The Groundnut Scheme and Colonial Development in Tanganyika

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Summary

The East African Groundnut Scheme (EAGS) in Tanganyika stands among the most dramatic examples of failure of British late colonial developmentalism and imperialism. Frantically planned and launched in Tanganyika in 1946, the EAGS was the most colossal attempt in the history of colonialism to apply modern technology and mechanization to farming in Africa. Aiming to cover over 3.5 million acres of land—an area the size of the state of Connecticut in the United States, or of Yorkshire in the United Kingdom—the EAGS envisaged the annual production of six hundred thousand tons of peanuts by its fifth year of operation, and eight hundred thousand tons annually once at full capacity. A new port, new railway lines, and new roads were built as part of it. Such large-scale production of groundnuts, and of the vegetable oil that could be derived from them, had two strategic goals. First, it aimed to address the increasing shortage of oil rations affecting British households post-World War II (WWII). Second, through the export of surplus groundnuts and/or oil, and a scheduled annual saving of £10 million to the British government's bill for food imports, the EAGS was meant to play a key role in repaying the $3.5 billion debt that the United Kingdom accrued to the United States after the war. However, in stark contrast with its grandiose goals, when the EAGS was abandoned, in 1952, it had imported more groundnuts as seed than what it actually harvested, and £36 million of British taxpayer money had been spent for the undertaking. A series of shortcomings, all rooted in the inadequacy of the planning of the EAGS and the lack of a pilot phase, brought about the demise of the scheme following its dramatic failure to meet its goals.

Keywords: colonialism, groundnut scheme, development, labor markets, politics, Tanganyika

Subjects: East Africa and Indian Ocean, Economic History

The Groundnut Scheme: Behind Its Conception

The East African Groundnut Scheme (EAGS) is perhaps the most spectacular failure among colonial development efforts, earning its place in history as the most emblematic of the fallacies of late colonial developmentalism. This article examines the reasons and the economic context that led to the launch of the scheme, and the reasons for its failure. It also reviews the literature on the EAGS, and a number of (antithetical) claims on its impact at both the macro and micro levels in Tanganyika. The different lessons that might be learned from it are reviewed. Finally, the dramatic growth of the labor market generated by the EAGS, and its politics, are analyzed. The lack of support by the colonial administration with regard to the EAGS's labor requirements, and how the EAGS implementers responded to this state of affairs, goes a long way in understanding how peasants in the area engaged with the labor market (and were able to adjust their participation in it), and its impact on development in the areas in which the EAGS operated.

The rushed nature of the planning and launch of the EAGS, and its political and economic contexts, are crucial to understand the debacle. Such urgency came from the dramatic economic crisis, the worst since the Great Depression of 1929, that the British government faced at the end of World War II (WWII). The United States had played a crucial role in the Allied campaign during WWII, not only through its military intervention but also through the financial aid it offered to its allies. However, following the end of WWII, the United States announced the end of its financial aid, leaving Britain facing loan repayments, in a context in which the country was already experiencing a balance of payment deficit.[1]

The conception of the EAGS was a response to this state of economic affairs: at that time the United Kingdom relied heavily on the import of vegetable fats and oils, and both commodities were in short supply. As such, they were very expensive on the international market, and significantly contributed to Britain's balance of payment problems. The EAGS was an attempt to kill two large birds with a colossal stone: through the large-scale and mechanized production of groundnuts in Tanganyika, the EAGS aimed to contribute both to the UK's vegetable oil consumption needs and to the repayment of the UK's debt to the United States.[2]

The EAGS is a paradigmatic and in many ways extreme example of the "second colonial occupation," as Low and Lonsdale memorably termed the phase of late colonial development, which began in the 1940s, and was characterized by a much more interventionist colonial state.[3] For the first time the Colonial Office in London was willing to abandon the principle of colonies' financial self-sufficiency, as this was perceived to be detrimental to the development of the economy of the colonies, and as a result, to the United Kingdom itself. A willingness to invest was part and parcel of the colonial effort to extract more from the colonies to support Britain during WWII and after the end of the war. The "triumph of the expert," in Hodge's words, and faith in "science-driven" planning were key traits of this late colonial developmentalism and imperialism.[4] Within this context, the EAGS is an extreme case of the "second colonial occupation" for two reasons: first because of the extent to which the faith in technology was blind and ill-guided; second, what is extreme is the amount of (UK taxpayer) resources that the center of the Empire was willing to invest to attempt, without any chance of success, an agriculture transformation of a scale and to a degree of mechanization which were unprecedented in the history of colonialism (see Figure 1).

Figure 1. Equipment for the groundnut scheme.

