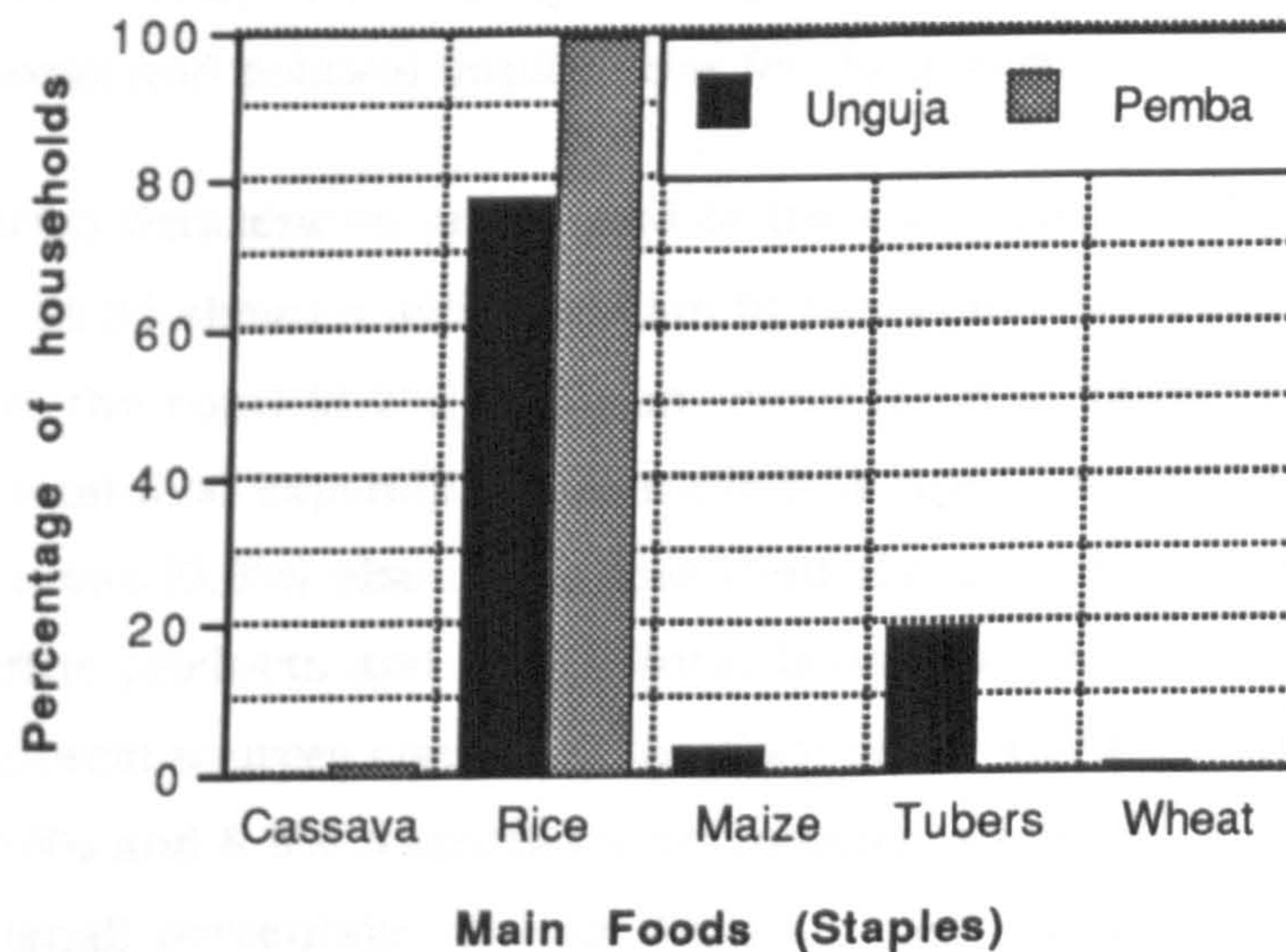
**Figure 12.32 Rural-urban household expenditures on food**

However, the Figure (12.32) also shows some variations in expenditure on some foods in between the coral, non-coral and urban areas. For example, the households in the poorer coral areas spend a smaller proportion on meat and eggs and fruits, while the non-coral areas expend the smallest proportion on fruits, presumably because they grow most of their own. The urban households expend a smaller percentage than the rest on legumes. These consumption differentials, such as that on meat and eggs and



marine products show that the households in the coral rag areas spend (and hence consume) less of these proteins compared to the urban and the non-coral areas. Such patterns of consumption mirror the differentiation in the levels of nutrition and rural poverty levels.

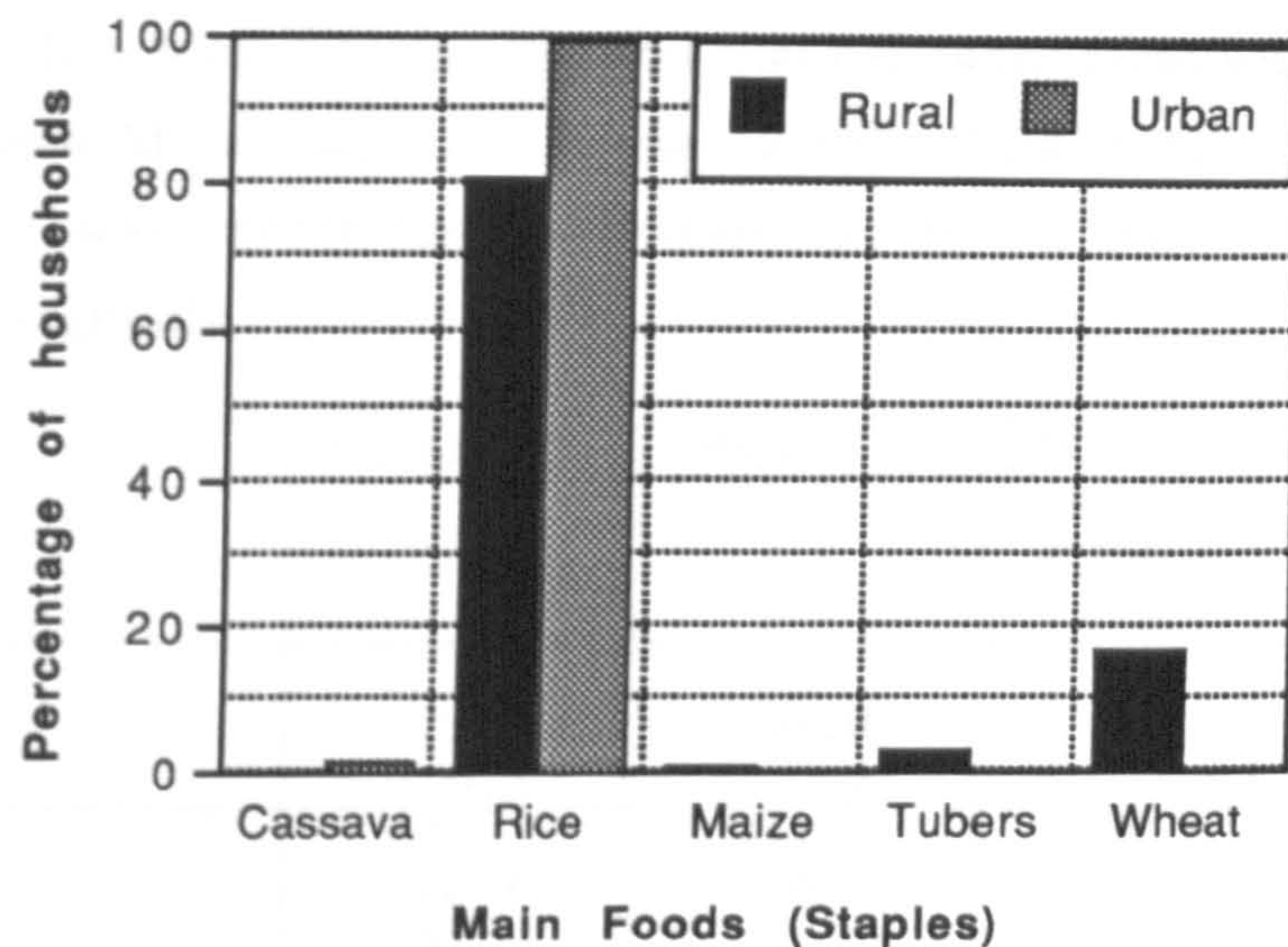
The survey results reveal that spatial variations in food preferences are small (Figures 12.31, 12.32, 12.33 and 12.34). Similar responses were obtained when comparing the rural and urban sample populations. The urban population showed an overwhelming preference for rice (Figures 12.32 and 12.33). Although a high percentage of the rural sample also expressed the same, some of the households indicated preference for other foods such as wheat (16.4%), tubers (2.8%) and maize (0.5%). This reflects the lower purchasing power of the rural population, suggesting that the rural population probably exerts less pressure on the government to import rice and wheat flour. The soil types and different agroeconomic zones dictate different crop mixes and mirrors the types of food and cash crops are grown and foods consumed in different areas. On the whole these observations reveal a general bias in food preferences and that there is a distinct food or 'dietary dependency' on rice and wheat. Rice also has a status connotation and a household consuming rice may be perceived as being better off.



