

The case of Lindi and its region, Southern Tanzania

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Background

Lindi district in southern Tanzania is a sparsely populated area linked to international markets through the production of cashew nuts for export. Other potentially favourable factors for the development of the area are administrative independence, with Lindi town serving as headquarters for the regional government, and the long-term support provided by an internationally-funded, integrated rural development programme in the last twenty years. Despite this, since the 1950s the district has been declining in economic and population terms. Transport infrastructure is a major problem, as the area is cut off from the rest of the country during most of the six-month rainy season. The limited local employment opportunities are reflected in the significant number of migrants to Dar es Salaam and other centres.

As in many other parts of Tanzania, people's livelihoods in Lindi district increasingly rely on both rural-based and urban-based resources, and involve the movement of people, goods, information and money. This paper describes the opportunities and constraints of straddling the rural-urban divide in and around the town of Lindi. The study was conducted with residents of three different locations: Nachingwea, a low-income neighbourhood of Lindi Town, Mitwero, a fishing and farming village at 15 km from Lindi Town but still within the urban administrative boundaries, and Narunyu, a farming village at 35 km from Lindi Town, in Lindi District.

Agricultural production and access to land

In the two villages, agriculture remains the primary activity and social status is determined to a large extent by success in farming. The wealth

of households is ranked by people in the villages on the basis of ownership of cash crop farms and quality of housing. The main cash crops are coconuts and cashew nuts. The latter are a major export from the region, which is known for the high quality of its cashew nuts produced almost exclusively by smallholders. However, despite the abolition of restrictions on international trade since 1984, production has not increased as expected, and there is little investment in new farms. The main constraints faced by producers are:

- **Capital investment in cash crops:** both coconuts and cashew nuts are tree crops which require about five to seven years to mature. Production of these cash crops is monopolised by older men and a few older women who either inherited the trees or established the farms themselves before the trade restrictions introduced in the 1970s made production less attractive. Younger farmers are discouraged by the need for long-term investment which they cannot afford.
- **Increases in the cost of inputs and farm implements:** due to low incomes, farmers are not able to pay upfront for services such as tractor hire, which although necessary was discontinued. More flexible arrangements, for example allowing for post-harvest payments, can improve access to services.
- **Average household sizes are relatively small,** especially among low-income groups. This is compounded by high levels of out-migration, and contributes to labour shortages throughout the region.
- **Land is available in all three settlements** through allocation by village and urban councils. However, it is often situated at a great distance from residential areas and most importantly away from access roads. This makes it difficult for farmers to protect the crops from wild animals and pests, and to transport their harvest to markets or to the village. Better-off households tend to purchase plots in better locations – along the roads and close to the settlement.
- **Renting and borrowing from other farmers** used to be a common form of access to land. Multiple use of cashew nut and coconut farms used to be the norm, and food was grown on the same plot by borrowers, usually low-income farmers; however, following trade liberalisation and the resulting increase in value of cash crop farms, this practice is now less frequent.
- **Changes in land tenure systems over time have resulted in overlapping rights,** for example between customary tenure and allocation during the villagisation system in the 1970s. Despite the 1998 Village Land Act, attempts to regulate the issue through lengthy court cases often result in disputed land not being cultivated. Moreover, insecurity of tenure discourages the long-term investment needed for cashew nut and coconut production.

Road and transport infrastructure and access to markets

The poor transport system is probably the most serious drawback to access to urban and international markets for rural producers. Poor road conditions confine accessibility to and within most settlements, including Lindi Town, to the six-month dry season. Outside that period, movement of goods and people is difficult and unreliable. Private transport providers offer a limited service. Because of the lack of maintenance, small trucks, common in other areas of Tanzania, cannot cope with road conditions. Investment in private transport services is therefore costly, but few local investors have sufficient capital. Other constraints include:

- **Limited profits potential:** the low population density translates into low demand and the poor physical infrastructure increases costs. It is unlikely that private providers will be able to satisfy local transport needs while also making profits.
- **Road infrastructure is a major issue**, but it cannot be dealt with by local government alone since revenue in this region is likely to remain relatively low and maintenance costs in sparsely populated areas can be prohibitive.
- **Locally appropriate means of transportation need to be developed** in connection with regional and national networks; however, participation by communities to costs in the form of labour need to be carefully assessed, since agricultural production already suffers from labour shortages.

Poor transport facilities affect access to markets for agricultural producers. Since the mid-1980s, collection, transport and sale of previously controlled cash crops such as cashew nuts was liberalised. Cashew nuts from the Lindi region are shipped mainly to India through a private purchase, collection and transport system. Although private companies are only allowed to buy produce from farmer cooperatives in designated locations, in practice these are difficult to reach for small producers who can hardly afford transport costs. Smallholders tend to sell directly to agents, an arrangement which puts buyers in a strong bargaining position and makes it difficult for producers to negotiate better prices. It also makes it difficult for local government to effectively control the quantities traded and collect taxes from traders – its major source of revenue.

