

Why Foreign Aid Fails to Deliver Development in African Rural Settings: The Case of Korean Aid in Tanzania

By

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Abstract

In 2011 KOICA sponsored a model village project in Morogoro region in Tanzania. The aim was to create a prosperous village that would be a model of modern villagization to be emulated by other villages in Morogoro and finally in Tanzania in general. The project drew its philosophy from Saemaul Undong rural development strategy that had been very successful in South Korea. Agricultural equipment was supplied and strategic infrastructure was put in place. Using interviews with village leaders and reviewing village project reports, this paper reports on the performance of foreign aid in this project. Results from content analysis of the collected data shows that, once again, modernization development models like the Harrod-Domar and Nurkse's Vicious Circle of Poverty have failed to deliver development, contrary to the belief that what poor rural settings need is capital from outside. This is partly because some important socioeconomic and cultural factors were overlooked or underestimated when conceiving and implementing the project. The efficiency of the injected capital was seriously affected by lack of ownership, poor feasibility assessment, lack of accountability as well as wrong timing of the project. It is suggested that small business models would work better than village communal projects.

Key words: aid, rural development, Saemaul Undong, Ujamaa

1.0 Introduction

There is widespread evidence of ineffectiveness of foreign aid in Africa's development. Notwithstanding this evidence reported again and again from different parts of Africa, the so-called development aid keeps coming in through different ways. Mostly, donors have relied on macroeconomic Western development models which they use to convince African leaders to experiment. These models have been experimented in Tanzania since its independence in

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1961 but the expected positive effects have not been forthcoming (Rugumamu, 1997). The emphasis in macroeconomic growth models has not only informed donor agenda but also most of literature on aid effectiveness. Many have put the blame on corruption and lack of good governance in general but factors that lead to aid ineffectiveness are far more than macroeconomic. The focus on macroeconomic factors fails to appreciate the role of social and cultural factors that equally render aid ineffective in poor African rural settings (Andrews, 2009).

This paper explores the reasons for the failure of Korean development aid to Tanzania aimed at creation of a model village through the application of *Saemaul Undong* approach. The village was to be created in Pangawe in Morogoro region. It was expected that the village would be emulated by other villages in Tanzania but the project proved failure. The next section briefly discusses aid effectiveness in general. Then the paper highlights on the concept of rural development, after which rural development under Ujamaa in Tanzania is also highlighted upon. Section five discusses rural development after the Ujamaa period. Section six engages Korean aid and its strategy for rural development. Section seven describes the Pangawe village project and section eight presents the theoretical framework followed by methodology in section nine. Sections ten and eleven handle the performance of the projects supported by Korean aid in Pangawe village. Discussion of the findings of this study is presented in section twelve followed by a conclusion in section thirteen.

2.0 Aid and Aid Effectiveness – an Overview

International development aid has a long history. It has also been a subject of much academic debate. Several authors have traced its history and effectiveness. Moyo (2009), for example, traces it back to the reconstruction of European nations following the devastations of World War II. Carlsson et al (1997) argue that, although development aid is a post war phenomenon initially thought to be just a complement to the development functions of national resources and efforts, evaluation of its role after forty years of its existence, shows that aid has become something permanent. Foreign aid has also become a subject of heated debates causing growing disillusionment with its performance. The authors argue that fighting poverty by supporting economic growth and development in the least-developed countries has continued to be a major objective of development aid.

Notwithstanding this seemingly good will, in many countries it has been difficult to identify any positive connection between development aid and development. In the words of these authors, 'Africa is a particularly sad case in this respect,' (p. 7). Rugumamu (1997) argues that foreign aid has generally failed to mitigate critical problems of underdevelopment and has helped to debilitate rather than stimulate potential productive energies in Africa. According to him the results of aid in Africa have been unprecedented economic stagnation and waste, crippling debt crisis, human rights abuse and foreign intervention in national economic policy management. Because of its negative rather than positive effect to development in Tanzania, Rugumamu (ibid.) calls foreign aid 'lethal aid'. Moyo (2009) shares the same conviction. She posits that aid to Africa has been historically used a tool for both mind and political control – leading to dire effects of disabling African economies. She calls it 'dead aid' which she explains as the story of the failure of post-war development policy. In the same vein, Easterly (2006) has argued that Western aid to the rest of the world has done so much ill and so little good. He calls it 'white man's burden'.

