

# **Social and Economic Transformation in Tanzania and South Korea: *Ujamaa* and *Saemaul Undong* in the 1970s Compared**

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Julius Nyerere and Park Chung-hee carried out ambitious and important social and economic reforms for rural development in the 1970s in Tanzania and South Korea, respectively. The reforms not only affected the livelihood of rural people but also had long-reaching impact on the entire nations. Despite the visionary and generally benevolent rulers' policy initiatives, the economic results of the rural development programs in the two countries cannot be more different. This paper contrasts and explores the importance of the nature of the transformation strategy and processes, as brought about by differences in leadership as well as in political philosophies and developmental goals, as a possible explanation for the drastically different economic outcomes of Tanzania's *Ujamaa* and South Korea's *Saemaul Undong*.

*Keywords:* Tanzania, South Korea, *Ujamaa*; *Saemaul Undong*, Rural development, Social innovation, Economic transformation

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## I. Introduction

*Ujamaa* (Swahili for “extended family” or “familyhood”) was a social and economic experiment set up under the Arusha Declaration of February 5, 1967 by Julius Kambarage Nyerere, the president of Tanzania from 1964 to 1985, and the experiment centered on collective agriculture under a process of “villagization” in Tanzania.<sup>1</sup> Nyerere had set the goal of delivering his poor nation in the wake of colonialism and leading them to a future of prosperity, freedom, and social justice (Werrema 2012). Park Chung-hee, the president of the Republic of Korea from 1963 to 1979 launched *Saemaul Undong* (“새마을 운동” hereafter referred to as SMU) or The New Village Movement or The New Community Movement on April 22, 1970. The policy initiative aimed at modernizing the rural South Korean economy. The way the two remarkable leaders set out to transform their rural communities were visionary and ambitious for their time, but the outcomes were very different. Comparing Tanzania’s *Ujamaa* and South Korea’s SMU, this paper intends to find an explanation for the varying rural development experiences of the two young nations.

On the surface, *Ujamaa* and SMU had several similarities. Both were radical, bold, and visionary social and economic experiments conducted in the 1970s that lasted over a decade aimed directly at improving rural communities. The economics and politics of the development programs in their respective countries were tightly intertwined. Both leaders heavily emphasized the spirit of their programs to help propagate their political and administrative needs. Like *Ujamaa*, SMU was a rural development movement with the basic strategic unit of administrative support, assessment of performance, and reward at the village level. Notwithstanding, differences were noted between *Ujamaa* and SMU, some subtle and others drastic. For one, SMU was not planned meticulously from the beginning (Kim 1991). Several past projects to develop the rural areas such as the 4-H Movement and the National Reconstruction campaign had mixed results.<sup>2</sup> SMU’s actual implementation began in

<sup>1</sup> From 1962, Nyerere was president of Tanganyika before it changed to Tanzania. Villagization is the, usually compulsory, resettlement of people into designated villages by the government. In Tanzania, the process was used as part of a program of collectivization of farming and other economic activities under the *Ujamaa* policy set out in the Arusha Declaration.

<sup>2</sup> To be fair, many of the earlier SMU leaders were former members of the 4-H

October 1970 when the government decided to distribute overproduced cement to rural villages. The decision was a result of the stagnation of the Southeast Asian cement export market following the slowdown of demand from global markets due to the surging oil prices in the late 1960s. Surprisingly, the South Korean rural communities responded very favorably to the SMU program. By contrast, *Ujamaa* was a thought-out idea conceived as early as 1962 (Nyerere 1962). *Ujamaa* and SMU stressed cooperation for the sake of developing rural communities and the nation at large. Rural development as a development strategy is vital not only in addressing the income gaps between rural and urban areas but also in helping alleviate poverty among the majority of poor people in the rural areas as in the case of Tanzania and South Korea.<sup>3</sup>

Although initially adopted with much enthusiasm by his countrymen and steadfastly supported by sympathetic Western European leaders, Nyerere's *Ujamaa* miserably failed to meet the economic needs of Tanzania. Even before the end of the *Ujamaa* era in the mid-1980s, Tanzania remained one of the world's poorest countries. Farm productivity was halved and continued largely at the subsistence level, and the industrial and transportation infrastructures were chronically in shambles. Moreover, dependence on foreign assistance doubled. For a policy meant to enhance self-reliance, Tanzania sadly ended up dependent on foreign aid more than any other African country. By the mid-1980s, nearly one-third of the national budget was supported by foreign aid.<sup>4</sup> By 1973, the net official development assistance (ODA) per capita to Tanzania was 18% higher than the net foreign aid received, on average, by Sub-Saharan African (SSA) countries. By 1975, the net ODA per capita to Tanzania surpassed the SSA average by 75%, and it was almost twice as much as the average for SSA by 1981 (Edwards 2012).<sup>5</sup>

Movement, the oldest Christian rural community movement in Korea since the 1920s.

<sup>3</sup> Rural development in the context of this paper means improving the living standards of the low-income population residing in rural areas (Lele 1976).

<sup>4</sup> We stress that not everything was disappointing in Tanzania under Nyerere's rule and that he must be credited for unifying his country politically and socially and certainly for giving Tanzanians a sense of purpose that made them feel proud of themselves. To date, Tanzania remains one of the most ethnically integrated countries in Africa owing to the legacy of *Ujamaa*.

<sup>5</sup> Between 1976 and 1991, the purchasing power parity real income per capita continued to fall by 15%, or almost 1% per year (nominal GNP per capita fell

To the contrary, SMU was credited for drastically increasing rural income and quality of life in South Korea. Income gap and living standard difference between fast-developing urban areas and rural villages were widening in the 1960s. The early stage of the movement helped improve the basic living conditions and environments in rural villages, whereas later projects concentrated on building rural infrastructure, thereby bringing modernized facilities such as irrigation systems, bridges, and roads in rural communities and helping increase community income (Choe 2005). Encouraged by the success in the rural areas, the so-called “*Saemaul Spirit*” spread through factories and urban areas and then became a nationwide modernization movement in the 1970s.<sup>6</sup>

By contrasting these two important social and economic experiments in the 1970s, this paper seeks to understand the possible reasons for the differences in economic outcomes after more than a decade of implementation. Many factors appear important, including the political leadership styles of Nyerere and Park. More importantly, we argue that the nature of the process or strategy to achieving development objectives was critical to deciding the viability and outcome of the programs. Conclusively, differences in economic outcomes were due to leadership philosophy as well as the direction of economic and social transformation. *Ujamaa* was oriented to realizing agricultural self-reliance under Nyerere’s socialism, in whatever means possible, through the collectivization of land and resources. Conversely, SMU aimed at reforming dormant rural communities to remedy the imbalance of household income between rural and industrializing urban cities in the context of Korea’s modernization. Nyerere was more concerned with obtaining what he wanted and largely ignored the enormous impact, most times worse than good, of the process (*i.e.*, socialism, which he

by 45%, from 180 to 100 USD). During the same period, South Korea’s nominal GNP per capita increased from 800 to 7,440 USD, almost ten-fold (World Bank national accounts data and OECD National Accounts data files).

<sup>6</sup> The “*Saemaul Spirit*” developed in the rural villages under SMU rural villages spread throughout the nation to promote development practices in various areas, including farming, dairy farming, fishing, local processing industries, and so on. Although he helped consolidate diligence and a strong working force in the urban factories, Park was criticized for using the SMU movement for his political ends, *i.e.*, to gain popularity under his increasing dictatorship (Han 2004, Kwon 2010).

had no doubt was the best strategy) on individuals and communities. Park, on the contrary, found an effective way through his development policies to invigorate South Koreans to work harder for their betterment. Arguably, SMU was an embodiment of Park's development strategy (Yoon 2017; Jwa 2018).