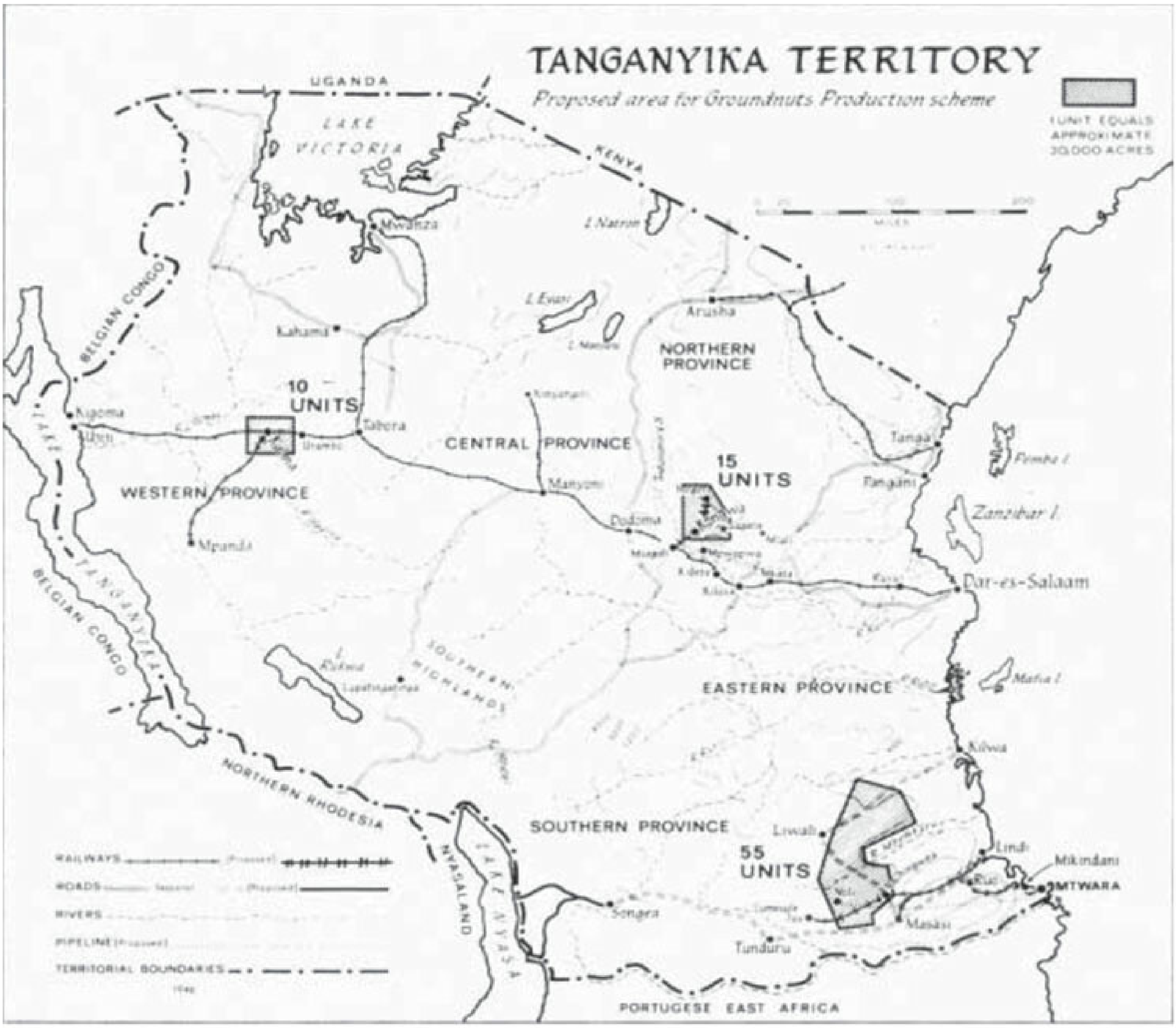
Source: Charlie MacDonald.

Unilever, a multinational giant that tightly controlled the markets of the margarine consumed in Western Europe and of the soaps utilized in the United Kingdom and its colonies, shared the UK government's desperate need for increasing the production of vegetable oil post-WWII. To that end, Frank Samuel, at that time the managing director of the United Africa Company (UAC), a subsidiary of Unilever, was dispatched to Africa to identify new areas for the production of vegetable oils. During his trip, Samuel was struck by the abundance of uncultivated land in Tanganyika. This led him to approach Tanganyika's director of agriculture to sound out the scope for investing in an oil-producing plantation.

Although the director of agriculture informed Samuel that the cash-stripped colonial administration of Tanganyika had no funds available to invest in the idea, he suggested that Unilever could be granted an area of land of approximately one hundred thousand acres to farm groundnuts, and, crucially, that the UK Ministry of Food, back in London, might be a source of financial support for his idea.[5]

Samuel, however, had bolder ideas and left for London armed with an ambitious figure of 2.5 million acres of land to be farmed.[6] In London he was met by a troubled Minister of Food, as he was running out of options to avoid unpopular cuts to the rations of vegetable oil and fat rations (due to the shortage of these products). Understandably, then, Samuel's plan caught the ears of the British government, which swiftly decided to send a mission to East Africa to assess the feasibility of the plan. The mission consisted of three people: John Wakefield, a former director of agriculture in Tanganyika and leader of the mission, John Rosa of the Colonial Office, and D. L. Martin, head of the plantation department of the UAC.