Source: Survey

**Figure 12.33 Food preferences in Unguja and Pemba (staples)**





Source: Survey

**Figure 12.34 Food preference in Rural and Urban area (staples)**

Rice and bread (wheat flour) are acquired foods which have established themselves over the years. Many argue that through the mix of people and cultures, these foods are indigenous, though only a small proportion is produced locally. It is difficult for most people to imagine going without rice, bread and sugar; their preference for these foods is considerable and the 'dietary dependency' or 'colonialism' is complete, and this has serious economic, social and political implications for the government.

Nutrition and nutrition deficiencies are related to the consumption of proteins by the households. Figure 12.32 shows a wide variation in household expenditures on protein foods. For example, the coral (3.2%) and non-coral (10.8%) areas spend a smaller percentage of their total food expenditure on meat and eggs compared to urban areas (16.9%). The coral areas (0.8%) also spend less than the non-coral (6.5%) and urban (3.4%) areas on marine products and milk. Rural households tend to spend more on non-meat and fish protein sources compared to urban ones. Rural coral and non-coral households spend 8.8% and 8.9% respectively on legumes, while the urban ones spend only 3.3%. A very small percentage of their domestic cash consumption is spent on vegetables, with the non-coral households spending 4.4%, coral household 4.1% and urban household 2.9%.

Such expenditure patterns suggest that rural households spend less on meat and fish, major sources of protein. Instead they spend more on vegetable sources of proteins. This pattern is also explained by the fact that meat is expensive and vegetables are considerably cheaper. However, it also reflects the higher degree of malnutrition and associated factors such as infant mortality rates, in rural areas. The lower educational attainment and rural incomes are linked to this.



Respondents were also asked to identify the main proteins that were consumed by their households regularly (n = 306). The results show that fish is the main source of protein with 97.1% of household consuming it (Table 12.15). This is expected given its abundance. A very small percentage of households stated that they consumed vegetables and meat regularly.

Protein COUNT ROW% COLUMN%	UNGUJA	PEMBA	ZANZIBAR ROW TOTAL
Meat	1 25.0 0.5	3 75.0 2.4	4 1.3
Fish	179 60.3 97.8	118 39.7 95.9	297 97.1
Vegetables	3 60.0 1.6	2 40.0 1.6	5 1.6
COLUMN TOTAL	183 59.8	123 40.2	306 100.0

Source: Survey

**Table 12.15 Main proteins consumed in Unguja and Pemba**

Fish is consumed more regularly by more households in Unguja and than in Pemba (97.8% and 95.9% respectively). A larger proportion of Pemba households (2.4%) consumes meat regularly compared to Unguja (0.5%). The overall picture suggests there is very little variation in the consumption of types of protein between the islands. A similar comparison is made between the rural and urban populations and the results show similarities in fish consumption (Table 12.16). However there are some variations in the regular consumption of meat and vegetables between the rural and urban populations. While 4.3% of urban households consume meat regularly, there were none in the rural sample. A greater proportion of urban households (3.3%) also consumed vegetables compared to 0.9% in rural areas.

Protein COUNT ROW% COLUMN%	RURAL	URBAN	ZANZIBAR ROW TOTAL
Meat	0 0.0 0.0	4 100.0 4.3	4 1.3
Fish	212 71.4 99.1	85 28.6 92.4	297 97.1
Vegetable	2 40.0 0.9	3 60.0 3.3	5 1.6
COLUMN TOTAL	214 69.9	92 30.1	306 100.0

Source: Survey

**Table 12.16 Main proteins consumed in rural and urban households**



The types, frequency and amounts of protein consumed show a bias in favour of urban areas, implying that the rural households experience problems associated with low protein consumption (malnutrition), and within rural areas this will be emphasised in the coral areas.

It is expected that the exploitation and uses of resources will also have spatial variations and reflect demographic pressures. The availability and uses of water supplies and energy in Zanzibar are two relevant cases. Although the islands are said to be well endowed with extensive fresh ground water supplies, surface water resources are seasonal, limited and not reliable. Successive post-Revolution governments have made significant achievements in the provision of water supplies. One report estimates that 40% of the population has access to clean water supplies, i.e., 90% of the urban and 35% of the rural population. A significant proportion obtain their water from a number of unprotected springs (GoZ, 1987). There is clearly an urban bias in water supply as revealed by Khamis (1972) when he reports on the achievements in providing water supplies to outlying areas that, "water is now plentiful in all towns of Pemba island" (my emphasis), clear confirmation of an urban bias as early as the 1970s. This bias has already been noted in chapter 11 when highlighting the regional disparities in infrastructural and social development between the islands. The question is, to what extent does it vary spatially and to what extent does it affect the populations in different areas?

The respondents were asked whether they faced any difficulty in obtaining domestic water supplies. The majority (75.8%) indicated that they experienced supply problems (Table 12.17), however subsequent analysis shows that most (91.6%) of these are rural households (Table 12.18). This supports observation made in chapter 11 that there is an urban bias in the infrastructure. It is predominantly Pemba households that experience supply problems - whether urban or rural. About 40% of the Unguja households did not experience perennial problems in water supplies. The 1988 study on *Mortality, Fertility and Contraception in Zanzibar* (GoZ, 1988d) revealed that over 99% of the Zanzibar Town population compared to 28% of Unguja rural population had access to piped water supplies. In that study, about 70% of the Unguja sample had access to a well compared to 83.1% in Pemba. This verifies the intra- and inter-island differences in access to water supply and this is confirmed by the survey.



Facing water supply problems COUNT ROW% COLUMN%	UNGUJA	PEMBA	ZANZIBAR ROW TOTAL
Yes	109 47.0 59.6	123 53.0 100.0	232 75.8
No	74 100.0 40.4	0 0.0 0.0	74 24.2
COLUMN TOTAL	183 59.8	123 40.2	306 100.0

Source: Survey

**Table 12.17 Households experiencing water supply problems (Unguja-Pemba)**

Facing water supply problems COUNT ROW% COLUMN%	RURAL	URBAN	ZANZIBAR ROW TOTAL
Yes	196 91.6 84.5	18 8.4 21.3	232 75.8
No	36 39.1 15.5	56 60.9 75.7	74 24.2
COLUMN TOTAL	214 69.9	92 30.1	306 100.0

Source: Survey

**Table 12.18 Households experiencing water supply problems (Unguja-Pemba)**

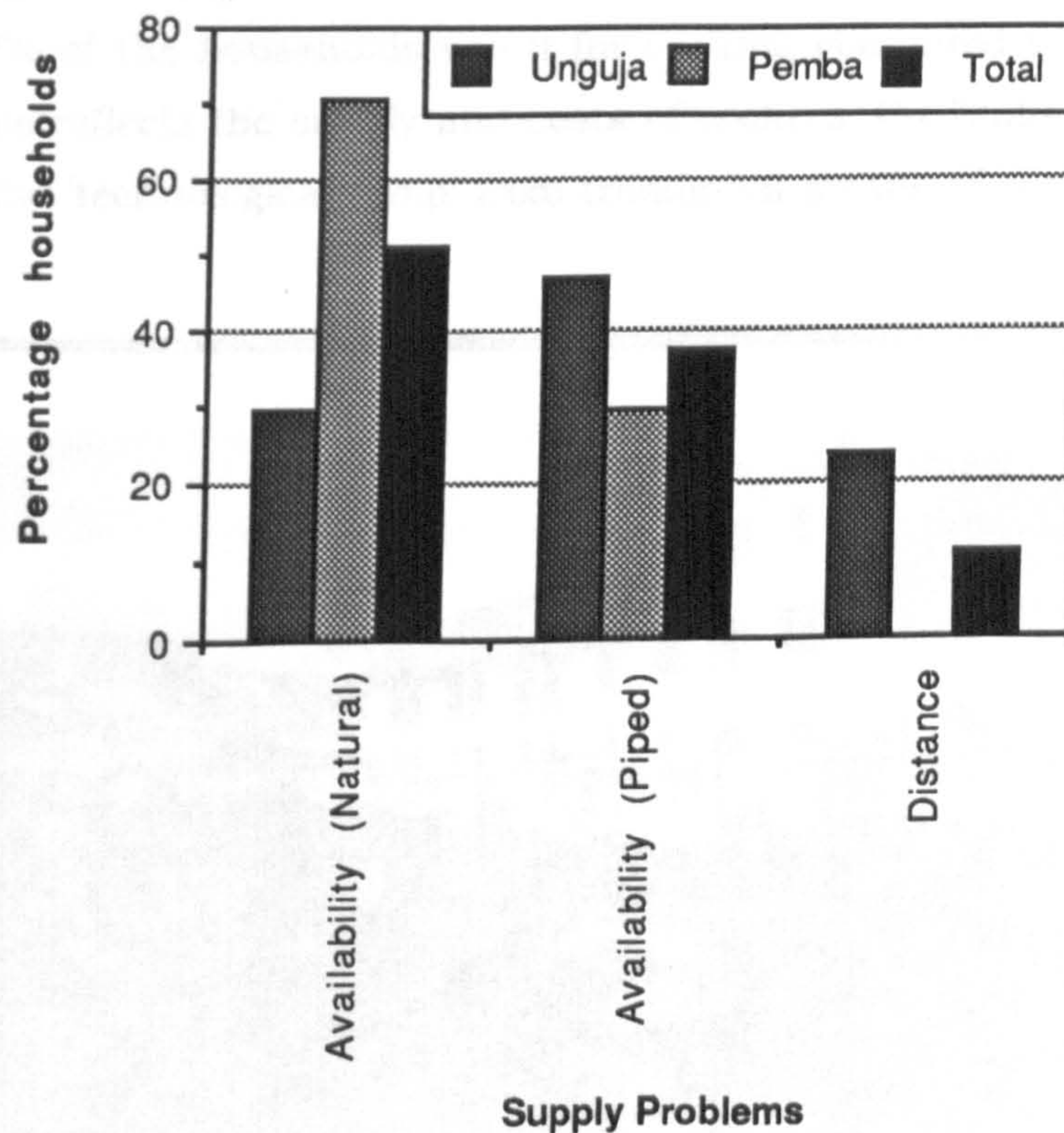
The  $\chi^2$  tests reveal significant differences in difficulties in domestic water supply between Unguja and Pemba households. A further analysis between rural and urban households shows similar results (see boxes).