*A. Theoretical Discussion*

It is easy to say that the differences in the outcomes of the two rural development programs were mostly because the Tanzanian model was based on socialism, whereas the South Korean one was based on market capitalism. Such a sweeping statement however cannot explain the many successful socialist programs and the many failed capitalist programs across the globe. Moreover, the Tanzanian and South Korean approaches in the 1970s incorporated a significant role for the state in rural development typical of first-generation development strategies that were prevalent at the time. Such strategies envisaged a critical role for the state in development owing to, among other things, perceived serious challenges of market failure in poor countries (Meir 2001). As previously mentioned, the two countries' strategies had more similarities than one would suppose.

Good economics dictates that the outcome of economic decisions depend principally on how scarce resources are allocated and used. From this emerges two different, albeit subtly, strategies to achieving economic goals: (1) indiscriminately allocating resources to achieve desired outcome and (2) improving allocation of resources to encourage productivity. We argue that Tanzania's *Ujamaa* missed this point to its own detriment. If a certain outcome/objective is set in advance and is not achieved, then one strategy is to allocate more resources. For example, if the objective to produce 100 units of corn or rice per month is not achieved, increasing labor is a possible course of action to achieve the desired output. Despite the added advantage of increasing worker participation as well as other desirables such as "community" participation and "equality," allocating more resources adversely affects productivity. Moreover, some of the added "employment" may be involuntary as surely not all workers will wish to be engaged in the production of corn or rice. In such a system, majority of workers may lack motivation to become more productive because resources will ultimately be allocated upon needs predetermined by the state. Any kind of discretionary effort will have little to do with

ones' economic output or reward. This problem is not necessarily exclusive to a socialist or communal system. Many people in developed market economies receive a base wage (and perhaps a bonus for achieving certain targets). However, in socialist countries, many workers do not exert more effort than the minimum required to avoid getting fired.<sup>7</sup> The point is that we should not ignore the possibility of gross mismanagement of resources that are allocated under the guidance of political ideologies rather than good economic theory. Allocating scarce resources to underperforming workers, businesses, or industries can only be self-defeating. Rather, the allocation of resources should be guided or informed by actual market performance. Before we draw any conclusions by contrasting the rural social and economic experiments, considering the political and economic contexts of the two countries should help understanding. Following, we discuss the two distinct rural development models in detail.

## II. Historical Sketch and Background

### A. Political and Economic Background

The political orientation of Nyerere and Park cannot be more different. Nyerere adopted and was actually a forerunner in the continent inspiring "African socialism." As such, *Ujamaa* was a system largely articulated on modernist socialist principles and a set of values and ways of living considered traditional and typically African (Stoger-Eising 2000). Nyerere attempted to address the issue of how the principles of *Ujamaa* that he claimed were enshrined in traditional African societies could be reactivated practically in the modern world. The *Ujamaa* movement aimed at responding to the issue of whether Tanzania could develop in a modern way without having to abandon its long-cherished cultural values. *Ujamaa* invoked an idealized or romanticized construction of the traditional African forms of kinship and the extended family that emphasized reciprocity, collective effort, and an open version of the community.<sup>8</sup> In his first description of *Ujamaa*, Nyerere argued that

<sup>7</sup> A vast literature on management and economics concerns lazy workers, shirking, and free riding.

<sup>8</sup> "... a full acceptance of our Africanness and a belief that in our past there is very much which is useful for our future." (Nyerere 1967, p.316).

tribal socialism would form the basis of national development because the foundation and objective of African socialism is the de facto extended family. *Ujamaa* essentially sought to transform rural forms of social organization (Lal 2010). Therefore, the system was conceptualized as a synthesis of what was considered to be the best Africa could learn from modern industrialized states and the best traditions of African societies (Komba 1995). According to Ibhawoh and Dibua (2003) though, in practice Nyerere was more akin with Fabianism and Maoist socialism, which was evident in many of his social and economic policies. Promoting justice and equality for all, Nyerere's socialism was built upon concrete government policies, such as the commoditization of the work force, the collectivization of the means of production, the nationalization of private businesses and housing, and the provision of public services, notably in health and education (Cliffe and Saul 1972, 1973; Coulson 1982). Thus, Tanzania adopted a highly collectivist approach to the challenges of rural development, which was uniquely Tanzanian.<sup>9</sup> To the contrary, Park firmly believed in the market process for nation building, albeit under an authoritarian political system (Kim and Vogel 2011; Jwa 2018). Instead of just another rural development scheme under the Ministry of Agriculture, the *Saemaul* movement had the personal and continuous support of Park who sought to lift South Korea from poverty and was strongly result-orientated (Brandt 1979).

As a starting point of reference for the following discussions, one may note that Tanzania and South Korea had experienced an era of colonialism. Tanzania or more precisely Tanganyika was a colony twice as long (for some 70 years), first as part of German East Africa from the 1880s to 1919, then under the League of Nations it became a British mandate until its independence in 1961,<sup>10</sup> during the period when most of the European powers were giving up their African colonies. Understanding the impact of colonialism on the nature of the post-colonial African

<sup>9</sup> Of interesting note, Cunningham (1973) writes that the Chinese commune and the Tanzanian *Ujamaa* villages shared a similar ideology and a common basic structure.

<sup>10</sup> Zanzibar received its independence from the United Kingdom on December 10, 1963 as a constitutional monarchy under the Sultan. On April 26, 1964, Tanganyika united with Zanzibar to form the United Republic of Tanganyika and Zanzibar. The country was renamed the United Republic of Tanzania on October 29, 1964.

state is important. In most of Africa, a colonial state was usually set up as a means for social control and economic exploitation. Those in power were foreigners who were isolated from the social organization of indigenous society and could therefore dictate policy priorities on their own with few limitations. The colonial experience in many cases thus hastily created “weak states” as the colonialists did not seek to establish durable institutions because the *raison d’être* of colonialism was essentially extractive in nature. Like many other African states that had gone through long periods of colonialism, the Tanzanian state was ill-prepared for the transition to local governance at independence. Although African nationalists often won independence by adhering to liberal and democratic principles to argue their case, once they were victorious, their commitment to liberal and democratic values quickly waned. Their priority was instead to restore a society in which indigenous values would prevail. Considerable effort was therefore put into re-traditionalizing African societies, and this trend was particularly evident in Tanzania (Hyden 2013). Nyerere argued that colonialism had initiated a trend away from family production and social unit and was more inclined toward the development of a class system in rural areas (Komba 1995). The challenge was that Tanzania had a long break from focusing on indigenous African values during the colonial period. The colonial experience introduced a set of values that were distinct from traditional African values. Re-introducing a system based considerably on a return to African values would be challenging. As with a number of other newly independent African governments, Tanganyika African National Union (TANU) under Nyerere built and maintained a socialist state aimed toward economic self-sufficiency.<sup>11</sup>

Korea was declared an Imperial Japanese protectorate under the Japan–Korea Treaty of 1905 and was officially annexed in 1910 by the Japan–Korea Annexation Treaty, which overturned the Choseon dynasty. The interest of the Japanese in occupying Korea began with the Japan–

<sup>11</sup> TANU was the principal political party in the struggle for sovereignty in the East African state of Tanganyika (now Tanzania). The party was formed from the Tanganyika African Association by Nyerere in July 1954 when he was teaching at St. Francis' College (now Pugu High School). From 1964, the party was named Tanzania African National Union. In January 1977, the TANU merged with the ruling party in Zanzibar, the Afro–Shirazi Party to form the current Revolutionary State Party or Chama Cha Mapinduzi.