It would be difficult to understand the astonishing speed at which the Wakefield Mission gave its seal of approval to Samuel's plan, without appreciating the faith that planning and technology commanded over policymakers in the 1940s. The Wakefield Mission spent a total of nine weeks in Kenya, Tanganyika, and Northern Rhodesia, and two-thirds of its time was spent surveying land from an airplane. The verdict was that Samuel's proposal was feasible, and the mission suggested that the government was to invest profitably in a scheme for the mechanized production of groundnuts in an even larger area of land, covering 3,210,000 acres. Tanganyika was the country in which the bulk of the farming was envisaged; three sites—Kongwa and Urambo along the central railway, and Nachingwea in the Southern Province—constituted about 75 percent of the planned total acreage (see Map 1). The rest of the farming was to take place in Kenya and Northern Rhodesia, although agricultural operations for the EAGS were never undertaken in these two countries.



Map 1. Tanganyika Territory: Proposed areas for groundnuts production scheme.

Source: A. E. Kelleway, Historical Section, Cabinet Office.

Tanganyika was selected over Kenya and Rhodesia as the main production area, primarily due to its relative land abundance. This mattered due to political considerations. The groundnut scheme planners were wary of the controversy that the displacement of a large number of people by a scheme of this type—one blatantly geared toward the interests of the metropole—would have generated. This also explains why the areas selected within Tanganyika were those characterized by relative land abundance. As a result, the scheme implementers were aware that securing the necessary labor supply was going to be challenging. This had important implications for the choice of the type of agricultural production and technology used in the scheme: the mechanization of production, from land clearance to soil preparation and the planting and harvesting of the groundnuts, was central to farm such a large area with a relatively limited reliance on manual labor.

A mixture of faith in technology and the desperate need to address its balance of payment crisis led the British government to approve the EAGS in December 1946 and commit its own funds to it. In February 1947, the scheme implementation began with frantic urgency. Following a brief period in which the UAC was its managing agency, in March 1948, the Overseas Food Corporation (OFC), an institution entirely funded by British public money, was established to run the scheme.

It is hard to find another instance of a colonial development project that underachieved its targets as spectacularly as the EAGS did. According to the plan, six hundred thousand tons of peanuts were to be produced annually by the fifth year of operations, with this figure eventually forecast to rise to an annual output of eight hundred thousand tons. The total cost of the scheme was budgeted at £24 million, and was forecast to save a staggering £10 million a year on the British government's bill for food imports. In practice, however, year after year the costs of the scheme were revised upward, while the production targets were lowered. At the end of the project's life, in 1952, over £36 million of British public money had been spent, equivalent in 2020 to over £1 billion, and not a gram of groundnuts had been exported from the EAGS.[7]

The Reasons for the EAGS's Failure

There were multiple reasons behind the EAGS's spectacular flop.[8] A first major cause of failure was the scheme's disregard of local agroecological conditions prior to its implementation, which made the proposed plan for agricultural production unfeasible. A major mistake was made in acquiring data on rainfall in Kongwa, the largest production site in the Central Province. The scheme planners had data stretching back seven years only, an inadequate time span to predict rainfall with some reliability. Furthermore, these data were from an area called Mpwapwa, close to Kongwa but with more rainfall than Kongwa itself. Had scheme planners consulted local people prior to implementation, they would have learned that the locals referred to Kongwa as "the country of perpetual drought."[9] The lack of information on local conditions was not related to rainfall only; the feasibility assessment did not entail any in-depth analysis of the soil. When the implementation began, the scheme planners discovered, at the scheme's own cost, that the clay content of the soil forced agricultural operations to stop during the dry season. This caused considerable delays to the progress of land clearing and other agricultural tasks.

If the soil and water were not fit for the scheme's purposes, the agricultural machineries envisaged by the scheme were the source of another set of intractable problems for its implementers. The scheme required thousands of agricultural machines, as they were required for land clearance, planting, weeding, and harvesting of what was planned to be an enormous agricultural effort stretching over three million acres of land. Once the operations began, it became clear that the infrastructure to facilitate the import of these goods was not available in Tanganyika. Serious congestions emerged at the ports of Mombasa and Dar es Salaam, which contributed to delays to the project. Furthermore, the scheme planners did not carry out any pilot test of the agricultural machinery. Once the implementation began, it emerged that the clay component of the soil had an abrasive impact on the agricultural machinery and caused its rapid deterioration. Lastly, notwithstanding the problems experienced with the deployment of this agricultural machinery, the scheme planners incautiously assumed that all the machinery required would be available on the international market, at a time where production capacities of these kinds of goods was only beginning to recover from the devastation caused by WWII. As it happened, there was an insufficient supply of such goods on the international market to match the EAGS's demand; the "solution" adopted was to round up tanks left over from WWII and deploy them as bush-clearing machinery. This had detrimental effects on the scheme's operating costs and on its productivity.