Whereas most of earlier studies on aid effectiveness focused on its impact on development and growth, the study by Carlsson et al (1997) focused on determinants of aid effectiveness. In their study, aid effectiveness was defined as ability of the aid project to achieve its objectives and the degree of sustainability of these achievements. Sustainability is the ability of the positive results of the aid project to continue long after the aid resources have ceased. In analysing the determinants for aid effectiveness these researchers found that there were three important issues that had not received enough attention. These are management capacity of the recipients, relationship between donors and the receiving governments, and sustainability of the aid. The study covered a total of eight countries, Tanzania being one of them. Actually, among the countries included in the study, Tanzania and Zambia were pointed out as being two countries where debt servicing was meaningless. This was because, for these two countries, the burden of debts had become too huge when measured against the value of their exports.

All the countries have had experience of the international donor community, some more than others. Tanzania and Zambia have been high on the list of most donors. Heavy inflows of aid, combined with economic misfortunes, have resulted in impressive aid dependence. Aid flows accounted for 40 per cent of Tanzanian GNP and 24 per cent of the Zambian GNP. This is about

twice the average for the other countries in our sample³ (p. 15).

The fact that, in spite of increased aid to Africa and Tanzania in particular, the economy is still not performing well arouses skepticism about the effectiveness, not only of the aid itself but also of the proposed economic models. Among the most popular growth models of the 1950s are Nurkses' Vicious Circle of Poverty and the Harrod – Domar growth model. Both models are about capital accumulation. The results from Africa (and elsewhere) and Tanzania in particular defy the basic hypothesis of these models which holds that economic development in any developing country could be enhanced by the introduction of foreign capital. The failure of this hypothesis led to the introduction of a new paradigm focusing on the relationship between donors and recipients of foreign aid. This new paradigm is simply referred to as the 'donor-recipient aid relations' model of aid evaluation (Bagachwa, 1997).

This new paradigm involves all the activities and responsibilities that cut across the whole aid process. It involves an analysis of levels of participation for both donors and aid recipients in the management of the aid from the time of conceiving the project to the termination of the project. It is important to focus on these relations because it is on these that depends the success or failure of donor funded projects. Project management capacities differ between donors and recipients. Their socioeconomic contexts are also normally not the same.

Furthermore, and even more important, sociocultural issues that inform the intricacies of donor-recipient relations can be very complex. There are small but important issues that have normally been overlooked in earlier approaches to aid effectiveness which focused on generalizations of specific project performance. These issues are mostly contextual and cultural. They concern behaviour, social relations, beliefs, attitudes, trust, work ethics etc. Based on this fact, the current study aims at testing both the capital accumulation and donor-recipient models in relation to Korean aid in Pangawe village.

³The average for the sample was 10 per cent.

3.0 Rural development

Specifically, rural development has been defined as any strategy designed to improve the economic and social life of the rural poor. Urban dwellers are normally more advantaged than those in the rural areas in terms of economic and social services. Therefore, rural development involves effort to extend the benefits of social and economic development to the most disadvantaged of those who live in the rural areas. This group of the poorest seekers of livelihoods in rural areas is mostly composed of small – scale rural farmers (World Bank, 1975). Rural development strategy was adopted by the World Bank in 1975. It was this adoption by the major financial institution that contributed largely to influencing donor support for agriculture and rural development and particularly for agricultural projects in the rural areas. The result was that both governments and donors saw rural development as the way to improve social and economic lives of rural dwellers. Actually, the positive relationship between improving agriculture and poverty alleviation has been, empirically, shown to be very strong (Siddiq and Ismail, 2013). A development program is therefore expected to involve a mixture of projects and activities aimed at improving agriculture, health, education, employment, communication and housing (Baah-Dwomoh, 2016).

Although the meaning of rural area may differ from one country to another, the notion of rural development has been understood as denoting the totality of development efforts, policies, initiatives and activities by any development partners for the aim of improving the standard of living of people in the non-urban places. The development partners include governments, donors, NGOs, as well as urban and rural communities. Rural development, normally, involves improvement in the primary sector which is concerned with the production of food and raw materials. In Tanzania rural development is directly related to the improvement in the livelihoods and production activities of the people living in villages as contrasted to people living and working in small towns, towns and cities which are termed ‘urban areas’ (Losch and Michaud, 2016).