Korea Treaty of 1876 that ended Korea's status as a protectorate of China and forced open three Korean ports to the Japanese trade, granting extraterritorial rights to Japanese citizens.<sup>12</sup> Although controversial, there was debate in Japan for some time that the acquisition of Korea would provide a foothold on the Asian continent for Japanese expansion and a rich source of raw materials for the Japanese industry, including providing meaningful employment for the thousands of out-of-work samurai (called *Ronin*, literally "wave man," meaning someone adrift or wandering) who had lost most of their income and social standing in the new Meiji socioeconomic order (Buruma 2004). In contrast to Tanzania's colonial experience, in Korea, the complex coalition of the Meiji government, military, and business officials that controlled Korea politically and economically actually led to accelerated industrialization, rapid urbanization, expanded commerce, and even established forms of mass culture, such as radio and cinema, for the first time. According to government statistics, the economic output in terms of agriculture, fishery, forestry, and industry increased by ten-fold from 1910 to 1945<sup>13</sup> when the Japanese rule over Korea ended with Japan's defeat at the end of Second World War. Since 1948, Korea was then divided to two distinct sovereign states (North Korea and South Korea). After the Korean War (1950–1953), North Korean leader Kim Il-sung introduced the personal philosophy of *Juche*, or self-reliance, which became a guiding light for North Korea's development and path toward communism. In the South, Park seized power in 1961 through a military coup d'état that overthrew the Korean Second Republic that began in 1948 led by Rhee Syngman (1875–1965), which with the help of the United States established Korea as a democratic market economy.

As an initial condition, although both countries had been colonized and ruled by foreign powers for a substantial period, the actual experience of colonialism under their respective imperial powers

<sup>12</sup> This was an unequal treaty signed under duress (gunboat diplomacy) of the Ganghwa Island incident of 1875, like the rights granted to Japan under the Treaty of Kanagawa following the visit of Commodore Perry in 1854 that opened the ports of Shimoda and Hakodate to American trade and permitted the establishment of a US consulate in Japan.

<sup>13</sup> "朝鮮總督府統計年報 昭和17年 [Governor-General of Korea Statistical Yearbook 1942]." Governor-General of Korea. March 1944.

was very different before the introduction of *Ujamaa* and SMU. Most importantly, at the time of independence, Tanzania was left with rather weak administrative institutions, which contrasts greatly with the much stronger Japanese colonial legacy that remained to influence legal and administrative structures in the newly independent Korea.

### *B. Geopolitical Concerns*

One could further press the question, “Why did Tanzania choose a socialist path to development?”<sup>14</sup> Any attempt to answer would be controversial, but that Nyerere along with Kwame Nkrumah (Ghana), Sékou Ahmed Touré (Guinea), Jomo Kenyatta (Kenya), Modibo Leita (Mali), and other great African leaders of his era, were major forces behind the modern Pan-African movement in the 1960s and 1970s, which leaned toward socialism is perhaps worth noting.<sup>15</sup> The Pan-African movement was formed in the 1940s to promote freedom and justice for all African states. It was based on the demand to work for the liberation of Africa from colonialism, oppression, and racism. Independent African states formed the Organisation of African Unity (OAU) in 1963. In particular, a number of Pan-African leaders were attracted to building their vision and country along socialist lines because it was perceived that neoliberalism in Africa was a political and ideological onslaught on African nationalism (Shivji 2011). This view was influenced heavily by a popular view at the time known as dependency theory. Hence, a fundamental priority of the developing states at the time was addressing the issue of neocolonialism or the continued economic dominance of developing states by the advanced, capitalist, and industrialized nations. A number of political leaders and scholars, including Kwame Nkrumah and Raul Prebisch, argued that while the era of colonialism was over, former colonies were

<sup>14</sup> Socialism has many interpretations, especially African socialism among different leaders and commentators. In Tanzania, socialism explicitly declared in the Arusha Declaration was defined by four main principles: Human Equality, State Ownership of Property, Democracy, and Freedom.

<sup>15</sup> Pan-Africanism is reflected in Nyerere’s nationalism, which is founded in two fundamental premises: one, that African states should be able to make their own decisions, that is, to be able to exercise their sovereignty meaningfully and, two, the unity of Africa (see Shivji, “Nyerere’s Nationalist Legacy” [http://www.juliusnyerere.info/index.php/nyerere/about/category/tributes\\_and\\_legacy](http://www.juliusnyerere.info/index.php/nyerere/about/category/tributes_and_legacy) (accessed February 5, 2016).

still trapped in a capitalist international economic system, which was dominated by institutions and mechanisms tilted in favor of the advanced capitalist nations. The prime suspects in what was referred to as a neo-colonial process by some was capital-seeking profits, specifically driven by the capitalist merchants, manufacturers, and bankers (Leys 1996). That multinational corporations and their subsidiaries controlled a substantial part of developing countries' economic resources for their own selfish ends was argued. Developing states tried to address the issue of neo-colonialism partly by turning to their membership in international organizations to foster "Third World solidarity" and momentum for change in the international system. In 1964 the United Nations Conference on Trade and Development was formed as a result, spearheaded by 77 developing states that came to be known as the Group of 77 (G-77). Moreover, it was often argued that neoliberal policies were a frontal attack on the sovereignty and independence of African states. Hence, some African leaders viewed socialism as the preferred mode of governance. To remove any doubt, Nyerere claimed explicitly that the traditional Tanzanian society had socialist characteristics, three of which were discussed in his *Socialism and Rural Development*, namely, respect for each other, common property, and the obligation to work (Nyerere 1967).

As a major force behind the modern Pan-African movement and one of the founders in 1963 of the OAU, Nyerere was a key figure in African events in the 1970s. He was a strong advocate of economic and political measures in addressing the apartheid policies of South Africa. Nyerere was the chairman of a group of five frontline African presidents who advocated the overthrowing of the white supremacy in Rhodesia (now Zimbabwe), South Africa, and South West Africa/Namibia (currently Namibia). Nyerere argued that support for the African liberation struggle was essential because the existence of colonialism and racism challenged not only the fundamental principles of human dignity, equality, and national self-determination but also posed a direct military threat to Tanzania. He not only provided intellectual support for the liberation movements but also made Tanzania a haven for refugees and a base for several nationalist movements, such as the African National Congress, Mozambique Liberation Front, and Zimbabwe African National Union. Nyerere also saw the need to enhance the bargaining position of developing countries and was very keen on the strategy of South-South cooperation. The domestic component of Nyerere's *Ujamaa* doctrine focused on promoting an egalitarian society, whereas the foreign

policy element aimed at minimizing the adverse impact of the external dimensions of underdevelopment and the subjugation of developing states in the international system (Msabaha 1995). Nyerere was not only an occupied man on the African continent, but he was also engaged in articulating the concerns of developing countries in the global stage.

By contrast, with the attention of the United States diverted south to Vietnam and Park labeled a former military dictator, the South Korean leader did not have much say nor did he spend much time on regional or international affairs. Compared with Nyerere, Park arguably was more realistic, and more market economy-oriented rather than purely ideological. One example was when Park intervened in regional affairs and involved his decision to send Korean soldiers to fight alongside U.S. forces in Vietnam, for which South Korea was richly rewarded by Washington. In the mid-1960s, revenues from the Vietnam War were the largest single source of foreign exchange earnings for South Korea.<sup>16</sup> Be that as it may, Park seemed more worried about domestic issues than what was happening to the world around him.

### *C. Political Orientation and Styles*

With almost 18 years in power, Park engineered and maintained tight control in South Korea with restrictions on personal freedom, suppression of the press and of opposition parties, and control over the judicial system and universities. He organized and expanded the South Korean Central Intelligence Agency (KCIA),<sup>17</sup> which became a much-feared agent of political repression. Park claimed that all his measures were necessary to fight communism. The peak of his authoritarian rule arrived on October 17, 1972, when Park declared martial law. One month later installed a repressive authoritarian regime, the Yushin (“Revitalization Reform”) order, with a new constitution that gave him sweeping powers.<sup>18</sup>

<sup>16</sup> See Lee (2011).