Another cause of the scheme's dismal performance was the fact that at two sites—Urambo and Nachingwea—the groundnuts waiting to be harvested were attacked by Rosette disease. With hindsight, this was not a decisive problem, as the scheme never succeeded in producing the thousands of tons that it aimed to deliver in the first place. However, this issue highlights another facet of the gross inadequacy of the scheme planning, and its gambling element: the director of agriculture in Tanganyika had warned the scheme planners that no variety of groundnuts resistant to the disease was available, and that there was no treatment for the disease once it took hold of the crop.

Labor supply issues also contributed to affect the performance of the scheme in a negative way. The EAGS's planners opted for the mechanization of agricultural operations as a strategy to reduce its labor requirements. However, the labor demand generated by the scheme was still momentous and unprecedented in the areas in which it was implemented. The scheme's managers struggled throughout the life of the scheme to recruit laborers. As a result, agricultural work on the farms had to slow down, time and time again, due to the inadequate number of workers available.

Last, but not least, the institutional set up of the scheme, with its board of directors based in London, was a further cause of the EAGS's failure. Most of the scheme's shortcomings became evident as soon as implementation began. However, the board of directors, insulated from events on the ground, and blinded by their faith in technology and the validity of their planning, kept interpreting these setbacks as minor teething problems that were to be overcome with time. They were instead fundamental weaknesses of the plan itself, which made its success impossible.

In sum, at the heart of the scheme's dismal performance was its inadequate and far too rushed planning, a fallacy that was obvious to contemporary analysts of the EAGS, such as Pierre Gourou, an agronomist who wrote about the EAGS's failure in 1955, and Andrew Coulson, who wrote about agricultural policies in the region in 1977.[10] As Coulson put it, the EAGS's inadequate planning resulted in "so many flaws that if [the scheme] had not failed for one reason it would still have failed for another."[11] The mismatch between the EAGS's ambitions and its results earned its planners the title of "nutters," and the scheme itself a place in history as one of the most infamous development projects of the colonial era.[12]

Discussion of the Literature

Given the variegated reasons behind the scheme's failure, it is interesting to review the literature on it, and to note the different lessons that scholars have suggested can be learned from it.

Economies of Scale and Mechanization in Agriculture

A first strand in the literature suggests that the groundnut scheme reveals the irrelevance of economies of scale and the limits of mechanization in agriculture, and, more broadly, of state-led development and planning.[13] The argument about scale in agriculture was most strongly elaborated by Hogendorn and Scott, who reviewed the many fallacies of the scheme and distinguished between "costly, but correctable, inconveniencies" and the "fundamental mistakes" of the plan.[14] Among the latter, they identify two issues: the failure to launch a pilot project, which is a convincing point, given the size of the investment and land in question, and, less convincingly, the "overconfidence in the power of capital to bring results." Such overconfidence, goes their argument, led to a series of "unwarranted assumptions . . . about the economic feasibility of mechanization and about the cost savings that were expected to result."[15]

The argument that agricultural production does not lend itself to exploit the benefits of mechanization and economies of scale is a long-standing one in development economics. Hogendorn and Scott explicitly draw on the earlier work of Frankel, who was the first to argue, with reference to the groundnut scheme, that in agriculture the centralization and the supervision of factors of production is cumbersome, when compared to manufacturing production, for example.[16] Building on the argument that economies of scale do not exist in agriculture, Hogendorn and Scott suggest that investment in peasants' production in Nigeria, where the small-scale farming of groundnuts was long-established, would have been a cheaper and quicker way to increase the production of peanuts, and, therefore, of vegetable oil and fats.[17]

What is problematic about this strand of the literature is its case study selection; the groundnut scheme, and its variegated sets of planning fallacies, is hardly a credible entry point into the debate on the relevance of economies of scale in agriculture. Whether economies of scale matter or not in agriculture is best explored by looking at less extreme cases of large-scale and/or mechanized agriculture. Within this debate, on the one hand, there are scholars who argue that smaller land holdings are more productive, as revealed by the existence of an inverse relationship between farm size and productivity; on the other hand, there are scholars who suggest that such an inverse relationship exists only in the context characterized by low productivity. When farming relies on the right type of technological inputs and on mechanization, goes this argument, larger farms outcompete smaller land holdings, precisely because they can exploit the productivity gains that technology and mechanization allow for. It is beyond the scope of this article to assess the merits of both sides of the argument. The point is, instead, to underline the inadequacy of the groundnut scheme, with its planning aberrations, as a case study to contribute to this debate.[18]