One of the reasons that have been given for the failure of foreign-aided development projects is lack of aid policy guidelines for planners and negotiators resulting in inconsistencies between national goals and aided project objectives, as well as mismanagement of aid funds (Rugumamu, 1997). Another is failure to

manage local participation in such projects (Suphian and Jani, 2020). Technological incompatibility has also been highlighted as one of the causes of failure in aided industrial projects (Nyirenda, 2019). Bilateral aid comes, normally, through the government. It therefore leads, in many cases, to a top-down development project determination. In such cases the culture of the people becomes crucial. The basic argument, as it will be shown, is that project management, people participation and technology transfer in development projects in Tanzania are highly affected by recipient culture and other related contextual issues.

4.0 Ujamaa, Self-reliance and Rural Development in Tanzania

Six years after its independence in 1961, Tanzania took a turn to socialism. This major policy decision was announced through the Arusha Declaration under the leadership of the supreme party TANU. The Arusha Declaration of 1967 had four tenets. These were socialism, self-reliance, rural development, and economic growth. Among the four, self-reliance meant reduction of dependence on external assistance and indigenous control of national resources. The focus of rural development was in improving conditions in the rural areas that provided the livelihood to over 80 per cent of the population (Bagachwa, 1997).

Under Ujamaa, the bulk of both the land and people were found in rural areas. Since self-reliance implied full mobilization of these factors of production, rural development became an essential aspect of self-reliance (Nnoli, 1978). Consequently, the development paradigm of the 1970s was driven by the need to focus on problems of employment, inadequacy in the provision of basic needs as well as the challenge of income distribution. In this paradigm the role of foreign aid was to be perceived as being that of raising the standard of living of the poor, most of whom lived in rural areas, largely through increased employment (Wangwe, 2006).

Nyerere, the leader of TANU and president of Tanzania at that time, had faith in the village commune as the best way to organize the Tanzanian rural communities. In his efforts to build a prosperous egalitarian society, Nyerere clearly criticised rural modes of production in which a few individuals had the opportunity of accumulating personal wealth and therefore grow richer than the rest of the members of the village commune. The typical village commune was to

be built on the foundations of the African traditional society which, according to Nyerere, was both prosperous and egalitarian. In this society people worked for the benefit of the community or extended family. Competition and accumulation were not part of the philosophy that governed the traditional society. However, in 1967, Nyerere was worried by the fact that, although rural communities in Tanzania exhibited an attractive degree of equality, there were still unacceptably high levels of poverty. Nyerere thought that the poverty was not inherited from the traditional society but that it was caused by ignorance and lack of adequate technology. To defeat poverty, the traditional village communes had to learn from the technologically developed societies outside Africa (Maghimbi, 2012). It is this kind of thinking that triggered emulative foreign aided projects like that of Pangawe village.

Nnoli (1978) elaborates succinctly that although self-reliance emphasized the use of domestic resources for national development, the use of external resources was not excluded. Given the underdeveloped state of Tanzania's productive forces, external wealth was 'essential to facilitate take-off into sustained economic growth' (p.203). Yet, external resources were not to be received and accepted uncritically. Any foreign aid was to be evaluated in terms of compatibility with national objectives and values. The author proposes five criteria for gauging the acquisition of any form of external resources. These are the integration of resource into the overall national framework of goals, resources, traditions, and procedures; proper coordination in order to build Tanzanian capability to phase out their use; ranking the choice of the resources according to national priorities, harmonization of the interests of both donors and recipients; and the unfettered will to reject unsuitable foreign aid. This kind of scrutiny is crucially important for emulative projects as well.

The development of the rural areas in general and agricultural sector in particular in Tanzania has historically required deliberate state efforts. This is mainly due, first, to the fact that agriculture inherited from colonialism was not structured in ways that would meaningfully contribute to the development of the colonized country. It was structured to produce raw materials for industries in the metropolitan economies of the colonizing European countries (Rodney, 1973; Rweyemamu, 1973).