<sup>17</sup> Now the National Intelligence Service.

<sup>18</sup> Park grew increasingly harsh toward political dissidents. After his dismissal in 1979 of the popular opposition leader Kim Young Sam from the National Assembly, South Korea erupted with severe riots and demonstrations. Whether he really wanted to hold onto power indefinitely or not, Park’s rule ended when he was assassinated by his lifelong friend Kim Jae Kyu, the head of the KCIA on October 26, 1979. For accessible books on Park in English, see Kim and Vogel

Small, unpretentious, soft-spoken, and quick to laugh, Nyerere impressed his less-educated countrymen with his willingness to talk and work with them as equals. Nyerere in comparison to Park, and many other African leaders of his generation, could hardly be considered an authoritarian, at least in style and the manner in which he presented himself to all around him. However, the constitutional order he created and presided over eventually developed strong authoritarian tendencies (Hyden 1980). Interestingly, an aspect of socialist policy in Tanzania was that it did not seek all-pervasive central planning of its economy. Helleiner (2007) rightly points out that it had considerable dispersion of decision-making power even within its public sector (to different tiers of government and different cooperatives). However, the objective of complete state and cooperative control of the economy was there through the encouragement of voluntary “socialist villages” in which people in rural areas were expected to engage in communal productive activities. Essentially, dictatorship seemed to have been ruled out initially but not at the height of his popularity, Nyerere sought rule Tanzania as a one-party system under the leadership of TANU and the economic system he created eventually necessitated strong authoritarian rule. The institutionalization of social, economic, and political equality then came quickly through the creation of a central democracy and the abolition of discrimination based on ascribed status as well as the nationalization of the economy's key sectors that were deemed instrumental for the *Ujamaa* project (Pratt, 1999). In 1967, nationalization transformed the government into the largest economic entity in the country.<sup>19</sup> However, this nationalization, which included the nationalization of all private banks and insurance companies, the major food processors, and eight major foreign export trading companies, was achieved without any detailed planning, legal preparation, or cabinet discussion. Nyerere also proclaimed the government's intention to take a controlling interest in the majority of the sisal plantations and manufacturing companies that produced cement, cigarettes, beer, and shoes. The main victims of this program

(2011) and Lee (2012).

<sup>19</sup> However, the purchasing power declined, and, according to World Bank researchers, high taxes and bureaucracy created an environment where businessmen resorted to evasion, bribery, and corruption (Langseth, Stapenhurst, and Pope 1999, pp. 153–156).

were members of the wealthy Asian community (Meredith 2011). Villagization between 1967 and 1972 was voluntary and emphasized social transformation. After 1973, resettlement became compulsory and the goal of achieving *Ujamaa* as originally envisaged was eclipsed by the more immediate priority of merely achieving mass relocation to concentrated rural settlements (Lal 2010).

The harshest illustration of Nyerere's dictatorship, perhaps, began with a radio message broadcast on November 6, 1973, when he announced that all rural people should settle in a village before 1976. In 1974 "Operation Vijiji" (villagization) was initiated and people had to move from small villages to bigger ones, and from scattered settlements to nucleated villages often by force applied through the people's militia, the army, party, and governmental officials.<sup>20</sup> Between 1973 and 1977, nearly 10 million people were placed in new villages in what amounted to be the largest mass movement in African history. Nyerere had initially categorically stated that neither compulsion nor coercion would be used to establish the *Ujamaa* villages. However, impatient with the slow progress of *Ujamaa* he eventually announced the resettlement of the entire remaining rural population within a three-year period. He argued that despite all the benefits that his government had brought to the rural population, such as improving schools and expanding health facilities, the peasants remained idle and evaded their responsibility to contribute to their country's socialist development (Meredith 2011). The irony is that Nyerere, who was very much opposed to colonialism, used a colonial law, the Preventive Detention Act, to crush the opposition (Legum and Mmari 1995).

Of the two leaders, Nyerere was certainly the more populist, not only at home but also across the continent and beyond. A dynamic orator, picturing Nyerere addressing his people with a scholarly tone on many well-thought out arguments of his time is easy. Many of his arguments resonated well with his fellow African leaders and Western sympathizers. Nyerere was famous for his speeches on Pan-Africanism, colonialism, and the push for the liberation of certain African states

<sup>20</sup> Although the state-owned press and radio did not give much publicity to incidents and to the use of force, many sources revealed that pressure and violence by means of regulations, economic measures, threats, burning down of houses, and physical violence occurred on a large scale (Coulson 1982, pp. 250–252; Williams 1982, pp. 114–118).

that still remained under colonialism.<sup>21</sup> Park was more reserved but more ruthless than Nyerere. Park often made incredible and highly unpopular decisions, many of which would, in all likelihood, not have been passed if South Korea were a democratic country. For example, recognizing the need for large infusions of foreign capital, Park took the vital and highly controversial decision of normalizing diplomatic relations with Japan, Korea's former colonizer and in 1965 signed the Treaty on Basic Relations between Japan and the Republic of Korea, which brought with it 800 million USD in economic aid.<sup>22</sup> This pact with former enemies sparked campus demonstrations in Seoul in 1964, and Park responded by imposing martial law until peace was restored. Arguably, the launching of SMU was perhaps Park's most popular policy. The reason perhaps is that SMU often had the same goals as the personal desires of rural residents and resonated well with South Koreans. SMU suggested for example a "better life for rural residents" as its main objective, which people in the rural villages favored, and so they were naturally motivated to actively participate in SMU; as they participated, the success they experienced created a virtuous cycle of motivation, participation, and successful performance (Baek *et al.* 2012, p. 420).<sup>23</sup>

#### *D. Economic Orientation and Land Reform*

As already discussed, the different political orientations of the two leaders were accompanied by distinct economic strategies for the realization of their respective national economic goals. Park initially shifted South Korea's economic focus away from import substitution to export-oriented industrialization, which was in hindsight a rather bold move given that import substitution was at the time still fashionable in many parts of the world. Besides, what would South Korea export? The country was poorly endowed in terms of natural resources, capital

<sup>21</sup> See Nyerere (2011) for examples of his landmark speeches.

<sup>22</sup> These funds helped launch the country's transformation over the next two decades from economic basket case to world leader in iron and steel production, shipbuilding, chemicals, consumer electronics, and other commodities. South Korea's per-capita income increased tenfold during Park's tenure.

<sup>23</sup> According to newspaper reports in the 1970s, SMU received significant support in rural villages (Kim 2004; Kwon 2010, p.93).

and technological know-how, and other basic resources. The initial strategy then was to import raw materials for export manufacture by value added through labor (Song 2003). While South Korea adopted an export-led growth strategy that would inevitably translate into increased integration with the global economic order and unprecedented growth, Nyerere decided on taking his country on a completely different direction. He decided that Tanzania would become economically self-sufficient, organized largely under communities/villages based on agriculture, rather than remain dependent on foreign aid and foreign investment (in particular, Western influence). Tanzania's economic strategy was markedly different to the outward-oriented strategy adopted by other developing countries, such as its neighbor Kenya. Tanzania's import substitution industrialization sought to reduce dependency on imports by producing goods that had formerly been imported locally. Certain studies argue that *Ujamaa's* focus on the agricultural sector at the expense of industrial development was misplaced (Komba 1995). One can conclude that South Korea eagerly sought export-oriented industrialization and finally opened up, whereas Tanzania chose to remain as an agrarian, traditional society, refusing to open up along with its neighboring African states and thereby effectively shutting her doors to the rest of the world, more or less. The Tanzanian model was essentially based partly on Schultz's central proposition that traditionalist small farmers could lead rural development if given the right tools to improve their efficiency and this perspective led to the proposition that agriculture had an important role to play in a country's overall development (Schultz, 1964). Nyerere emphasized agriculture and completely ignored industrialization—a clear case where politics hindered sound economic theory. Not only did Nyerere not seek to develop Tanzania through industrialization, but also absent were any plans to build heavy industries locally. In a sense, Nyerere was stubbornly knowledgeable of how he wanted his country to appear and took all means to achieve his vision, whereas Park seemed more interested in the real transformation of every South Korean, *i.e.*, escaping from poverty, and was comfortable to adopt to the changing situation by taking whatever opportunity or chances for improvement.