Equally problematic are attempts to use the groundnut scheme as an example of the limits of state enterprises and planning in development. Hodge, for example, noted that the EAGS was an aberration in the history of colonial development, but he pointed out that even thoroughly planned development interventions of that period "often fell victim to many of the same impulses, tensions, unexpected difficulties and constraints."[19] Coulson similarly argued that Tanzania's failure with state-led socialism reproduced some of the key shortcomings of the EAGS. Most notably, he warned of "the risks of large-scale, state-run enterprises and politically driven development schemes pursed with haste and without adequate preparation."[20] To be sure, the development trajectory of Tanzania in the 1970s and early 1980s offers important lessons about the dangers and pitfalls of ineffective state planning and state-owned firms. Indeed, the three decades of economic liberalization and deregulation that unfolded in Tanzania since the mid-1980s brought dismal results in terms of reducing poverty and stemming growing inequality. It even gave rise to a certain nostalgia of a socialist past in which the Tanzanian state played a more active role in the economy.[21]

EAGS's Impact at the Macro Level

A second theme in the literature examines the impact of the groundnut scheme on the economy of Tanganyika at the macro level. A number of contributions, dating back to the 1950s and early 1960s, put forward claims on the legacy of the scheme. Interestingly, both negative and positive impacts are identified. Beyond their differences, what these contributions share is their lack of evidence to support their arguments. This suggests the highly charged nature of earlier contributions to the debate on the legacy of the scheme.

For example, Kirby suggested that the scheme led to state investment, and that this triggered development in Tanganyika. However, Kirby did not substantiate with evidence his argument on the link between the implementation of the scheme and long-term development in the region.[22] The opposite argument was put forward by Ehrlich, who suggested that the failure of the scheme discouraged potential foreign investors in Tanganyika.[23] However, as Iliffe rightly noted, Ehrlich's argument was not supported by any evidence that planned investment was withdrawn because of the scheme's failure.[24] In a similar vein, Hill and Moffett suggested that the groundnut scheme had a negative impact on the balance of trade of Tanganyika due to all the goods and agricultural machines imported for it.[25] However, theirs is an implausible claim. Goods shipped to Tanganyika for the scheme could not have any impact on Tanganyika's balances of payment, as the British government funded the entire scheme from its inception to its demise. Thus, only the UK's balance of payment was affected by the scheme.

Recent research by Bourbonniere has put forward a more nuanced, and evidence-based, account of the negative impact of the groundnut scheme on levels of investment in the years that followed its demise.[26] Drawing on the correspondence between politicians, consultants, and the colonial administration, Bourbonniere traces the "ripple effects" that the failure of the groundnut scheme had on a plan to build a railway linking the railway system in East Africa with that in the copper belt of Northern Rhodesia. The consultants who were called to assess the feasibility of the proposed railway highlighted that the grandiose failure of the EAGS had a negative impact not only on public finances but also on the mindset of development planners, as it threw "doubt on the wisdom of embarking on any large-scale agricultural project in Africa, and it has shaken the confidence of the native in European enterprise."[27]

In practice, following the EAGS fiasco, the choice was made to invest in roads, as this was deemed a more flexible, less costly, and less risky type of transport infrastructure than railways. Indeed, the EAGS seems to have had a negative impact on the way in which colonial state officers and its private sector partners approached the planning of large-scale infrastructure.

EAGS's Impact at the Micro Level

A third, and final, strand in the literature explores the impact of the EAGS, and of the large-scale investment and momentous changes that it brought in its wave, on the local economy of the areas in which it was implemented. Such literature takes for granted that the scheme failed to meet its goals, is less interested in which of its main fallacies was most significant in causing its failure, and in what the scheme prevented from happening. Instead, the focus is on the scheme-induced dramatic growth of employment opportunities; the improvement or new building of roads, a railway and a port; and the provision of better health and educational facilities. The scheme also stimulated dramatic inflation of both wages and trade goods. A significant rise in alcoholism, prostitution, and theft were other important manifestations of the social change and upheaval associated with the EAGS.[28]

Wood documented the fact that African workers deposited the considerable sum of £100 on the very day in which a post office was inaugurated at Kongwa.[29] What is noteworthy here, together with the impact of the scheme on the African workers' capacity to save, is that the scheme was instrumental in the opening of a post office, an institution that enabled new forms of savings in a remote area like Kongwa. A less positive finding was the appearance of malnourished babies, which Wood attributed to food price inflation, as small farmers who relied on food purchases were unable to meet their dietary requirements.[30] A 1961 mission from the World Bank noted "a certain stimulus" to the economy of Tanganyika, deriving from "the injection of purchasing power by way of the expenditure of those engaged in the [groundnut] scheme," although the report did not elaborate on what this stimulus really meant.[31] Liebenow painted a mixed picture, as the scheme resulted in both "theft, prostitution, and other social problems," as well as in opportunities for the accumulation of wealth for some of its workforce.[32]

These examples are interesting fragments of the variegated way in which the scheme impacted on the local economy. At the same time, these contributions tend to lack an analysis of the dynamics leading to these changes, beyond mere description. For example, wage and price inflation are linked to the scheme, but there is no discussion of what aspect of the scheme caused them. Or consider the labor market implications of the EAGS; its plan was to undertake the cultivation of groundnuts with highly mechanized production, and this was selected to avoid the large-scale resettlement of people for the scheme and to reduce labor requirements. However, the scheme still required thousands of workers, given the very large scale of operations. What was the link between developments in the labor market and inflation? How did employers secure the workforce they needed? Why were employers forced to raise wages? Had the colonial state supported the scheme and its labor requirements, employers could have secured the labor supply without any significant increase in wages. If the colonial state did not support the scheme, why was this the case? And what were the implications of this political stand-off on local development?