Summary of contingency table analysis:	Unguja-Pemba	
df :	1	
Total $\chi^2$ :	65.6023	p = .0001
Contingency Coefficient:	.4201	
Phi:	.4630	
$\chi^2$ (with continuity correction):	63.4153	p = .0001

Summary of contingency table analysis:	Rural-Urban	
df :	1	
Total $\chi^2$ :	94.7541	p = .0001
Contingency Coefficient:	.4851	
G Statistic:	89.7541	
Phi:	.4630	
$\chi^2$ (with continuity correction):	91.6875	p = .0001



It was established that the respondents were facing different types of supply problems, many associated with the distribution of the relevant infrastructure. Nearly 39% of the households complained of poor access to and availability of clean water (Figure 12.35). About 28% reported dry taps while over 8% complained about long distances to their usual water sources. Distance affects over 14% of total households and all of these were in Unguja island. About 70% of Pemba households reported problems of availability of potable water from natural sources (wells and springs) compared to about 50% of households dependent on these in Unguja. Piped water supply breakdowns affected over 42% and 28% of Unguja and Pemba household respectively. Overall, it appears that water supply problems are associated with distributional constraints and that these problems affect Pemba and rural households more than those in Unguja.



Source: Survey

**Figure 12.35 Households experiencing water supply problems**

The availability and consumption of energy at the household level is an important matter in most SIS precisely because of their supply problems. This has several economic and environmental implications to those with fast growing populations such as Zanzibar's.<sup>1</sup> The economic ones relate to its fuel import bill, affecting also household budgets, while the environmental is associated to the rapid depletion of wood resources.

<sup>1</sup> Surprisingly, there is no evidence of indigenous research into the possibility of exploiting abundant alternative energy sources such as solar panels/collectors, wind or wave energy.



The costs of generating electricity are high since the fuel is imported in small amounts and transported over long distances, making the unit costs considerable. Although a large share of the Isles' electricity is 'imported' from the Mainland, there have been problems of supply and reliability and it is predominantly distributed to the urban consumers in Unguja. However, currently there is a rural electrification programme being implemented on the island.

About 55% of electricity sales in Unguja are for domestic consumption (GoZ, 1986) and much of this in urban areas. The vast majority of households rely on wood and charcoal for cooking and kerosene for lighting (Plate 10).. Other sources include paraffin and gas, but because they are imported they are costly and the supply erratic. Fuel imports amounts to an average of 10% of Zanzibar's import bill. According to the 1991 HBS, 1.8% of the households use kerosene and gas, 5.7% use charcoal and 89.1% wood for cooking. Although electricity is more widespread in Unguja compared to Pemba, only 3.7% of the households use it for cooking compared to 1.5% in Pemba (1991 HBS). This reflects the supply and costs of cookers, the limited distribution of electricity, and the 'technological jump' from traditional means of cooking to 'modern' ones.

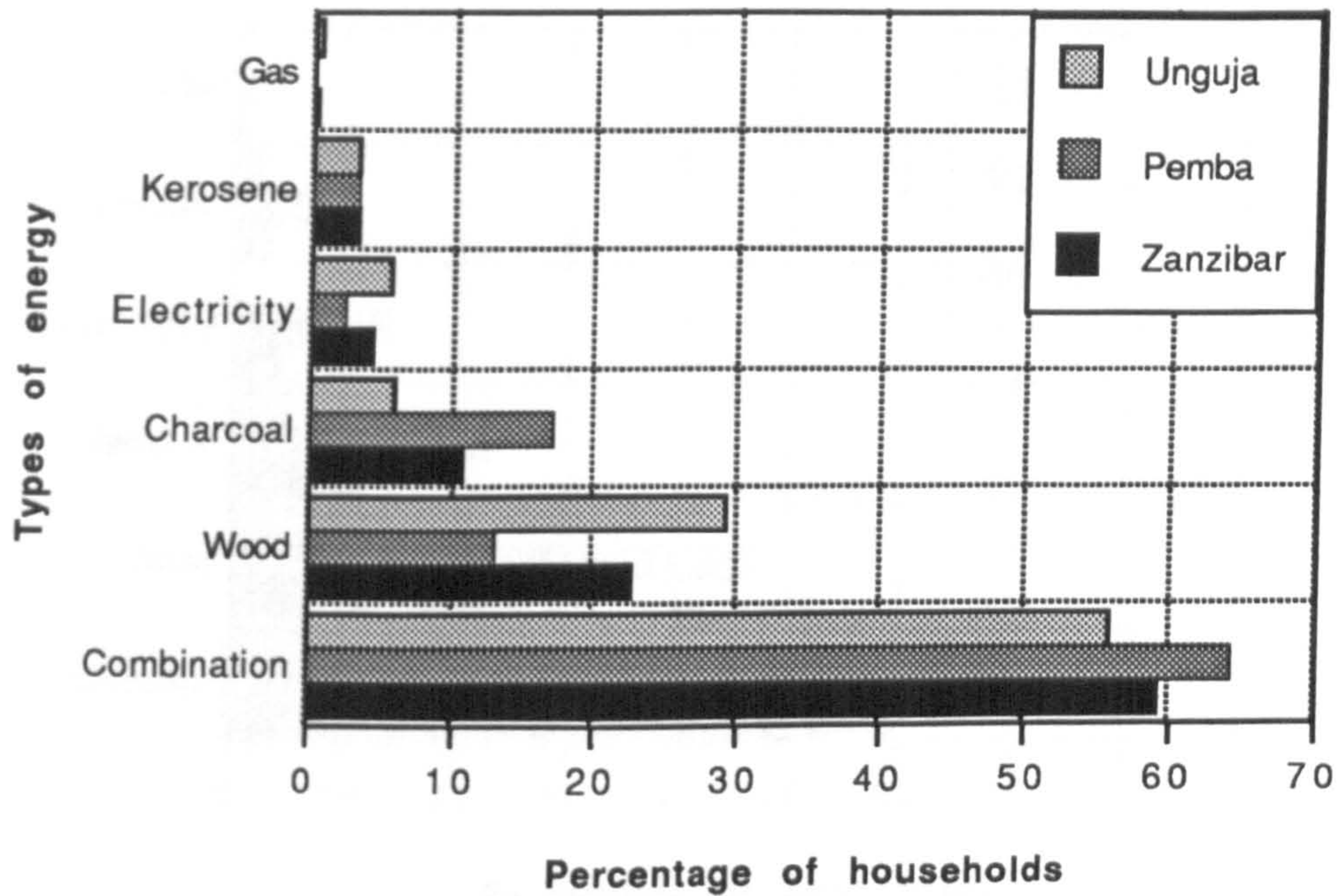


**Plate 10. Loads of wood fuel and charcoal for sale in Zanzibar Town**

The survey sought to establish the problems associated to domestic energy supply and identify which energy sources were most commonly used for lighting and cooking. The responses bear some similarities to the 1991 HBS, though the categories differ somewhat. In contrast to the HBS, the survey recognises that households do not



necessarily use a single source of energy and the definition of domestic uses includes lighting, cooking and any others. The results show that wood and charcoal and a combination of these are by far the most common domestic energy sources (Figure 12.36).<sup>1</sup>