Patterns of income diversification

The majority of the inhabitants of both rural and urban areas depend on the combination of farming and other income-generating activities, primarily trade. Farming is the primary occupation for over half the urban residents, which reflects the limited opportunities in other sectors

of the urban economy. Access to valuable cash crops is an important factor in determining which groups are more likely to engage in non-farm activities in the rural settlements. Since older men tend to control the high-value cashew nut and coconut farms, it is mainly young men and women who enter non-agricultural employment. They face several constraints and some opportunities:

- **Until 1984, trade was limited to cooperative shops or shops run by regional trading companies.** This has since been replaced by private trade in the form of shops or petty trade, which provide an alternative source of income in the villages.
- **The low incomes in both the rural and the urban settlements affect demand,** and revenues from trade are low.
- **Transport problems during the rainy season** mean that manufactured goods, which normally come from Dar es Salaam, cannot reach the region.
- **Transport of goods between settlements is also expensive;** bicycles are the main alternative, but only limited quantities can be moved in this way.
- **Access to credit is limited.** Traders often develop close links with their suppliers who provide them with limited credit. Relatives can also make cash contributions to traders' working capital. While this is sufficient for small-scale activities, scaling up the business may require several years' savings.

Despite these limitations, income diversification is an important strategy, carried out mainly at the individual level, with one person engaging in a variety of activities. Low and insecure incomes from agriculture, especially for those with no access to cash crops, and increasing cash requirements (for example for health services and children's education) are the main reasons for diversification. Trade in food crops is common among low-income men, and cooked food vending among women whose movement is more restricted. However, because of these limitations, income diversification is not sufficient to reduce the high vulnerability of most of the region's population.

Migration trends

Lindi district has high rates of migration: over 60 per cent of those interviewed have at least one family member who has moved, and this affects wealthy households as well as middle- and low-income ones. Young single men are the most mobile group and are said to form the majority of the vast number of youth employed as street vendors by Dar es Salaam's shopkeepers. Intergenerational conflict centred on parents' tight control of cash crop farms, and the lack of alternative desirable

employment in both the farm and the non-farm sectors are important reasons for migrating. Other migration trends include:

- **Destinations:** Lindi Town is conspicuously absent from the list of urban destinations, which include Dar es Salaam and other urban centres in the country.
- **Married men often prefer to migrate to other rural destinations on a seasonal basis**, to take advantage of variations in crops and harvesting times.
- **The settlements are also important destinations**, especially the urban neighbourhood. Migrants have access to land allocated under customary tenure, although these are not the most desirable farms.

Migrants often retain strong links with home areas. Initiation ceremonies for children are particularly important and a priority investment for parents in both rural and urban areas. Relatives from within and outside the region are expected to attend: failure to do so is seen as seriously undermining kin relations. Despite the importance of these traditional gatherings, links between migrant and non-migrant relatives are negatively affected by wider circumstances:

- **Remittance amounts have been steadily declining in the past decade.** This is due to the higher cost of living in the cities, especially in Dar es Salaam – a major destination for Lindi migrants, and to the fact that most migrants from the area have poor qualifications and end up primarily in the urban informal sector, where incomes have been affected by overcrowding and the low purchasing power of urban consumers;
- **Return migration is extremely limited.** This may be partly because of the lack of economic success of migrants. But it is certainly also because of the few opportunities offered by Lindi, especially with regard to establishing non-agricultural enterprises. Migrants are therefore not encouraged to invest in their home area and prefer to stay away.

The role of the urban centre in the economy of Lindi District

Despite its international trade links, Lindi region has conspicuously failed to benefit from the export of a high value crop such as cashew nuts. Considerable efforts have been made by the local government to increase agricultural production and improve accessibility. Tanzania's 1997 Regional Administration Act provides the mandate for district councils to carry out needs identification, planning, budgeting and implementation jointly with other local institutions. However, without a coherent strategy to improve the capacity of the local councils,

decentralisation of functions as proposed in the reform may not mean much to the inhabitants of poor regions such as Lindi.

Services are in many cases deteriorating: school facilities are insufficient and the government school in Lindi Town faces a shortage of qualified teachers, who hesitate to move to Lindi because of its isolation and transport problems. For the rural populations, access to health services in Lindi Town is also severely constrained by transport, and they often to rely only on rural service centres and traditional birth attendants.

Moreover, while local government is responsible for better revenue collection (especially from export taxes) and service provision, other important policy issues cannot be dealt with at the local level. At the moment, Lindi town is bypassed by local traders in favour of larger urban markets. Exporters use it only as a shipping port: since the closure of the cashew nut processing plant in the 1980s, Lindi has lost its potential for forward linkages with its surrounding area.

Any form of investment in the region depends on the radical improvement of its road infrastructure, which cannot be achieved with the already limited local resources alone. This is a common problem in many sparsely populated and poor regions in sub-Saharan Africa, and one for which private investment is usually not the answer.

Key issues

Access to international markets for high value agricultural produce does not necessarily increase incomes in the production area. Bottlenecks in production and marketing need to be identified: hence, even when access to land is not a major problem, limited access to credit and to agricultural inputs can constrain production. Limited transport facilities affect the ability of producers to negotiate with buyers.

Migrants can contribute to the local economy through remittances and skills they bring back upon return, and expand non-farm activities and employment opportunities for non-migrants. But migrants invest in home areas only if the existing infrastructure can support new enterprises. This requires better coordination between different institutions: local government, central government, NGOs and donors, as expenditure in key areas such road infrastructure is often well beyond the means of local government.

Local government capacity in terms of human resources, revenue and planning needs to be assessed and improved. This is often overlooked in decentralisation, but can become a serious bottleneck in the implementation of local government reform.

Where the urban centre does not play a catalytic role for regional development by providing markets for agricultural produce and employment opportunities in non-farm activities, income diversification does not reduce rural vulnerability. Petty trade is the main non-farm activity, but earnings are minimal because of the very low incomes of consumers incomes, and there is little investment in business expansion. In the long term, agricultural productivity is likely to be affected as younger people move out of farming.