Tanzania was to be self-reliant in food production while cash crops would help generate income for farmers and the state. After all, for many generations, small-scale farming had been the backbone of the Tanzanian economy. Most farmers grew crops for their own



consumption and sometimes cash crops like cotton, coffee and tea for extra income. Tanzania's agricultural policy did not seek to transform the economy through mechanization or large-scale capital-intensive means. In fact, the British attempts to coerce and regulate farmers' traditional farming methods during the years of colonization was met with great resistance and plantation schemes were not very successful. Given that forced agrarian innovations usually led to peasant resistance, when the government called for a start on *Ujamaa* villages in 1967, they emphasized that the villages had to be under the control of the villagers themselves and that the popularly elected *Ujamaa* village councils should be the decisive authority over what crops to grow and how to distribute the individual share in the village surplus. Nyerere considered *Ujamaa* villages as an act of revolt by the peasants against rural poverty. In the *Ujamaa* villages, peasant farmers were expected to live, farm, and market together (Brown and Brown 1995). The rationale for villagization rested on two fundamental ideas. First, that it would be difficult to modernize subsistence agriculture while it consisted mainly of small widely dispersed plots and thus it was considered better to consolidate holdings to eventually facilitate the introduction of tractors and other modern methods. Second, the provision of government services, such as schools and health centers, would be effective if people were grouped together in large settlements. Villagization was initially encouraged on a voluntary basis but the slow progress led to a hardening of official attitudes and increasing the use of coercion. Moreover, villagization was expected to mitigate rural-urban migration by providing an attractive alternative in newly formed rural settlements. However, the effect on rural agriculture was negative as farmers were separated from their former fields and moved to new sites where tenure was uncertain (Wenban-Smith 2015).

Following the independence from the British rule and from Japan, Tanzania and South Korea, respectively, had an enormous opportunity to reform and restructure their land allocation and land use systems. The importance of land reform for economic development remains controversial, but a body of literature has pointed out that land reform in the 1940s and 1950s in East Asian countries including South Korea, was strongly related to economic development.<sup>24</sup> In Tanzania, land

<sup>24</sup> For example, see World Bank (2006) and Studwell (2013). Others, such

was essentially defined and regulated by the Land Ordinance of 1923 (Revised Laws of Tanzania). However, since then and especially under the collectivist policies of *Ujamaa*, the entire body of land in Tanzania had been declared “public lands.”<sup>25</sup> The abolition of private property was viewed as essential for the villagization of production. All forms of local productive capacity and especially land were collectivized to be placed under the control of the state, which in turn, as already mentioned, was used as the basis of communal agriculture through villagization. The communal organization of resources and work results in the efficiency of agricultural activities and better use of resources together with modern agricultural research and of extension services would gradually modernize and replace traditional agricultural practices. The ideological basis of this system was the Arusha Declaration of 1967 on Socialism and Rural Development, which looked back to the traditional African family who lived according to the basic principles of family communalism, or *Ujamaa*. In the wake of the Arusha Declaration, the Tanzanian Government hoped to adapt the technological advances of the non-African world to the traditional system and to transform the traditional system so as to make *Ujamaa* the communal basis for the development of village life. The hope was that the increase in scale would raise agricultural productivity for it would rationalize the use of modern techniques (Brown and Brown 1995).

In Korea, under the Japanese rule in 1938, only 14% of Korean families owned land (63% less than one *chongbo* or 2.45 acres). After the independence in the 1950s, in the context of the Cold War, land reform aimed to prevent socialist revolution and thus played a critical role in establishing the socio-economic base for the liberal democratic and capitalist system (Jeon and Kim 2000). Land reform in South Korea began in earnest in 1945 when the U.S. distributed 240,000 hectares of Japanese-owned farmland to their former tenant-cultivators. Under the New Land Reform Act of 1949, further land reform redistributed

as Hwang (1985) and Adelman (1997) do not see a direct positive relationship between land reform and economic development in South Korea.

<sup>25</sup> Although technically the president has radical title to all land in Tanzania and under the Ordinance, must ensure that the land is held and administered for the use and common benefit of Tanzanian native, in reality, many argue that village authorities have been giving away land—previously used by villagers—to commercial farmers and public corporations without such consent.

Japanese-owned farmland as well as large Korean-owned farms (excess of three *chongbo* or 7.35 acres) involving roughly 23% of arable land and by the end of 1952, nearly 330,000 hectares of farmland were redistributed (Lee 1995, p. 20). The Land Reform Act was finalized in March 1950 under which 500,000 hectares of farmland were voluntarily transferred to tenant-cultivators (Wade and Kim 1978). Consequently, nearly one million sharecroppers, or approximately 40% of total farm households, became small landowners, thereby helping to bring about a relatively equal distribution of agricultural land.<sup>26</sup> Land reform in South Korea gave farm ownership to former rural farm tenants whose interests were in line with community development and this was an essential condition for the success of SMU. Land reform also boosted the expansion of education in rural areas, which again contributed to the success of rural development policy.<sup>27</sup>

### III. Contrasting Ujamaa and Saemaul Undong

#### A. Philosophy and Orientation

*Ujamaa* was founded on a philosophy of development based on three essentials that had a strong appeal at the time—*freedom, equality, and unity*. Nyerere argued that there must be freedom because the individual is not served by the society unless it belongs to him (*i.e.*, (s)he is free from foreign rule); there must be equality because only on that basis will men work cooperatively; and there must be unity because only when society is unified can its people live and work in peace, security, and well-being (Nyerere 1967, p. 16). In comparison, SMU, rather than having a development philosophy per se, was based on the slogans of *diligence, self-help, and collaboration*, which were used to encourage members to participate in the rural developmental process.<sup>28</sup>

<sup>26</sup> International Business Publication (2013 p. 53). See also Park (2013) for more details on Korea's land reform.

<sup>27</sup> Literacy rates had reached 90% in the late 1950s (Cho and Oh 2003).

<sup>28</sup> On a more pragmatic level, SMU had three early objectives in promoting the modernization of rural areas sometimes summed up as the "three liberations": liberation from *jigae*, the A-shaped back-pack frame used to carry heavy loads (meaning improvements in farming tools and transport); liberation from candlelight (meaning power supplies); and liberation from *chogajip* or straw-roofed houses (meaning improvements in living conditions). See Joh, Kim, and

In April 1970, Park addressed rural residents and local officials during a visit to the southeast region and said,

“We need to support ourselves to develop our villages. With aspirations of self- help, self-reliance and cooperation, we can make our village rich and turn it into a good place to live.”<sup>29</sup>

SMU’s slogan of *diligence, self-help, and collaboration* was based on Korean traditional communalism deeply rooted in ancient traditional customs, namely, *Hyang-yak* (향약), *Doorae* (두레), and *Poomasie* (품아씨) which provided the rules for self-governing and cooperation in traditional Korean communities, and as such was easily recognizable by native rural Koreans.<sup>30</sup> In a sense, *Ujamaa* and SMU were supposedly consistent and appealing to the cultures and traditions of their respective people.<sup>31</sup>

The French revolutionaries and liberalists of the 18th century would certainly have resonated well with *Ujamaa*’s ideals on *freedom, equality, and unity*. Nyerere spoke of “a society in which all members have equal rights and equal opportunities; in which all can live at peace with their neighbours without suffering or imposing injustice, being exploited, or exploiting; and in which all have gradually increasing basic level of material welfare before any individual lives in luxury” (Nyerere 1967, p. 340). However, Nyerere’s statements on African socialism were not merely rhetorical political devices nor some romantic appeal of a Westernized university graduate or even an invented or imagined African past. Nyerere presented his own specific version of “traditional” African values because he was socialized in a non-hierarchical “tribal” society and passionately sought to synthesize these “traditional” values with Western elements to create a Tanzanian identity that would cut

Koh (2010).