Source: Survey

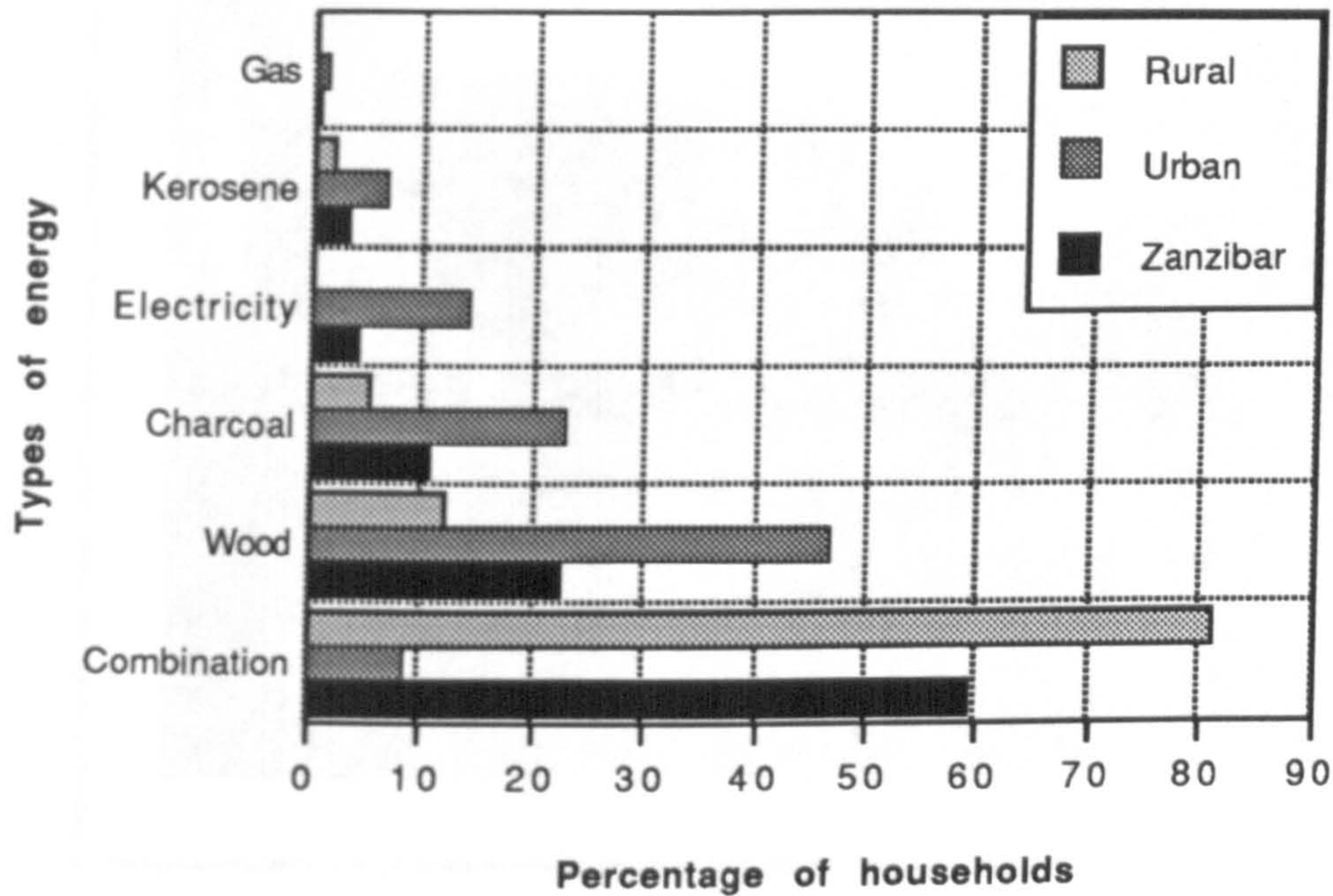
**Figure 12.36 Percentage of households using different energy sources (Unguja-Pemba)**

About 59.2% of the total sampled households (Zanzibar) use a combination of wood, charcoal and paraffin as their main sources of energy, 22.5% use wood and 10.5% use wood and charcoal (Figures 12.36 and 12.37). The use of charcoal and kerosene is more common in Pemba. A larger percentage of households in Unguja use wood, electricity and gas compared to those in Pemba. This reflects the availability and distribution of various types of energy sources in different areas. For example, electricity is distributed over wider areas in Unguja and the main consumer of electricity and gas is the urban population. The high costs of electricity and other imported fuels inhibit the poorer rural populations from using them, and so they resort to vegetative sources. This is shown in Figure 12.36 where most rural households use a combination of energy sources and account for 80.8% of the rural sample (wood, kerosene and charcoal), while another 12.1% use wood and 5.1% charcoal. None of the rural sampled households use gas or electricity, while 34% use kerosene. In contrast, about 14.1% of urban households use electricity, 6.5% kerosene and 1.1% gas. A much smaller percentage uses a combination of sources (8.7%). A larger share of the urban sample use either wood (46.7%) or charcoal (22.8%). There is no doubt that there is a

<sup>1</sup> Included in wood are other sources such as coconut shells and other agricultural waste products.



significant differentiation in the consumption of different types of energy, with the urban households consuming most of the imported fuels (kerosene, gas and electricity) as well as vegetative sources. Rural households mainly utilise vegetative sources, while kerosene is used for lighting.



Source: Survey

**Figure 12.37 Percentage of households using different energy sources (Rural-Urban)**

The main constraints relating to the supply or availability of different energy sources are either cost or availability of the different forms of energy or both. Overall, cost is the biggest constraint. Supply alone is not a major problem, although the combination of costs and erratic supply of energy sources affects 41% of households (Tables 12.19 and 12.20). The supply of wood and charcoal is reliable even in urban areas, since this is 'bussed' in daily. It seems that costs affect the imported fuels and wood or charcoal that has to be transported to consumers from different areas in the Isles, i.e., from rural to urban areas, or from rural 'supply areas' to rural 'demand areas' (Plate 11).





**Plate 11. Rural bus off-loading wood fuel at the market**

Problems/ Constraint of energy supply COUNT ROW% COLUMN%	UNGUJA	PEMBA	ZANZIBAR ROW TOTAL
Costs	136 81.4 74.7	31 18.6 25.2	167 54.7
Availability and reliability of supply	8 80.0 4.4	2 20.0 1.6	10 3.3
Both costs and reliability of supply	38 29.7 20.9	90 70.3 73.2	128 41.0
COLUMN TOTAL	182 59.7	123 40.3	305 100.0

Source: Survey

**Table 12.19 Supply problems of energy (Unguja-Pemba)**



<i>Summary of contingency table analysis:</i>		<i>Unguja-Pemba</i>	
<i>df :</i>		2	
Total $\chi^2$ :		82.4137	<i>p</i> = .0001
G Statistic:		85.3682	
Contingency Coefficient:		.4612	
Cramer's V:		.5198	

The survey established that there is a difference in the supply constraints between Unguja and Pemba island and between rural and urban areas. First, this is shown by the cross-tabulated data (Tables 12.19 and 12.20) and confirmed by the respective contingency analyses (see following boxes). The  $\chi^2$  statistics indicate significant differences in the types of constraints facing the sample populations representing the areas being compared. From the Tables, it appears that in Unguja cost is the main constraint in energy supply affecting 74.7% of households there, while costs and supply affect 20.9%. In Pemba the situation is somewhat different in that the combination of costs and supplies affect the majority of households (73.2%). Cost alone affects only 25.2% of the sample households on the island. This suggests that costs are higher in Unguja as a result of perhaps diminishing resources (wood) and higher demand by households. In Pemba it is the combination of costs and reliability of supply of energy that affect the majority of households, affecting mainly the non-wood fuels.

From discussions with some respondents it became quite evident that frequent power failures (electricity) and infrequent supply of gas and paraffin are common. Also prices of gas and paraffin have been increasing. Related to electricity, gas and paraffin are the costs of the necessary equipment for their use, such as cookers. Despite the small size and a rural electrification programme, the power grid in the Isles has yet to reach outlying areas.

Problems/ Constraint of energy supply COUNT ROW% COLUMN%	RURAL	URBAN	ZANZIBAR ROW TOTAL
Costs	90 42.1 53.9	77 84.6 46.1	167 54.7
Availability and reliability of supply	2 0.9 20.0	8 8.8 80.0	10 3.3
Both costs and reliability of supply	122 57.0 95.3	6 6.6 4.7	128 41.0
COLUMN TOTAL	214 70.2	91 29.8	305 100.0

Source: Survey

**Table 12. 20 Supply problems of energy (Rural-Urban)**



<i>Summary of contingency table analysis:</i>		<i>Rural-Urban</i>	
<i>df :</i>		2	
Total $\chi^2$ :		71.8129	<i>p = .0001</i>
G Statistic:		82.8323	
Contingency Coefficient:		.4366	
Cramer's V:		.4852	

The study has established that some profound differentials exist in the basic socio-economic characteristics between rural and urban areas and between Unguja and Pemba islands. Despite Pemba having nearly half a dozen designated urban areas, it exhibits predominantly rural characteristics and although Unguja has only one major urban area, it is large enough to affect and 'even out' the rural indicators of the island. However, the rural-urban comparisons and tests have shown that there are significant differentials in population distribution by age, and household sizes. Other differentials exist in the attainment of education and training, types of occupation, which in turn determine the household incomes and income groups. These favoured urban areas and Unguja island, although most cloves are produced in Pemba.