Secondly, the newly independent society in Tanzania witnessed disturbing levels of inequality between urban areas and the predominantly agricultural rural areas Van de Laar (1972). Urban areas have historically been favoured in the provision of social services, as compared to rural areas. Van de Walle (2009), for example, argues that one reason postcolonial governments failed to alter older patterns of inequality relates to the policies they have pursued. The author continues to show that studies of social policies in Africa have, moreover, argued that education and health expenditures have not always served the needs of the poor as capital cities receive the lion's share of social services, while hinterland areas far from the capital systematically receive a lower standard of service. Also, health services favoured curative, hospital services that tend to cater to the rich, rather than preventative healthcare, which would be more likely to help the poor in both urban and rural areas (Magadi et al., 2003). It is also shown that, the per-student expenditures of education policies have overwhelmingly favoured secondary and tertiary education – which are mainly found in urban areas – over primary education (van de Walle 2009). In the same vein, Nyerere (1968) reiterated that:

One important result of development...has been the growth of urban centres (where) only about 4% of our people live...Unfortunately, the life of these tiny minorities has become a matter of great envy for the majority. Life in the towns has come to represent opportunities for advancement, a chance of excitement, and the provision of social services, none of which is easily available in the rural areas (p. 111).

Thirdly, Tanzania did not have the industrial base strong and dependable enough on which to build its economy. This was made clear in the Arusha declaration. In a small booklet titled the *President Explains the Arusha Declaration* (1967) Nyerere argues that whereas it was possible to find investment capital (from own resources) for great increases in agricultural output, it was not possible to envisage establishing industries in the near future. He continued to argue as follows:

To be realistic, therefore, we must stop dreaming of developing Tanzania through the establishment of large modern industries. For such things we have neither the money nor the skilled manpower...Our future lies in the development of our agriculture, and in the development of our rural areas (p. 5).

In Tanzania today, despite its significance to the economy, the agricultural sector suffers from lack of access to credit and training opportunities for farmers (Nyoni, 2007). Nevertheless, the sector has not received the greatest attention from development aid donors. Official development assistance has been focusing more on poverty reduction and achievement of the more socially-oriented Millennium Development Goals (MDGs). The focus of development aid in recent years has been on health, education and good governance (Rotarou and Ueta, 2009). This was not the case in the 1960s up to 1990s when the legacy of Ujamaa put emphasis on rural development.

From the 1970s to early 1990 therefore, Tanzania's policy on development, deliberately focused first and foremost on rural advancement. This does not mean that urban areas were not to be developed but that priority would be given to rural areas. Policies that emanated from the Arusha Declaration attested to this commitment by the government and its leaders. Capital was sought from both within and outside the country for the development of agriculture, forestry and fishing. According to Rugumamu (1997) for example, sectors that received the largest portion of international aid included the agricultural sector as shown in the table below.

Table 1: Sectoral distribution of aid to Tanzania 1989 to 1991 (in UDS '000)

Sector	1989	%	1990	%	1991	%
Economic Management	17,782	2.0	58,843	6.2	86,680	8.5
Administration	112,331	12.4	55,227	5.8	115,293	11.3
Agriculture/forestry/fish	72,792	8.0	116,228	12.2	172,254	16.9
Industry	224,020	24.8	163,260	17.1	171,591	16.8
Transport	111,510	12.3	141,471	15.0	145,010	14.3

Source: Extracted from Rugumamu (1997, p. 177)

As it can be seen from table 1 above, agriculture (including fishing and forestry) received the largest portion of aid, overall.

5.0 Aid and Rural Development after Ujamaa

Development of the rural areas has for a long time continued to be a major concern of social and economic development policy in Tanzania. Poverty has remained widespread and deep in the rural areas where most of Tanzanians live. Available data shows that in the rural areas, the proportion of the food poor has

increased from 18.5% (1991/92) to 25.4% in 2000. Thus, poverty in Tanzania remains overwhelmingly a rural phenomenon. In addition, the rural areas are central to Tanzania's overall development. They account for more than half of the country's income generation; more than 60% of foreign exchange earnings; and support the livelihood of more than 80% of the population (URT 2001).

Given this economic significance, a robust rural economy is still necessary, even after Ujamaa, to support the country and realize the Vision 2025 goal of becoming a middle-income nation by year 2025. Informed by this reality, the Government of Tanzania has formulated a draft framework, known as Tanzania Assistance Strategy (TAS), for guiding development co-operation with the international community. The centrepiece of TAS is improving the effectiveness of aid through the promotion of local ownership, donor co-ordination, and other elements of best practice partnership (URT *ibid.*). Notably, the government of Tanzania has continued to solicit aid for rural development. What remains to be sorted out is how to make development aid effective.