<sup>29</sup> Quoted in Oh (2002).

<sup>30</sup> *Hyang-yak* is a set of community codes of ethics and cooperation; *Doorae* is a form of community savings and sharing union; *Poomasie* is a custom of farmland sharing among neighbors (Choe 2005).

<sup>31</sup> Blaming neo-Confucianism ideology, Rhee (2014) argues that Koreans in the Joseon period, especially men, were not traditionally cooperative nor were they diligent. In this sense, emphasizing collaboration and diligence in the SMU slogan may have been important. Perhaps, also the fact that every able Korean man had to perform mandatory military service may have helped transform their mindset and sense for working together.

across ethnic lines (Stoger-Eising 2000). In his Arusha Declaration, Nyerere (1977, p. 106) stated that, "The traditional African family lived according to the basic principles of *Ujamaa*. Its members ... lived together and worked together because that was how they understood life, and how they reinforced each other against the difficulties they had to contend with." Nyerere was convinced that through collectivism, by living and working together, traditional African societies would be able to overcome the challenges of their time. In his *Socialism and Rural Development*, Nyerere wrote,

... in the rural areas of Tanzania it is possible to produce enough crops to give an agricultural worker a decent life, with money for a good house and furniture, some reserve for old age, and so on. But the moment such a man extends his farm to the point where it is necessary to employ labourers in order to plant or harvest the full acreage, then the traditional system of *ujamaa* has been killed. (Nyerere 1967, pp. 342–343)

That Nyerere was totally convinced that villagization and a collective agricultural society was the best way forward for Tanzania cannot be more emphasized. He was careful to distinguish his *Ujamaa* philosophy from Marxism, arguing that whereas an orthodox Marxist philosophy relies on a revolutionary consciousness as a result of excessive exploitation and alienation, the *Ujamaa* concept relied on national planning by a ruling elite that must voluntarily renounce its privileges. In addition, he noted that the Marxist concept relied on a high degree of industrialization, technology, and productivity and was based on the existence of clearly defined social classes and a high class consciousness, all of which were factors that were non-existent in the Tanzanian context (Msabaha 1995). Nyerere's *Ujamaa* was a thought-out idea, whereas Park's SMU almost happened by accident. As already mentioned, SMU began as the South Korean rural communities "somehow" responded favorably to the decision by the government to distribute overproduced cement to rural villages.

### *B. Voluntary Participation*

A question of particular concern to any leader is how to bring about changes in individual behavior, which can facilitate the accomplishment of the objectives the nation's leader may have established. Any effort

aimed at changing the behavior and the mindset of citizens is a combination of persuasion on the one hand and coercion, or threat of coercion, on the other. Arguably SMU, although very much a top-down approach, would not have been as successful if it failed at changing people's minds and consciousness, invoking their discretion, and without their voluntary participation.<sup>32</sup> Decisions by communities participating in SMU were significantly autonomous and independent. People came together and discussed what projects their communities needed with much enthusiasm (Kim 2004; Kim 2012). As such, SMU was an important mechanism for social and economic inclusion. In the case of South Korea, the SMU model had a strong focus on obtaining results that focused on transforming the rural people's consciousness and encouraging their discretion. This approach to rural development was way ahead of its time as participatory models of development only begun to be prevalent in rural development globally from the 1980s (Haslam *et al.* 2012).

*Ujamaa* started slowly and initially as a voluntary process between 1969 and 1972. By the end of the 1960s, approximately 800 collective settlements were established. *Ujamaa* villages were not intended to cost the government anything. Socialist villages are, in principle, not to be pushed from above. Nyerere wrote,

They cannot be created from outside, nor governed from outside. No one can be forced into an *Ujamaa* village, and no official - at any level - can go and tell the members of an *Ujamaa* village what they should do together, and what they should continue to do as an individual farmer. (Nyerere 1968, p. 7)

However, in the 1970s, Nyerere's reign became more oppressive, and he felt that the move to collective settlements, or villages, would have

<sup>32</sup> Koh (2006) argues that identifying the difference between voluntary participation in the movement and political mobilization by the authoritarian Park's government is difficult, but what matter is that local community leaders who knew best what their communities needed organized SMU. Moreover, Baek *et al.* (2012) argues that although critics of SMU point to the top-down mobilization rather than voluntary participation, this seems less compelling because previous efforts of top-down mobilization for rural areas in the 1960s had largely failed.

to be accelerated and largely enforced.<sup>33</sup> In November 1973, Nyerere directed that living in villages was no longer voluntary. “Operation Vijiji” (villagization) was an unprecedented exercise in social engineering carried out in the same year, which involved the relocation (often by force) of thousands of rural Tanzanians to *Ujamaa* villages (Lange 2008). The idea was to accelerate the collection of people into villages or communes where they would have better access to education and medical services. By the end of 1976, nearly 10 million peasants were moved and most were forced to give up their land and were resettled in villages (Briggs 1983). No prior planning was made. Villagers were not consulted or involved in the decision making.<sup>34</sup> To most Tanzanians, the idea of collective farming was abhorrent, and many found themselves worse off. The *Ujamaa* system became coercive as it faced several critical challenges. Farmers’ cooperatives as socialist institutions were mishandled by the creation of government crop authorities that acted as middlemen. These institutions became increasingly exploitative of the farmers. In addition, subsidies and infrastructural investments were meant to encourage the formation of *Ujamaa* villages but eventually, they became substitutes for proper planning. Insufficient comprehensive and participatory planning often transpired. Politically, the peasantry became increasingly alienated and Nyerere rapidly lost his popular rural base.

### *C. Property Rights and Marketization*

Western economists have for some time touted the importance of (private) property rights protection for the proper functioning of a market economy (Alchian 2008). Nyerere’s socialist experiment in Tanzania exemplifies how the removal of private property rights (in this case to establish a socialist state) destroys markets and even driving people toward subsistence living. Nyerere completely redefined the Tanzanian property-rights regime by largely abolishing family and

<sup>33</sup> Estimates vary but there were over 2,500 of these “villages” by the end of the 1970s, and they consisted of approximately 20% of the rural population mainly in the less fertile regions of Tanzania, such as Dodoma and Singida (Briggs 1973). Cunningham (1973) places the number nearer to 5,000 *Ujamaa* villages or collective settlements—all of which adopted a highly collectivist approach to rural development.

<sup>34</sup> Land Commission, 1994, p. 4.

individual rights held under customary law and instituting in their place a system that nationalized the country's land and moved a good portion of the rural population from scattered settlements and small individualized holdings into communal villages, which promoted large-scale collective farming.<sup>35</sup> In 1973, the government commenced the forcible relocation of roughly 80% of the population, and with the market system destroyed, Tanzania experienced massive disruptions in national agricultural production. The government lost the people's trust, and the widespread fear of land confiscation undermined the *Ujamaa* project. Nyerere's accompanying nationalization program further undermined the public's confidence as it gave rise to many state corporations that were inefficient, incompetently managed, overstaffed, and excessively indebted. By 1979, nearly 300 parastatals had been established, including state banks, state industries, and state marketing boards (Meredith 2011).