The "Unpacking the Impact of the EAGS on the Local Economy of Southern Tanganyika" section explores these issues. Answering these questions can help us to understand the causal dynamics linking together various fragments of evidence on the impact of the scheme on the local economy. It also highlights the politics, often barely touched upon, of this infamous colonial development effort.

Unpacking the Impact of the EAGS on the Local Economy of Southern Tanganyika

The Southern Province of Tanganyika was the poorest province in the country. It was perceived by the colonial administration, first German and then British, to be an area with low agricultural potential, due to the poor quality of its soil and the uncertainty of rainfall in the area. Such perception led to very low levels of road infrastructure investments, so that only in the late 1920s transport by lorry became a possibility, and even then on a single road linking its coast to its upcountry districts. The low levels of investments in transport infrastructure, combined with the agroecological constraints, negatively affected the prospects of agricultural commodity production. For example, in 1945 farmers in the Kilwa, Lindi, and Mikindani districts could produce profitably only within eight miles of ports.[33] This starkly indicates how infrastructural underdevelopment affected the development of agriculture. In the same year, a meagre £634,673 was the value of agricultural production in a region with an estimated population of eight hundred thousand people. Less than half of this production, in terms of value, was coming from African producers. The largest share, at 55 percent, was produced by settlers' estates, the establishment of which dated back to the German colonial period. Sisal estates employed over seven thousand workers in 1939, with the figure rising to seventeen thousand by 1947.[34]

With the implementation of the EAGS, a rapid and dramatic growth of the labor market occurred; the OFC and its various subcontractors involved in ancillary work for the scheme quickly became the main employer in the area. In 1947, the number of people in waged work in the Southern Province was twenty-one thousand, with only four thousand workers hired by the scheme, in addition to the seventeen thousand employed on sisal estates. By 1951, the figure rose to something between forty thousand and fifty-eight thousand.[35] Notwithstanding this range, these numbers suggest that in five years the number of workers in paid employment tripled, or doubled at least, if one relies upon the more conservative figure.

From the outset of the EAGS's implementation, in 1947, and despite its labor requirements in the first year being the modest figure of four thousand workers, the labor officer for the Southern Province observed events with concern; he foresaw major changes, due to the expected increase in the labor demand for the scheme and its ancillary works from four thousand to twenty-five thousand workers in the following years. Sisal estate employers shared his concerns, as the prospect of losing a considerable amount of their workers to the various undertakings of the scheme began to loom large.[36]

Such concerns stemmed from the fact that the sudden expansion of the labor market deviated from the colonial policy developed in the interwar period to mediate the conflicting objectives of safeguarding the interests of African peasants (for whom the British mandate was "trustee") and of labor employers in Tanganyika. For the colonial administration, when it came to priorities on economic policy in rural areas, peasants had to be first and foremost food self-sufficient.[37] Only then the production of a surplus (of either food and cash crops) or working for employers in the country could be contemplated as ways in which farmers could make a further contribution to the economy. In April 1946, shortly before scheme implementation began, William Battershill, governor of Tanganyika, when commenting on the labor requirements of the scheme, stated clearly how the scheme labor requirements were not a top priority for its administration. As he put it: "I feel certain that we must never guarantee the Company a plentiful supply of labour."[38]

Interestingly, the scheme struggled to recruit sufficient numbers of workers in each year of its operations, with the exception of 1950 and 1952, a time in which the scheme began to be wound down. A series of issues negatively affected the willingness of people to offer themselves as workers on the scheme. First, the increased availability of cash, deriving from the increased employment opportunities in the area, was not matched by an adequate supply of trade goods. A number of colonial officers lamented that this was acting as a disincentive to wage work on the scheme.[39] As the provincial labor officer put it: "with no consumer and piece goods on the market and a full larder at home what inducement was there for the labour to turn out to work?"[40] Second, earnings from short-term employment on the scheme were invested by workers in farming and/or in trade. There was a strong incentive to both, as prices for trade goods and agricultural produce were inflated during and because of the implementation of the EAGS.[41] On balance, events unfolded in the way in which the colonial administration had wanted them, so that employment on the EAGS acted as a supplement, rather than as an alternative to, independent household farming. Workers thus worked for a few months on the scheme, to then return to their own farms for the agricultural season on their own land.[42]