Income and education affect the types of foods consumed by households with implications for nutrition. The survey has confirmed the existence of a considerable degree of dietary preference and dependency throughout the Isles. This has economic and political implications, especially with a growing and powerful urban lobby. What is important is many of these variables interact with one another and have what may be termed as 'domino effects' on the local and national economy. For example, illiteracy or levels of education have effects on health, types of employment and migration. Also migration is linked to remittances. The situation becomes even more precarious when a large percentage of the urban population that is youthful is under-employed or unemployed, leading to frustrations emanating from unfulfilled expectations and even crime.

The survey has managed to construct a socio-economic profile that shows clearly that despite nearly three decades of independence, spatial disparities have not narrowed significantly and continue to exist in Zanzibar. These disparities are also responsible for encouraging an important part of the rural population to migrate elsewhere, usually urban areas, in search of alternative and more rewarding opportunities. While inappropriate government policies and development strategies are partly responsible for this, it is also true that because of Zanzibar being a SIS with the concomitant development predicaments of smallness and underdevelopment, it experiences an additional set of constraints that severely restrict its room to manoeuvre. For example, low export earnings limit its public investment capacity, so limiting the little that is available to even fewer areas.



## 12.8 Summary and Conclusions

The analysis of the implications of Zanzibar's MIRAGE economy at the micro-scale has revealed several interesting factors underpinning the problems facing a small tropical island state, with a rapidly growing population and a limited resource base. These factors significantly temper the form, pattern and process of rural-urban relations. In reviewing the aspects of rural-urban interaction in Zanzibar, three factors emerge which are relevant to a more general view of rural-urban relations in the Isles. The relative importance of these factors is different compared to those in equivalent rural-urban interaction in most larger developing countries.

The first is the small size of Zanzibar, - whether in an economic, areal or demographic sense - which with its limited resource endowment heightens competition for land. The second is the dominating influence of migration on the demography and the economy of the Isles. The persistence and magnitude of migration in relation to its total population size is significant, entailing several important consequences to the island economy. The third relates to its ecology. Zanzibar consists of fragile interlocking sets of delicately balanced ecosystems. Its coral and non-coral interiors have intimate environmental linkages with the coastal zones, where most urban centres are located. Thus pressure on land resources in the interior or rural periphery entails ecologic as well as economic repercussions in urban areas. The environmental reciprocity between rural and urban areas is of considerable importance for sustainable development in Zanzibar, a factor which is lacking in a MIRAGE economy.

The results of the survey provide some interesting insights that support the observations made in preceding chapters relating to Zanzibar's MIRAGE economy, while also confirming some of the hypotheses postulated at the outset. They reveal considerable evidence of spatial differentiation between Unguja and Pemba island, and between rural and urban areas and highlight some of the consequences of such a situation to Zanzibar's contemporary development. In so doing, it has tested and supported the hypotheses that Zanzibar's economic structure is indeed a MIRAGE economy, and that there still exists considerable spatial differentiation in Zanzibar despite several attempts aimed at greater spatial and class egalitarianism. The approach to the analysis was based on Zanzibar's rural-urban and inter-island interactions as exhibited by their core-periphery relations.

The factors triggering the movements from rural to urban areas indicate some malaise in the economic and spatial structure of the island economy. The analysis has shown some of the dominant socio-economic characteristics at the micro level of the economy that are associated with a MIRAGE economy. Without recent census information, it has shown that there is still considerable rural-urban migration and some emigration taking place in Zanzibar. What is more important are the main directions and the important



consequences of such movements. The younger rural population that is engaged in rural-urban migration leaving behind the old, with significant consequences on the rural economy. Such movements are facilitated by networks based on kinship, a phenomenon which Bertram and Watters (1985) referred to as the 'transnational corporation of kin' (*op. cit.* :499).

The survey has noted that it is the larger island of Unguja that is attracting the incoming population. However, there is an additional dimension, in that the Mainland also attracts some of these movements. No doubt the special political, and now increasingly economic relationship between the Mainland and the islands has facilitated this, as prospects for better opportunities for many islanders are offered. However, at the same time the areas losing the migrants are becoming increasingly abandoned, with negative economic and social implications. Thus production in the agricultural and marine sectors is stagnating and may even fall, further exacerbating the island's dependency on imported food, jeopardising its foreign exchange earning capacity. It has been noted elsewhere that a significant flow of remittances can have positive effects on levels of housing, health, nutrition and education (Lowenthal and Comitas, 1962). However, from the evidence available clearly such benefits are accruing primarily to urban areas, further exacerbating rural-urban differentials and as mentioned earlier, relevant information flows will only serve to heighten these movements. Indeed the volume of migration is considerable, such that it was reported that a Representative of the People (equivalent to an M.P.) "...decried the abscondment of trained manpower (*sic*) stressing that the planned development in all sectors would stall in the absence of local experts" (*The Daily News*, June 15, 1991, p.1).

The movement of population away from an area that is experiencing population pressure can be a positive factor. There is no doubt that Pemba island has been experiencing considerable population pressure and migration can be seen as a 'safety valve', reducing such pressures on land and, indirectly increasing income opportunities while reducing pressure of political resentment and local frustration (*cf.* Cape Verde, Barbados and Malta). Other positive outcomes of migration are remittances. Where they contribute to major capital investments, they create jobs and spread some of the benefits. However, in the survey it was noted that it is mainly the urban households that benefited from this. In some areas, return migrants may have come back with new skills and innovations that they may have otherwise not have acquired and spread. However, it is also true that information flows following the aftermath of migration underpin rural-urban contacts and perceptions. Moreover, a large share of remitted incomes tends to be used for consumer goods such as food and clothes (Connell, 1980; Marshall, 1982; Rubenstein, 1983). This is certainly the case in Zanzibar too. In the long term migration and remittances tend to encourage a demand for imported (and expensive) consumer goods, which in turn pushes up agricultural wages putting a



squeeze on that part of the economy with the most long-term promise.

It appears that in Zanzibar, as in other small countries, migrants now constitute one of its more valuable exports. It has also been noted that globally the overwhelming weight of evidence suggests that the dependence on labour exports and remittances reflects the poverty and lack of investment opportunity from where the migrants came from (Connell, *et. al.* 1976:98). This appears to have some relevance to Zanzibar.

It has been argued that small size can be advantageous in that small states have greater social and political coherence and hence are easier to administer than larger states (Knox, 1967). Given the geographical characteristics of Zanzibar which include, small size, small relative distances within and between the islands, very low degree of fragmentation, relative homogeneity of its people and policies which aimed at spatial equity and egalitarian development for over 26 years, it would be fair to anticipate that the degree of spatial inequality would have been reduced significantly. However, this is not so and is one of the principal factors that contribute to the islands' contemporary development problems.

What is clear at this stage is that migration and remittances have become an important part of Zanzibar's economic development and therefore need to be thoroughly investigated so the government can assess benefits and costs. This also highlights the importance of the political and economic relationships between the source and receiving countries, the sources being the Mainland and the Middle East. Clearly, these sources derive from historical and political links such as those with the Mainland and the Middle East. There is little doubt that there is ample scope to develop and benefit from these increasingly economic relationships and expand on the scope for alternative interdependent action.

It has been noted elsewhere that migration (and remitted incomes) has emphasised the trend towards the 'disintensification' of the traditional agricultural system that has followed the expansion of cash cropping (Brookfield, 1972; Lea, 1972). Evidence of this exists in Zanzibar too in that little improved technology or techniques are made use of. On the whole, these lead to further agricultural decline further exacerbating the inequities between the islands and rural and urban. Support to subsistence farming is important in that it is more responsive to price changes and more capable to develop linkages with other sectors such as tourism. However, according to current trends where even tourism development occurs mainly in Unguja, there are small expectations for Pemba farmers, unless the transport infrastructure is vastly improved to reduce transport effects and permit 'export' of food crops to the tourist market on the sister island or tourism is also developed in Pemba. Population pressure on land also means that the land available for the cultivation of rice (which is predominantly rain-fed) is also limited, and land use competition for tourism, agriculture and construction is on the



increase.

Food production is central to the island economy. Food continues to be imported despite the possibility of increased domestic production. Cash crop production has been at the expense of food crops resulting in high levels of food dependency. The survey has shown that despite the availability of many other foods, such as cassava, tubers and bananas, preference for rice is paramount and highlights the difficulty of even changing preference to these foods. Given the rigid preference for rice, a situation of food dependency exists and will continue to exist for some time. The evidence also shows that despite efforts by government to encourage domestic food consumption, cash crops still take up considerable human and land resources, and this is especially true in Pemba.