By contrast, SMU encouraged and established people's participation and belief in the market system. As Jwa (2018) points out, SMU brought about the nationwide transformation of the South Korean economy toward marketization by fostering rivalry and competition among villages and villagers. With villages given autonomy to decide on projects and collectively own the fruits of their work, all participants quickly discovered the merits of their hard work as they were recognized as "winners" in the rivalry with other villages for scarce resource. Using a Schumpeterian analysis to examine the SMU, Kim (2015) also hints at the importance of the creative destruction and the marketization of South Korea. As suggested in Yoon (2017), such marketization and particularly the multi-level rivalry under the enabling institutional setting may have been the main driver of the self-help awakening among Korean people engaged in SMU in the 1970s.

#### *D. Vicious versus Virtuous Policy Cycle*

Based on the principles of the extended family system with its emphasis on cooperation and mutual respect and responsibility, *Ujamaa* does not necessarily conclude that in new conditions collective

<sup>35</sup> The change of government in 1985 led to a reversal of this policy and a gradual transition to the property-rights and resource-governance systems is still being put in place today.



farming would necessarily lead to an efficient division of labor, better organization, or harder work by the people. If the villagization programs are to be economically successful, then the rural communities would have to have been convinced that real economic gains could be achieved through large-scale collective farming, and that social gains would be derived from living in communal settlements (Cliffe and Cunningham 1973). The productive rationale of collective farming seems to not receive enough attention. This observation became especially evident as the *Ujamaa* program became more coercive in nature, which implied that it lacked widespread rural support and understanding.

By contrast, SMU was a movement based on a discretionary incentive system and rivalry between villages. The rivalry between villages to be rewarded by selective incentives contributed to the internal unity of villages and developed into a practical force for SMU to perform effectively (Kim 2005; Yoon 2017; Jwa 2018). In turn, it inspired village residents to take pride in their success. For example, village residents made a hanging banner saying that “Our village is an exemplary village...In our region, only Armi-ri was rewarded by the President” (Kim 2009). That is, pride and economic incentives were strong motivators to unite village residents under SMU by distinguishing themselves.

SMU followed a strict policy cycle consisting of six steps: (1) providing incentives from government support, (2) motivating rural villages to improve their infrastructure, (3) inducing farmers’ participation and cooperation, (4) seeing visible results and tangible benefits from improved infrastructure, (5) building up the spirit of self-help and cooperation, and (6) expanding reproduction. The process of selection, support, and evaluation of successful villages was clearly evident (Jwa and Yoon 2012; Han 2012; Jwa 2018). More specifically, under the SMU, the movement promoted self-help and collaboration among participants, as the central government provided a fixed amount of raw materials to each of the participating villages for free and entrusted the local leaders to build whatever they wished with them. In the first year, the government first selected 33,267 villages and provided 335 sacks of cement. A total of 16,600 villages that demonstrated success were then granted additional resources of 500 sacks of cement and a ton of iron bars in the following year. All these villages that demonstrated success were then granted additional resources of 500 sacks of cement and a ton of iron bars, and so on (Yoon 2017; Jwa 2018). Villages that did well received further support, whereas villages that squandered resources

were marginalized and did not receive further government support.

In 1971–1972, during the early stages of SMU, a major program was to persuade farmers to replace their thatched roofs with tile, metal, or some composition material, as well as improve roads, bridges, wells, and sanitation facilities. Through participation in such projects, an immediate impact would be achieved on lives of rural village people. These tangible, visible, and participatory improvements were in line with Park's frequently repeated slogan "Let's live better." Opinion shapers in villages were involved in enhancing participation and as they became committed to pursuing SMU's goals, other villagers also followed. Where mistrust and reluctance prevailed initially in rural areas, this was replaced by village councils that were eagerly drawing up development projects and requesting official help to carry them out. This official assistance was, however, premised on continuing to achieve positive results (Brandt 1979).

Hence, "experiencing success" and reward were important components of the policy cycle. The government pushed this through by providing economic rewards to villages where community tasks, such as road construction, were successfully completed. This was also much touted in the press,<sup>36</sup> which had a ripple effect of attracting into the movement an increasing number of villages with their own resources. The government managed to harvest a result amounting to seven times its investment. Following the initial phases of the SMU, a wide range of projects for improvement in physical environment, such as farm roads, village entrance roads, sanitary water system, rural electrification, village halls, small bridges, and marketing system arrangements, were initiated. Environment projects increased in size as the years progressed, and larger projects, such as building roads and sewage systems were established as a joint venture with neighboring villages to reduce costs. Residents in rural villages learned the experience of success, which changed their mindset from a negative and skeptical attitude to a positive ("can-do" spirit) and independent attitude.

<sup>36</sup> Each village was given a rating by the county chief in accordance with its accomplishments, and local pride stimulated a highly competitive spirit among neighboring communities (Brandt 1979). The program also marked the widespread appearance of orange tiled houses throughout the countryside, replacing the traditional thatched or *choga-jip* houses. See also Han (2012) for individual success stories of SMU.

“Experiencing success” was transformed into self-efficacy or what we may call the “*Saemaul Spirit*” (Moon 2010; Jwa 2018).

*E. “Egalitarian Trap” in Tanzania*

Paul Collier (2007) explores why impoverished countries have failed to progress and mentions four important “development traps,” namely, conflict (mainly civil wars), natural resource, landlocked with bad neighbors, and bad governance in the small country traps. In addition to these types of traps, we add the egalitarian trap. As outlined in the Arusha Declaration, Nyerere was committed to the creation of an egalitarian socialist society based on the cooperative agriculture in Tanzania. *Ujamaa* emphasized the blend of economic cooperation, racial and tribal harmony, and moralistic self-sacrifice through collectivized village farmlands. Ideas, such as equality, respect for human dignity, and desire to prevent man-to-man exploitation are of a moral and normative nature. These incentives are hardly inherent for people to work together to invest more in agricultural practice or to increase agricultural production. Such changes would have to be based on carefully crafted economic incentives.<sup>37</sup> Unless new forms of socialist villages can be found that can successfully combine economy with egalitarianism and innovation with community, there would be a fundamental conflict between the objectives of rural growth and rural socialism (Helleiner 2007). Put simply, *Ujamaa* failed to escape the egalitarian trap. Ultimately, *Ujamaa* adversely impacted the development of an entrepreneurial culture in Tanzania because of the incentives that it created for reliance on the state for its functioning and eventually on donor assistance. This challenge is common in societies where egalitarianism is strongly emphasized.

Park’s policies, by contrast, were based on economic “discrimination” *i.e.*, treating differences differently (Jwa and Yoon 2004; Jwa 2018). Economic agents were sometimes handpicked by the government, and occasionally by Park himself, and were provided support for the end of achieving specific economic goals. Fundamentally, and most critical, those receiving support were constantly evaluated and support was swiftly removed, or management changed, if targets were not met. This ensured that not only scarce resources but also added incentive

<sup>37</sup> See Jwa and Yoon (2004) and Ngotyana (1973).

for those receiving support to perform, usually beyond expectations, were misallocated. This “policy cycle” as discussed in the previous section was applied not only to SMU but was an essential feature of Park’s other economic policies including the export-led growth strategy of the 1960s and the Heavy and Chemical Industrialization drive of the 1970s (Jwa 2018). SMU did have elements of social egalitarian inclinations that contributed to its success, such as increased women’s participation, as well as autonomous village-level decision making, and so on, but economically it remained largely discriminatory and anti-egalitarian, thereby avoiding the vicious “egalitarian trap.”