Struggling with an inadequate supply of workers, and with no real support from the colonial administration, the OFC had limited options to influence the supply of workers. Pledges to conform to the wage levels prevailing in the province, which were made before the implementation of the EAGS began, were not adhered to.[43] As early as January 1948, the labor officer reported the existence of a "wage war" in the Province.[44] Over time, there was less and less scope for improving the labor supply through further increases in the wage levels offered, as it was an option of no real benefit. It could even act as a disincentive to employment, as workers could earn their target sum of cash in less time, therefore returning to their farms more quickly.[45] Other measures to attract more workers, such as the invitation of chiefs to the farms of the scheme to court their support in recruiting labor and the use of labor recruitment agents in the Province, had no real impact.[46] As a result, the OFC had to laconically conclude that "the numbers of workers required to make the scheme a success are not forthcoming" and that "there appears to be little more that the Corporation can do."[47]

A focus on the employment dynamics of the EAGS, and its difficulties in recruiting enough workers, reveals the political economy of the labor market development that the scheme caused. This helps to piece together the existing archival evidence on the scheme's impact, to understand why and how a dramatic increase in the numbers of wage workers employed in the Province was not associated with any visible decrease in food security. On the contrary, the years of the implementation of the scheme in the Southern Province of Tanganyika were, above all, years in which the colonial administration could achieve and exceed tax collection targets and employment, for the scheme acted as a famine relief mechanism against the vagaries of farmers' own agricultural production.[48]

Primary Sources

The main contemporary account of the EAGS is Alan Wood's journalistic account of 1950.[49] Hill and Moffett and Frankel provided some interesting observations dating back to 1955.[50] Annual reports, various files and correspondence of the OFC, the Colonial Office, and the Ministry of Food, focusing on the progress and politics of the EAGS, can be found at the UK National Archives, in Kew Gardens, London. At the Tanzania National Archive, in Dar es Salaam, there is a wide and rich collection of archival sources on the EAGS, consisting of annual and monthly reports from the OFC and the provincial and district commissioners, as well as labor reports, OFC workers' newsletters, and various correspondence. There are also useful primary source materials in the Bodleian Library, in Oxford (formerly known as the Rhodes House Library).

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Notes

1. Michael Havinden and David Meredith, *Colonialism and Development: Britain and Its Tropical Colonies, 1850–1960* (London: Routledge, 1993), 276–283; and David John Morgan, *The Official History of Colonial Development*, 5 vols. (London: Macmillan, 1980), Vol. 2: 285–319; Vol. 4: 54–91.

2. On the role played by the colonies in Britain’s economy during and immediately after World War II, see Havinden and Meredith, *Colonialism and Development*, 206–275.

3. Donald Anthony Low and John M. Lonsdale, “Introduction: Towards the New Order, 1945–1963,” in *History of East Africa*, Vol. 3, ed. Donald Anthony Low and Alison Smith (Oxford: Clarendon Press, 1976), 13.

4. Joseph M. Hodge, *Triumph of the Expert: Agrarian Doctrines of Development and the Legacies of British Colonialism* (Athens, OH: Ohio University Press, 2007).

5. Alan Wood, *The Groundnut Affair* (London: J. Lane, 1950).

6. It is worth noting that Samuel’s expansion of the acreage in the scheme from 100,000 to 2,500,000 acres was a simple exercise in arithmetic, driven by the goal of matching the estimated shortage of vegetable oil on the international market. Working with data on the cost and yields per acre of the mechanized farming of peanuts in Tanganyika, Samuel increased by twenty-five times the acreage of the scheme so that it could meet the estimated global shortage of vegetable oil.

7. Jan S. Hogendorn and K. M. Scott, “Very Large-Scale Agricultural Projects: The Lessons of the East African Groundnut Scheme,” in *Imperialism, Colonialism and Hunger: East and Central Africa*, ed. Robert I. Rotberg (Lexington, MA: Lexington Books, 1983), 172–174.

8. Unless otherwise stated, this section draws on Andrew Coulson, “Agricultural Policies in Mainland Tanzania,” *Review of African Political Economy* 4, no. 10 (1977): 76–77.

9. John Iliffe, *A Modern History of Tanganyika* (Cambridge, UK: Cambridge University Press, 1979), 442.

10. Pierre Gourou, “Une expérience d’agriculture mécanisée en Afrique orientale: Le ‘Plan des Arachides,’” *Cahiers d’Outre-Mer* 8, no. 30 (1955): 108–118.

11. Coulson, “Agricultural Policies,” 76.

12. Wood, *Groundnut Affair*.

13. Susan Cooper, “Snoek Piquante,” in *Age of Austerity*, ed. Michael Sissons and Philip French (Harmondsworth, UK: Penguin Books, 1963), 34–57; Hogendorn and Scott, “Very Large-Scale Agricultural Projects,” 167–198; and Hugh Thomas, *John Strachey* (London: Eyre and Methuen, 1973).

14. Hogendorn and Scott, “Very Large-Scale Agricultural Projects,” 174.

15. Hogendorn and Scott, “Very Large-Scale Agricultural Projects,” 174.

16. Sally Herbert Frankel, “The Kongwa Experiment: Lessons of the East African Groundnut Scheme,” in *The Economic Impact of Underdeveloped Societies*, ed. Sally Herbert Frankel (Cambridge, MA: Harvard University Press, 1955), 141–153.