Apart from cash cropping, other factors affect agriculture. These include declining soil fertility, shortages of labour, crop diseases, advancing age of farmers, migration of the younger population, poor physical planning and delivery of technical services, poor agricultural technology utilisation, inappropriate agricultural policies and urban bias have all affected agriculture, and food production in particular. Meanwhile population growth is outstripping food production. Similar trends have been noted elsewhere, where migration of rural producers led to decline in the labour force leading to a static or declining production and causing costly and increasing food imports (Connell, 1984).

Uneven development is not unique to Zanzibar as a SIS, though its degree appears to be considerable and is accentuated by urban primacy, minimal decentralisation and urban bias in the allocation of resources. Apart from development policies that lack integration between the various sectors, the spatial dimension is largely neglected. The situation is further compounded by high transport costs. This in turn emphasises regional inequality and core-periphery problems that increasingly worsen any prospects of realising spatial equality (Alexander, 1980; Sofer, 1985). Apart from creating and enhancing an inefficient economy, this leads to resentment against government and encourages nationalism or at least regionalism. Elsewhere, this has led to secessionist threats (cf. Vanuatu, Solomon islands, St. Vincent, Tuvalu, Barbuda, Mauritius, Nevis, Papua New Guinea, and Fiji). This perhaps explains why many of the government's recent political and economic problems have emanated from Pemba. The island has been a source of dissidence in which there have been calls for holding a referendum against the Union.<sup>1</sup> Obviously, the problems outlined here may not necessarily be the

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<sup>1</sup> The Daily News, (2/10/1988 p.3) Addressing the Pemba North Regional Extraordinary Party meeting, the Chief Minister warned that the Party will continue to monitor leaders who misuse their powers. This followed a decision to withdraw from Party membership seven leaders in a bid to get rid of irresponsible leaders. He said "The move by the Party has cleared the polluted political atmosphere and restored peace which was in danger". In the Daily News (14/9/1988 p.1) it was reported that the Part Secretary general "...commended the Isles Party leaders for restoring calm in Pemba where a few months ago some misguided elements had been undermining the Party". In the Daily News (7/8/1988 p.7) the Zanzibar Chief Minister said the Isles will remain non-racial despite manoeuvres by its foreign based adversaries who want the islands to be a racist state...He said there was no room for racism in the Spice



core of the political friction occurring and originating from there, but they certainly fuel the fire, and perhaps even more importantly, they lead to a distorted expenditure pattern and a dislocated economy.

The survey has also shown evidence of spatial inequalities in public investments and resource use in the islands. The rural areas and Pemba, in general, are sources of out-migration, demographically characterised by high birth rates, an aging population, low income levels and agricultural productivity, poor levels of social services, educational and medical services and other infrastructure. On the whole, it is shown that the spatial organisation of Zanzibar's economic activities, the small farming sector has remained entrenched as a classical rural periphery in relation to Zanzibar Town - the urban core. Successes in rural and agricultural policy and planning have been elusive and as such rural and agricultural development has become what Barker (1989:313) terms as "a labyrinth of ideas, agencies, plans and projects".

The chapter highlights the complex relations which exist between rural and urban areas and operate under conditions of dependent development (Potter, 1989). It is important that an holistic approach is adopted to Zanzibar's development and social change since spatial and geographical factors can no longer be taken for granted. For too long there has been an over-emphasis on national economic planning that lacked integrated policies which include the needs of all areas of the national territory. Development in the region must increasingly stress on basic needs to raise the overall quality of life of peripheral-rural residents. The situation in Zanzibar shows that there is also need to stress the social dimension of development, while the spatial dimension of development is required to reduce exploitative interaction between rural and urban areas, such as through rural location of new economic activities, and tourism development with indirect multiplier effects to rural areas.

The survey concluded that there are conspicuous spatial disparities in Zanzibar, despite the perceived advantages of small size and development policies aimed at eradicating class and spatial inequalities. These disparities are partly the result of it being a dual economy and partly because of the weaknesses and inappropriateness of its development policies and strategies. There are two levels of spatial disparities, between rural and urban and between the core and peripheral island. Past development programmes failed to take advantage of a period of relative prosperity to invest strategically in the socio-economic infrastructure. In the long term this has contributed to political instability and entails higher costs to maintain stability. In the long term this will require considerable efforts and resources to rectify the situation. Major

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Islands which ushered in a popular government following the 1964 Revolution which toppled the Arab oligarchy. The Daily News (12/6/1987 p.1) Speaking in Pemba, the Chief Minister, Seif Shariff Hamad spoke of the government's concern over a seditious leaflet that was being circulated clandestinely in the islands. Not long after the Chief Minister, who was a Pemba representative, was accused of conspiring against the interests of the Party and government and arrested.



changes in perceptions are required if dependency in Zanzibar is to be reduced including the decolonisation of the mind and giving prominence to the importance of indigenous rural-based strategies of development and change.

What is worrying is that under structural adjustment and economic revival programmes, there is little scope for spatial equity. At the macro-level, purely economic considerations will dictate what will take place where, and this is the direction which current developments are heading, that is an unsustainable, lop-sided and even more vulnerable island economy. Clearly, Zanzibar's ERP and liberalisation strategies which are part of the neo-liberal market based strategies are doubtful. Corbridge raises several questions that are of relevance to Zanzibar's situation and the appropriateness of these policies. Essentially, Zanzibar is required to demote any industrialisation aspirations and other strategies to remain a commodity export-based and aid dependent economy. This relegates it to a market for the competing industrial economies (and market economics) importing food (note that the global grain market is dominated by five 'merchants of grain'), and industrial goods (note Zanzibar's increasing trade activities and re-exports). Moreover, demand for its commodities (apart from re-exports) are very price inelastic, small and outwith its control, putting it in a position of extreme disadvantage in international trade. As Corbridge (1989:253) states "In the real world of imperfect and dominated markets, can we really be certain that the direct entitlements of poor families to food will be fully replaced by market or state directed transfers? The answer must be 'no'". This underscores Zanzibar's MIRAGE economy.



## CHAPTER THIRTEEN

### 13.0 Conclusions

#### 13.1 Introduction

This research has tested the hypotheses postulated at the outset regarding the contemporary development problems of Zanzibar as a SIS. In so doing it has arrived at some important conclusions and these may be divided into three broad groups. The first of which include the theoretical perspectives, i.e., the relevance of dependency theory in the analysis of SIS and the phenomenon of double dependency acting on Zanzibar as a quasi-SIS. The second, concerns the problems of SIS of the South West Indian Ocean within their regional context, and the existence of a typology of SIS. The last is related to the recent transformations occurring in the economy of Zanzibar. However, first there follows a discussion on the results of the hypotheses.

#### 13.2 Results of the tests on the hypotheses

Successive policies have sought to strengthen Zanzibar's position within the global economy. In the *First Phase* it opted for autarchic policies. Despite initial promise, in the longer term they have compounded the problems of the SIS, i.e., they failed to achieve a domestic food production rate that is concomitant to population growth and thus to demand. In failing to diversify the economy, it became increasingly lop-sided. Meanwhile, de-linking had limited effects and self-reliance was not achieved. Moreover, as a primary producer it is inevitable that the country would continue to participate in the global market. Though Zanzibar reduced its participation with the Western economies, it still failed to transform the dependent nature of its economy, in fact it played a very peripheral role and with its union with the Mainland it became a double-dependent periphery. In other respects, it has remained a primary producer of export crops facing a severe balance of payment problem which has entailed economic stagnation and social uncertainty. These are reflected by the deteriorating internal terms of trade between rural and urban areas and between agriculture and the other sectors, manifesting itself in population movements and growing poverty.

In the 1980s, in line with much of Sub-Saharan Africa, Zanzibar adopted liberalisation policies, signalling its re-linking to the global economy. However, these strategies have yet to change its structural deficiencies. In the short term, their only success has been to secure



more development aid and to further the endogenous development problems that have manifested themselves in growing spatial disparities. Through this, the economy of Zanzibar, has transformed into a MIRAGE that has become increasingly dependent and in which prospects for a sustainable development are remote.

Although it can be argued that dependency need not always have negative repercussions, its adverse effects are of primary importance in the case of Zanzibar. First, the nature of the MIRAGE economy, as the acronym suggests, does not facilitate long term benefits since it is not sustainable. Second, the structural adjustment and economic recovery programmes have had little beneficial effects in changing the structure of the island economy. They are just as insensitive to the development constraints facing SIS as were the previous programmes that overemphasised "economic growth", overlooking relevant social development, while offering limited viable alternatives. Third, is that in 'opening up' and seeking 'room for manoeuvre', Zanzibar is exploiting the economic opportunities available through the Union with the Mainland. However, even this has been a mixed blessing. A large share of its exports to the Mainland really consists of 're-exports' (lacking value added), and the Mainland cannot sustain this indefinitely. It too continues to obtain access to loans and aid which may account for some of the foreign exchange spent on these 'imports', or through the foreign exchange that is increasingly obtained through the informal channels. Such a situation is not conducive for the partnership, reflecting the extreme narrow range of alternatives available to Zanzibar and its minute manufacturing base. Above all, it highlights the need for greater awareness of the particular problems of SIS, both with viable development policies and in development theory.

