

C O M M E N T

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I find Mr. Ikeno's paper interesting. His paper which is based on the survey of rural households as well as on macro level analysis would be useful in understanding the micro level responses to changing economic environment brought about by structural adjustment programmes. A careful examination of responses and impacts at micro level is indispensable to the adequate assessment of the impacts and effectiveness of economic policy reforms. A striking feature of the paper is its coverage of both rural and urban sectors. The author's assumption of multi-occupational strategy of rural households enabled him to cover both rural/agricultural and urban/non-farm sectors. Accordingly, Mr. Ikeno's approach would enable us not only to look into some aspects of rural-urban interaction in a changing economic environment but also to assess the impacts of structural adjustment programmes which cut across one sector of the economy.

I would like to raise some issues for discussion. On the question of supply responses to policy changes, I would like to highlight differential production performance of export crops and food crops during the period of ERP and ESAP. As is evident in Table 2 of Mr. Ikeno's paper, the production of food crops grew remarkably, while the production of export crops was stagnant during the period. Mr. Ikeno also mentions the expansion of paddy production in one of his research sites where farmers continued to grow traditional cash crops such as coffee and cardamon. What has made this differential performance between food crops and export crops? Changes in real producer prices of both crops do not seem to have been divergent. (An important question here is: why producer prices of export crops

were not raised much despite the continuous and substantial depreciation of Tanzanian Shilling during the period?) Mr. Ikeno correctly points out the importance of the improved availability of consumer goods in rural areas. But this incentive must have been felt by producers of export crops as well as food crop producers. Is it the case that farmers prefer production of food crops, which can be both consumed at home and sold to various traders and cooperatives, to export crops? Is it because expansion of export crops many of which are tree crops requires more capital and longer gestation period which explains the differential performance?

On the question of migration and remittances, I would like to know how structural adjustment programmes in Tanzania influenced the rural-urban migration. Mr. Ikeno mentions that at present minority of migrants to urban areas can afford to remit to their rural homes due to their declining income levels in urban areas. As Mr. Ikeno correctly points out those migrants who do not remit are economically idle from the viewpoint of the rural household budget. If this is the case, what are the explanations for continued migration of some household members to urban areas under this circumstances. Before asking for the explanations I would like to ask whether the rate of rural-urban migration declined in the 1980s in Tanzania as the standard of living in urban areas deteriorated.

Related to this point is the problem of the extent to which standard of living of urban workers deteriorated in the second half of 1980s in Tanzania. I agree with Mr. Ikeno that urban life became more difficult in the 1980s than in the 1970s. However, there are some factors which indicate the improvement of urban standard of living in the second half of 1980s.

First, as is indicated in Table 1 of Mr. Ikeno's paper, the manu-

facturing sector, having recovered from the serious contraction of production in the first half of 1980s, has recorded high growth rates since 1987. This might have contributed to the improvement of employment opportunities in urban areas.

Second, while purchasing power of minimum urban wage for staple food calculated in terms of official market prices deteriorated considerably since the mid-1970s, a fact should be take into account that consumer goods were rarely available in official markets and were sold in parallel markets at prices twice or more higher than the official prices before the liberalisation of the economy. If this was the case, the deterioration of purchasing power of urban wage earners in the second half of 1980s might have been less serious than declines in real wage rates deflated by official market prices of consumer goods indicate.

I would also like to know the effects of reduced remittances from urban dwellers on the agricultural production. Mr. Ikeno mentions that rural households have become more likely to be responsive to agricultural policies because of their increased reliance on agricultural production in rural areas. Farmers might increase the allocation of resources to agriculture, which will lead to increased agricultural production. However, declining levels of remittances might adversely affect the financial capability of some farming households to maintain and expand agricultural production for the market.