17. Hogendorn and Scott, “Very Large-Scale Agricultural Projects,” draws on earlier work on small-scale groundnut farming in Nigeria by Hogendorn himself. See Jan S. Hogendorn, *Nigerian Groundnut Exports: Origins and Early Development* (Oxford: Oxford University Press, 1978). For the quote, see Hogendorn and Scott, “Very Large-Scale Agricultural Projects,” 187. See also Nicholas Westcott, *Imperialism and Development: The East African Groundnut Scheme and Its Legacy* (Rochester, NY: James Currey, 2020), 196–198, for a similar argument on the superior efficiency and strategic priority of investing in small-scale farming of groundnuts.

18. See Keith Griffin, *The Political Economy of Agrarian Change* (London: Macmillan, 1974); Michael Lipton, *Why Poor People Stay Poor: A Study of Urban Bias in World Development* (London: Temple Smith, 1977); and R. Albert Berry and William R. Cline, *Agrarian Structure and Productivity in Developing Countries* (Baltimore, MD: John Hopkins University Press, 1979) for seminal works suggesting the existence of an inverse relationship between farm size and productivity. For the counterargument, see Giovanni A. Cornia, “Farm Size, Land Yields and the Agricultural Production Function: An Analysis for Fifteen Developing Countries,” *World Development* 13, no. 4 (1985): 513–534; Amartya Sen, “Peasants and Dualism with or without Surplus Labor,” *Journal of Political Economy* 74, no. 5 (1966): 425–450; Utsa Patnaik, “Neo-Populism and Marxism: The Chayanovian View of the Agrarian Question and Its Fundamental Fallacy,” *Journal of Peasant Studies* 6, no. 4 (1979): 375–420; and Graham Dyer, “Farm Size–Farm Productivity Re-examined: Evidence from Rural Egypt,” *Journal of Peasant Studies* 19, no. 1 (1991): 59–92. For a more recent intellectual exchange on the theme, see Keith Griffin, Rahman Khan Azizur, and Amy Ickowitz, “Poverty and the Distribution of Land,” *Journal of Agrarian Change* 2, no. 3 (2002): 279–330, and a number of responses to it in a special issue of the *Journal of Agrarian Change* 4 (2004), no. 1 and no. 2, and the rejoinder by Keith Griffin, Rahman Khan Azizur, and Amy Ickowitz, “In Defence of Neo-Classical Neo-Populism,” *Journal of Agrarian Change* 4, no. 3 (2004): 361–386.

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20. Westcott, *Imperialism and Development*, 203.

21. Matteo Rizzo, *Taken for a Ride: Grounding Neoliberalism, Precarious Labour, and Public Transport in an African Metropolis* (Oxford: Oxford University Press, 2017), 12–21.

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24. Iliffe, *Modern History*, 442.

25. John Frederick Rowland Hill and John Perry Moffett, *Tanganyika: A Review of Its Resources and Their Development* (Norwich, UK: Government of Tanganyika and Jarrold and Sons, 1955), 734.

26. Michelle Bourbonniere, “Ripple Effects: The Groundnut Scheme Failure and Railway Planning for Colonial Development in Tanganyika, 1947–1952,” *Canadian Journal of African Studies/La Revue Canadienne des Études Africaines* 47, no. 3 (2013): 365–383.

27. Sir Alexander Gibb and Partners and Overseas Consultants, *Report on Central African Rail Link Development Survey*, Vol. 1: *Phase II Development Survey Report* (London: Government Printer, 1952), 58, quoted in Bourbonniere, “Ripple Effects,” 376.

28. Matteo Rizzo, “The Groundnut Scheme Revisited Colonial Disaster and African Accumulation in Nachingwea District, Southeastern Tanzania, 1946–67 *<https://scholar.google.com/citations?view_op=view_citation&hl=en&user=BvIaB-sAAAAJ&citation_for_view=BvIaB-sAAAAJ:hqOjcs7Dif8C>*,” (PhD diss., SOAS, University of London, 2005).

29. Wood, *Groundnut Affair*, 76–77.

30. Wood, *Groundnut Affair*, 83.

31. International Bank for Reconstruction and Development (World Bank), *The Economic Development of Tanganyika* (Baltimore: John Hopkins University Press, 1961), 23.

32. Gus J. Liebenow, *Colonial Rule and Political Development in Tanzania: The Case of the Makonde* (Evanston, IL: Northwestern University Press, 1971), 18.

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34. See Felicitas Becker, “A Social History of Southeast Tanganyika, *c*. 1890–1950,” (PhD diss., University of Cambridge, 2001), 181, on the number of people in employment on sisal estates in 1939. For 1947, see Labour Officer, *Southern Province Annual Report*, 1947, TNA 16/11/260.

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49. Wood, *Groundnut Affair*.

50. Hill and Moffett, *Tanganyika*; and Frankel “The Kongwa Experiment.”

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