Supporting the principal hypothesis, the study has shown how Zanzibar has become increasingly incorporated into to global economy and in a position of profound weakness as it has increased its external dependence on aid, skills, investments and many basic imports. This situation has contributed to problems relating to population movements, production and spatial disparities.

The study has also shown that the economy of Zanzibar in the late 1980s and 1990s has all the characteristics of a MIRAGE economy. This was shown at both the macro and micro levels and so supporting the relevant sub-hypotheses. At the macro level it manifests itself in a structurally lop-sided economy with poor prospects for the primary agricultural exports against the rising tide of consumer imports that is aggravating the growing external dependency, debt and negative balance of payment situation. There is little doubt that under the present circumstances, Zanzibar is in danger of being condemned to an unequal dependence on metropolitan donors for its survival and recent economic recovery programmes have reinforced this dependency.



With the limited and declining prospects of the agricultural and rural sectors and following liberalisation, trade has become a flourishing activity. Clearly, Zanzibar is attempting to exploit trade as an "engine of growth" and tourism is perceived as another alternative. However, induced growth in these sectors and in the existing manner can accentuate centre-periphery one way dependence, especially when leakages exceed linkages. Already Zanzibar is exhibiting signs of becoming dependent on the NICs (the new semi-peripheries) for a large part of its international trade and with the Mainland for its interstate trade. In the latter case it also exhibits another dimension of double-dependency. The volume and nature of its interstate trade have significant political and economic implications in its relationship with the Mainland. Despite liberalisation, Zanzibar remains a small primary exporter in which import dependency from the semi-peripheries and dependence on access to Mainland markets is high.

At the micro level, these translate into increasing social and spatial inequalities in income, employment opportunities, quality and quantity of services between rural areas and towns and the islands. Thus, apart from the deteriorating conditions in the rural areas, the younger rural population is being increasingly influenced by the demonstration effects and rapidly rising expectations, luring them to hanker for better lifestyles. Consequently, they are voting with their feet by flocking into urban centres and crossing the channel. They are also voting with their mouths by demanding imported foods. The revealed preference of the rural, and indeed the urban, population cannot be ignored in the economic recovery programmes. Such demands of the population are reflected in the impending structural changes in the macro economy, such as in changing trade patterns, dependency on aid and so on. This is an undesirable situation since it renders the Isles increasingly vulnerable to the whims of donor countries.

Apart from the misplaced development strategies, the tyranny of distance and fragmentation constrain many aspects of development policy and planning. Isolation, small size and the insular resources impose severe rigidities that retard the quest for sustainable development. This situation aggravates existing socio-spatial disparities. It has also been shown that self-reliance has remained an elusive objective and more recently it has been replaced by bi-lateral and multi-lateral dependency. To some extent, it has also developed a double-dependent relationship with its Union partner, the Mainland.

Finally, the study has proven the existence of a typology of SIS, especially within the developing world. It has shown how historical legacies, and geopolitical factors play important roles in influencing the development prospects of such dependent economies, and that it can be expected that their development prospects will continue to be influenced, positively and negatively by the dominant global economies to which they are linked.



### **13.3 The relevance of dependency theory in contemporary development analysis**

The study has applied a reformulated dependency approach and shown its contemporary relevance in providing an appropriate framework for the empirical analysis of the development problems of SIS. Thus, it has been possible to examine and evaluate the problems facing the peripheral SIS within the South West Indian Ocean region. Through comparative analysis it has explored the nature of the political and economic relationships of the islands with the metropolitan economies and shown how these have influenced their current development status. Both the positive and negative sides of dependent development have been identified by exploring and comparing their experiences.

In most SIS, as indeed of much of Sub-Saharan Africa, structural concentrations of production, export markets and employment are a legacy of their colonial experiences which many have failed to change since. Such primary structural weaknesses have induced damaging dependence and extremely vulnerable economies. In the case of Zanzibar, concentration in agricultural production for exports is so high that it has failed to fulfil demand for food through domestic production, creating yet another form of dependency, that is 'food import' or 'dietary dependency'. Although it can be argued that such a concentration in economic activity is in indigenous hands, it is also true that it is controlled by the external market and increasingly small proportions of the revenues generated are reinvested in the economy.

From the experiences of the SIS of the region, their high dependence on and lack of influence on the world market constitutes one of the most serious problems that they face. There is also a relationship between their export produce and services and similar concentrations in external links. Some, such as Seychelles and Mauritius and to a lesser extent the Maldives, have maintained strong links with their ex-colonial powers. Although this has made them vulnerable to political and economic pressures when there are economic upheavals in the economies of the dominant partners, it is also true that they have, on the whole, fared better than the SIS that opted for autarchic strategies, e.g., de-linking from the metropolises. Ultimately, both the Comoros and Zanzibar have 'about turned' and are attempting to re-link fully into the global economy. This situation exposes the limited options available for small, peripheral and vulnerable economies.

Related to the above conclusions, there is a strong concentration of employment on a sectoral basis and/or by a single employer. The economies of most SIS have concentrations in vulnerable activities, such as agriculture and tourism and because of the narrow range of economic activities and opportunities, governments or their agencies often become the major, if not the largest employer. Abrupt and long term changes in these



concentrations can lead to falling incomes, unemployment and concomitant social and political problems. This situation is even more precarious when, for example, the SIS is so dependent on external assistance that internal decisions are made externally (through "the Banks" and consultancies) irrespective of the social costs incurred by their directives.

Dependency analysis has been useful in the study of the structural concentrations in the economies of SIS, and the types and degrees of their external linkages. Such ties influence economic performances through balance of payments, their socio-economic structure and income distribution. It is also important in the assessment of the extent to which governments are often influenced by external interests, e.g., through major trading partners, lenders and donors.

The analysis has shown that there can be some advantages in dependent relations and an example is Mauritius' negotiated and preferential access to the EEC market. In contrast, the empirical analysis highlights the difficulties of breaking away from conventional trajectories of development and that autarky is often more costly, restrictive and undesirable. There are different levels and types of dependency and the more positive ones include concessionary schemes for trade, aid and migration. These are the so-called 'negotiated dependency' and 'aid with dignity'. Although these will certainly increase the income generating capacity of the SIS, the question remains whether SIS have learnt a lesson and translate the benefits from interdependence into self-sustaining growth? Moreover, it must be remembered that over-dependence and especially 'concentrated dependence' entails definite pitfalls. Internal development objectives become subjected to considerable external influence, leading to problems of sectoral concentrations and inconsistencies.

In the 1960s after recognising the limited options available to microstates, Benedict suggested that 'the best solution for small territories is to look for some form of economic integration with their neighbours' (Benedict, 1967:8). However, many have developed special relations with the more distant metropolitan powers and in some ways are better off. Zanzibar has followed the 'Benedict solution', and although this has favourable implications, such as security, access to markets, a destination and economic opportunities for migrants and concomitant benefits, it has also created a situation of 'double-dependency'. The double-dependent factors include the inability to pursue independently fiscal policies from the Mainland. Its peripheral position in relation to the Mainland was until recently exemplified by the inability of direct connections through travel or communications from overseas without going through the Mainland. Zanzibar was effectively a satellite of the Mainland, which itself is a peripheral economy, thus making Zanzibar a periphery of the periphery. It is only recently that Zanzibar has been



able to receive scheduled long haul flights. Hitherto, connections were made through Dar es Salaam, on the Mainland. Furthermore, the connections between the Mainland and Zanzibar were infrequent and unreliable. Moreover, its economic policies or political stance cannot differ much from those of the Union and indifferent to the special situation of a SIS, and so this was an obstruction to arriving at some 'negotiated dependency' solutions, especially when the interests of the two sides do not coincide. Finally, through increased economic ties with the Mainland it has heightened considerably its double dependent position and is vulnerable to economic fluctuations and policy decisions across the channel.

Through dependency analysis, the external vulnerability of SIS has been shown and especially through trade and unequal exchange and the increasing reliance on "development aid" that has become a means of 'national subsistence'. Linked to this is financial and technological dependency, mainly in terms of resources and skills. The lack of these means that such countries are unable to generate adequate capital formation thus stagnating development and enhancing underdevelopment. It has been shown that such a situation has led to structural and spatial heterogeneity. Differences in productivity have led to marginality between different sectors and areas, widening income differentials. Moreover, the forces of 'internal colonialism' have aggravated the rural-urban dichotomy. Liberalisation policies and quasi-prosperity favour the modern sectors, introducing new and more expensive consumption habits to the population, thus 'internationalising' consumption patterns. In the long term this entrenches the economy into a severely vulnerable and dependent position.

Historically, Zanzibar has experienced the excesses of problems of ethnic politics. These have recently resurfaced in various forms, in many places in the world, and largely as a result of spatial and social inequality, but also through various political interest and pressure groups, they have appeared in the Isles in the form of regionalism and even nationalism. The resurgence of ethnic and regional-autonomous movements reveals the persistence of spatial and social inequalities, which are partly caused by the country's dependency and partly due to the role of internal colonialism.