#### **IV. Legacy of Ujamaa and Saemaul Undong**

##### *A. Collapse of Ujamaa in Tanzania*

While the *Ujamaa* rural development model commenced as an open-ended call for collective, voluntary experimentation with communal living, it evolved into a compulsory drive that emphasized the topographical re-ordering of the countryside or resettlement. Focus on changing rural farmer mindsets was also insufficient as had been the case in South Korea. As mentioned, the Tanzanian rural development model was based on an idealized construction of African forms of kinship and extended family and thus did not sufficiently try to alter the existing rural mindsets as part of its implementation strategy. Although the tribal socialist mindset was already presumed to exist and Nyerere assumed it could provide a basis for rural development, traditional African societies had been substantially altered by decades of colonial rule, and Tanzania was no exception having endured German and British colonial regimes (Lal 2010).

The forced villagization under Operation Vijiji to promote collective farming suffered from many problems. For example, often, the new land was infertile, necessary equipment was unavailable, local people did not want to work communally (and wanted rather to provide for their own families first), government prices for crops were set too low, and so on. The peasantry responded by retreating into subsistence farming—just growing their own food and national agricultural production and revenue from cash crop exports plummeted (Hydén 1980, Briggs 1983). Cooperatives, which played a major role in the 1950s and early 1960s were abolished in 1976. With state crop authorities handed monopoly

powers to buy crops, the authorities became a siphon to transfer the surplus from the peasantry to state bureaucracy. Peasants were paid as low as 20% to 30% of the market price for their crops. Collective farming did not work and life became increasingly difficult. In addition to these challenges, the oil crisis of the 1970s, the collapse of export commodity prices (particularly coffee and sisal), the lack of foreign direct investment, and the onset of the war with Uganda in 1978 bled the young Tanzanian nation dry of valuable resources and brought two successive droughts. By 1985, collective village farming had clearly failed to lift Tanzania out of its poor economic situation, and the continued resistance from peasant farmers led to the collapse of *Ujamaa*.<sup>38</sup>

*B. SMU as a Community-driven Development Model for the 21st Century*

For a variety of reasons, many early rural development programs had a notorious reputation for being costly without delivering much needed results (Lele 1976). More recently, the success of SMU is now increasingly being recognized globally and a number of authors have looked to see how and whether SMU could be a rural development model for other developing countries in the 21st century (Reed 2010; Baek, Kim, and Lee 2012; ADB 2012). In 2008 the Economic Commission for Africa selected the *Saemaul* movement as a base model for the Sustainable Modernization of Agriculture and Rural Transformation program. Furthermore, the *Saemaul* movement has now been exported to more than 70 countries, including Tanzania, DCR, Mongolia, and others, sharing South Korea's rural development experience worldwide.

A unique feature of SMU is how it successfully contributed to the social inclusion of the rural community, all persons regardless of social status, sex, and age, into the process of industrialization. With the rapid urbanization in the 1970s and the agricultural sector making smaller contribution to national economic development,<sup>39</sup> rural areas became a vital core of South Korea's industrialization by providing skilled and educated workforce. SMU not only helped improve the quality of life in

<sup>38</sup> Nyerere announced that he would retire voluntarily after the presidential election that same year.

<sup>39</sup> Oh (2002) explains that a growing number of people left the rural villages for cities in the 1970s.

rural areas, but it also brought rural communities into the mainstream of social change (Kwon 2010). The “*Saemaul Spirit*” was cultivated in the cities and factories and became an indispensable driving force of South Korea’s modernization. For example, the so-called “*Factory Saemaul Undong*” began with the first oil crisis in 1973, which hurt the South Korean economy. As the government needed countermeasures to overcome the crisis, *Saemaul* activities in factories were initiated to reduce production costs, to perform quality control, to save production resources, and to promote unity between labor and management.<sup>40</sup> The government actively launched *Saemaul* education in districts, factories, and schools across the country to instill the *Saemaul Spirit*, which allowed sustained motivation and will, and led to changes in values, attitudes, and behaviors of South Koreans to fully participate in the SMU program, which became the key ingredient of SMU as a community-driven development model for 21st century.<sup>41</sup>

## V. Concluding Remarks

The discussions here place *Ujamaa* and Tanzania under a rather unfavorable light. The reason for this is deliberate as this paper attempts to highlight important issues for why *Ujamaa* did so poorly in terms of its economic outcomes. Nevertheless, Nyerere’s social experiment had a number of successful achievements, including the high literacy rate, the halving of the infant mortality rate through access to medical facilities and education, and the creation of a united Tanzania beyond the varied ethnic lines especially through means such as the use of Swahili. Tanzania is one of the few countries that have been untouched by the “tribal” and political tensions, which have affected many other African countries since their independence. Today, Park is the more polarizing figure, but majority of Tanzanians regard Nyerere as a national hero.

Be that as it may, what we argue in this paper is that there were important oversights that Nyerere’s economic policy and *Ujamaa* in particular seemed to have made. In particular, the unequivocal determination to move Tanzania along a socialist path through the

<sup>40</sup> Chung (2008, p. 85) reports that the number of training course graduates for Factory Saemaul Undong from 1974 to 1979 was 254,456 persons.

<sup>41</sup> Park (2018) explores this theme more broadly in the context of “reinventing” Africa’s development.

nationalization of land and other important economic resources, the lean toward collectivization and egalitarianism, the lack of consensus building, and the (occasional) use of force especially with the villagization program did little if at all to improve Tanzania's rural economy. On a fundamental level, results were stubbornly accomplished through resource allocation without looking into how the processes directly impacted incentives and individual lives. In addition to the general lack of preparation and expertise, for example, in the field of collective farming, of new farming technologies and management of communal villages, a lack of local leadership and participation, there was too much bureaucracy by the government and party, which stubbornly maintained a distorted economic incentive system that caused the economic failures of *Ujamaa*. Governments are not immaculate, but consistently allocating resources to underperforming enterprises/industries (agriculture in the case of Tanzania), especially for the sake of achieving some preconceived ideal, whether it be "equality," "socialism," or otherwise, is a surefire way to produce more underperforming enterprises, industries, or economies.<sup>42</sup>

Park's SMU does not go without its own criticisms. For example, Brandt (1971) does not like the Korean hierarchical structure, and some Korean authors claim that because the movement was initiated and implemented by the Park regime, SMU was nothing more than a tool to prolong the rule and improve the legitimacy of the dictatorial regime (Lim 2004, Koh 2006). Although rural incomes did surge thanks to SMU, the income disparity between rural households and urban households widened in terms of real income after 1978 and nominal income since 1976. This was closely related to the abandonment of the dual price policy. The Korean government no longer engaged in paying a high price for rice in response to the economic recession, budget deficits, and inflation, and, consequently, the rural economy and market conditions of farmers worsened (Baek *et al.* 2012).

Notwithstanding the criticism and faults of the SMU, this paper exemplifies Park's economic leadership and vision as he tackled rural development, which was integrated in his national economic strategy and policies. Looking for real transformation and concrete impact, while unashamed to brush aside ideological guidance, allowed

<sup>42</sup> We add here that although an economy does not need to punish mediocrity to be successful, it cannot punish greatness or it will end up being mediocre regardless of the kind of ideals or politics the society seeks.

Park to move forward beyond the politics and ideologies prevalent at the time to the benefit of Korea. Park's policies avoided the all too common misalignment of political ideologies with good economic theory, which was possible through unique government support and mobilization of scarce resources on the basis of the principles of economic "discrimination," rather than egalitarianism, and through the development of institutions and community organizations which, in the case of South Korea, embodied the spirit of *diligence*, *self-help*, and *collaboration* (i.e., through *Saemaul* education) that maintained the people's motivation, commitment, and inclusion for economic progress. In sum, with the SMU in the 1970s, the tangible material improvements through the many visible projects that delivered real economic payoffs helped sustain the Korea people's desire for social and economic transformation and change for the better.

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