The case of Zanzibar has again underlined the basic geographical characteristics of SIS when examining their dependency structures and seeking appropriate development strategies. Although factors such as its current development status, resources base, regional setting and geostrategic location and value are very influential, its small size that has proved to be of overwhelming importance in coping with its dependence and development problems. 'Smallness' in Zanzibar translates in deficiencies in human and physical resources, inability to realise economies of scale, leading to concentrations in



economic activities. This leads to its weak trading position, effectively removing trade as an alternative. The discussion concludes that under existing circumstances eradicating dependency in SIS is virtually impossible. The alternatives are to manipulate and negotiate dependency links, while diversifying to reduce structural concentrations. In so doing, dependency analysis provides some room for manoeuvre for SIS. Dependency analysis retains validity in that it can be used in strategic planning for SIS and in formulating appropriate development programmes. In this study it has been used to assess Zanzibar's development strategies and its findings bear relevance to similar SIS.

#### **13.4 Conclusions about Small Island States in the Region**

Using a multi-method approach, i.e., cluster analysis and comparative analysis, the study concludes that there exists a typology of SIS. First, the cluster analysis reveals that even within developing small and SIS there exist various categories of countries that are at different stages of development and that have different prospects for development. The analysis has shown that despite the similarities that SIS exhibit even within one region, (e.g., Western Indian Ocean Region), there are considerable differences in their development status and prospects. Although it has been shown that small size alone is not a constraining factor to development, it has also emerged that size clearly is an additional constraint. Whilst the cluster analyses and subsequent descriptive statistics reveal distinct groupings and the comparative analysis has explained some of the reasons for this. The historical and comparative analyses have traced the influence of their pre-colonial and colonial legacies. They have also shown the effects of the different post-colonial development strategies that were adopted by each country.

This conclusion has an important theoretical implication. It was argued that development theory needs to recognise that there are various degrees of underdevelopment and developing countries face a wide variety of development constraints, which may require different solutions. It has confirmed the existence of some new peripheries. However, although the remit of this study was the SIS, its conclusions are applicable to other categories of LDCs. The results highlight the need for a special development agenda for SIS as a category, although even this has to recognise that considerable differences exist within them. Finally, the analysis shows that different countries will require a different set of solutions to their development problems and 'blanket' solutions such as those frequently dispensed by the international development institutions and experts do not have universal applicability, and do not serve the interests of those facing such problems.

The study of the SIS in the South West Indian Ocean region has shown that though small



size is a problem affecting all SIS, it is not necessarily a problem in itself. There are other extenuating circumstances and factors that make small size a constraint to SIS development. It was demonstrated that all the SIS in the region are confronted by problems associated with small size. However, other factors have influenced its effects, both positively and negatively. Thus the effects of small size of the internal market can be overcome by access to a larger external market and the diversification of economic activities, as the cases of Mauritius and Seychelles have demonstrated. Thus while small size is an aggravating factor, it is not deterministic. There are alternatives and possibilities.

### **13.5 Conclusions about Zanzibari development**

Zanzibar is a small island state with an extremely small, peripheral, vulnerable and fragile economy. Since the 1964 Revolution it has attempted an autonomous development strategy following a development philosophy based on self-reliance and self-sufficiency. However, the analysis has shown that Zanzibar is further than ever from realising that elusive goal, and in this respect, so are many other SIS. Since independence, it has been unavoidably dependent on a single export crop. Unable to grow enough to meet domestic food demand, it is dependent on considerable food imports. Nearly thirty years after the Revolution Zanzibar is even more dependent on external aid and grants for its development programmes and recurrent expenditures, capital investment, technology and entrepreneurial impetus. Although it has developed considerable external linkages, these are yet to have positive and sustainable impacts on the Isles. Such a degree of dependency implies that the notion of self-reliance either has to be redefined within more realistic limits or abandoned, remaining merely as political rhetoric.

The Zanzibari case has highlighted the difficulty of eliminating dependency links while the comparative analyses with the cases of Mauritius and Seychelles have shown that maintaining links with the metropolises or core need not necessarily imply a greater or worse degree of dependence than would have otherwise existed. Zanzibar is increasingly allowing and tolerating conditions of growing and extreme dependence and increasingly its development strategies are being influenced by external forces. This is a precarious situation, especially since the external and domestic interests (of the people) rarely coincide.

Despite the differences in the character between all phases of its post-Revolution development experience, Zanzibar failed to achieve economic diversification. Moreover, many of the objectives set after the Revolution have yet to be realised, and this means that



similar constraints to those of the 1960s exist, such as an acute shortage of skills, lack of capital and technology, etc., all of which are necessary ingredients for taking Zanzibar to a higher stage of development.

Indeed many of Zanzibar's development achievements have been eroded since the 1980s, both in economic and social terms. Instead, the post-1980s have encouraged Zanzibar to cultivate and extend its external dependency linkages to both the 'traditional' metropolises such as the UK and to the new 'semi-peripheries' of the Middle and Far-East. This recent phenomenon is manifested in the structure of its economy as defined by the MIRAGE model. The study has shown and supports the contentions that such a structure is not sustainable and indicative of a highly dependent and vulnerable economy.

Its peripheral position in the global economy and existence within the category of LDCs identified as SIS has some micro level and spatial implications. These form parts of the MIRAGE economy. The study has shown, through the socio-economic survey, how being a peripheral MIRAGE economy affects rural households, triggering considerable population movements, stagnating agriculture, spurring urbanisation, leading to a distinct urban bias and upsetting the delicate island ecosystem. It has shown that a considerable degree of spatial differentiation exists in the Isles and this is a problem that has to be confronted both externally and internally. Externally, Zanzibar should attempt to move away from being a MIRAGE economy and seek greater interdependence. If it has to resort to greater incorporation, then it should seek a 'negotiated dependency' and the 'diversification of dependency'. Internally it needs to formulate an appropriate set of development objectives and priorities suited to its immediate and long term needs, while reducing the widening class and spatial disparities. The long term prospects of this are to reduce social friction and unrest which globally is increasingly manifesting itself in ethnic friction and confrontation between pressure and interest groups, while creating suitable conditions for reinvestment and therefore better prospects in the economy.

### **13.6 Policy assessment and future issues**

The decline in the agricultural sector and rural development derive partly from Zanzibar's peripheral position in the global economy, partly from its small size, partly from economic fragmentation and partly from the fact that strategies for economic development have been poorly co-ordinated and reflect external rather than internal needs and pressures. Indeed, Zanzibar's current degree of underdevelopment, persistent inequalities and poverty is the result of dependence that has been reinforced by successive government policies. The challenges to be confronted are substantial to say the least, but there are possibilities.



The case of Zanzibar, as a theme of the problems of African dependency, exhibits one possible way forward and that is through the establishment of cross-national African economic links and political arrangements. Indeed Zanzibar points the way, in the value of the link with the Mainland from an economic view-point. In some respects this link has had differential benefits such as the provision of building materials, some foods, security, specialised services and access to a larger market.

Certainly if Africa's burden is in part the legacy of nation-statism imposed by Europe, then this burden is all the greater for SIS in the lock of double-dependency. The case of Zanzibar shows the possibility of such a co-operation, while also revealing the benefits and drawbacks. It also suggests that there is a greater potential of such a co-operation on a regional basis through the Indian Ocean Commission with the other SIS that share similar development objectives and constraints. Zanzibar must pursue strategies aimed at swinging its growing external dependency into a more interdependent relationship. However, this cannot be achieved alone; it will have to join a growing international league arguing for the special case of small and SIS over access to international trade and an appropriate International Economic Order that takes on board the issues relating to the problems of SIS. However, such an approach needs to be matched with internal policies that address important endogenous development issues.

Despite attempts at reducing social inequalities there are acute inequalities between rural and urban areas and between different categories of socio-economic classes. There is also a chronically high level of unemployment and underemployment coupled by a range of related problems. Additional employment opportunities and a viable population planning policy may be part of the answer, but more importantly a policy that takes into consideration a rural development strategy to reverse the flow of population out of rural areas and to stimulate the development of the traditional agricultural sector is required. However, it is essential that rural development is not perceived simply as agricultural and economic growth. It will require the generation of new employment opportunities, equitable distribution of income, improvements in health and nutrition, housing, education and other services - factors that have come under pressure in the ERPs. In agriculture, the policy will require to sustain a pattern of growth that allows for a balanced expansion for, and linkages with, all parts of the economy and which ensure that the pattern of agricultural growth is such as to make a strong and direct impact on rural poverty addressing issues of infrastructure, expansion of services, credit and price arrangements, employment and migration. These will require co-ordination in programmes such as infrastructure for production and services with expansion of new sectors such as tourism. What is more important is that, it will require a more integrated



form of development based on changing the social relations of production such that it makes them economically viable and sustainable and politically stable. Meanwhile development programmes will still require a greater political will directed at a diversification of the island economy.



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