6.0 Korean Aid and Rural Development Strategy

The Korean Development Assistance Policy is based on the Economic Development and Cooperation Fund (EDCF) founded in 1987, and the Korea International Cooperation Agency (KOICA) founded in 1991. The grants policy is set by the Ministry of Foreign Affairs but implemented by KOICA. Korean official development assistance (ODA) has increased significantly since the beginning of the 2000s, when the country sought to assert itself on the international stage as a middle power. It multiplied tenfold over the course of roughly 15 years, going from \$212.07 million in 2004 to \$2.4 billion in 2017. About 70% of Korean ODA is bilateral in nature of which a major share is dedicated to grants (about 64% in 2017). Korean ODA flows to Africa have been increasing since 2006, as part of the country's commitment to support the international community's efforts to achieve the Millennium Development Goals.

Emphasis is specifically placed on poverty reduction and capacity building. KOICA is present on the continent through offices located in 15 African countries, including Tanzania. 70% of Korean ODA in Africa is focused on its seven priority partners. These include Ghana, Rwanda, Mozambique, Senegal, Ethiopia, Uganda and Tanzania. Ethiopia, Ghana and Tanzania were also among

the top ten recipients of Korean ODA in 2017. For sub-Saharan Africa, aid was focused on public health, water supply, education and rural development, while for North Africa, the priority sectors were information and communication technology (ICT), administrative systems and industrial energy (Nicolas, 2020). *Saemaul Undong* was a Korean government initiative of the 1970s which created a nationwide rural development movement aimed at modernizing rural regions (Suphian and Jani, 2020).

The movement aimed at instilling in rural dwellers a spirit of diligence and cooperation in production aimed in turn at improving rural livelihood (Lee et al., 2018). Like the Tanzanian Ujamaa, the underlying policy of *Saemaul Undong* targeted effective use and mobilization of available local resources for the modernization process (Whang, 1981; So, 2018). The modernization process was expected to expand rural capacity for value addition and reduce the economic development gap between rural and urban areas leading to national inclusive growth through equitable sharing of benefits (So, 2018). As Yoo (1987) argues, the model of *Saemaul Undong* received strong support in Korea and also internationally.

7.0 The Pangawe Village Integrated Rural Development Programme

Sponsored by KOICA in 2011, a model village project was introduced in Pangawe village, Mkambarani ward in Morogoro district in central Tanzania. The project was named *Pangawe Integrated Community Development Project*. It aimed at improving the economy of the village through irrigation agriculture, modernized animal keeping and better roads, education and health services. A total of USD 4.5 million was intended to be used for the success of the project from 2011 to 2013. The project was the result of the then President Jakaya Kikwete's visit to Korea in September 2006. Because the *Saemaul Undong* philosophy was very similar to Ujamaa in Tanzania, the former president saw it as an opportunity to emulate an already tested modern villagization model after the failure of Ujamaa villagization of the 1970s.

As Nyerere (1974) put it, 'nothing succeeds like success. If we can get a few of these village communities working in every area, their success will lead to others also being started' (p. 7). *Saemaul Undong* became considered as a successful and imitable model for community development agricultural modernization.

Therefore, Koreans started to export the model to other countries, in confidence that it had been tested and proven. One of the places that the model was exported to was Tanzania, particularly Morogoro region. The model had many resemblances with a traditional Tanzania village. This was one reason for the hopes that the model would work well in Tanzania too. In addition, Nyerere had made it very clear that the type of agricultural organization propagated under TANU's rural development policy was to be socialist. People had to cooperate in production and share the proceeds of their agricultural labour.

Five hundred acres of land, parcelled out from sisal farm number 362 owned by Highland Estates Limited were earmarked for the project. In exchange the company was to be compensated with 405 hectares of farm number 101 in Sangasanga area in Morogoro region. The occupancy of the land for the project was transferred to the village but Morogoro District Council retained the right of ownership. KOICA managed the early phase of the development of the project including the construction of strategic infrastructure and purchase of necessary equipment. The project was handed over to the village in 2016. Under this umbrella project were smaller projects to be managed by the villagers. KOICA connected the village with Jyeong sang Bukdo province of Korea who introduced the SAEMAUL approach to the village.

As noted above, the whole Pangawe project drew its rationale from the *Saemaul Undong* model of Korea's rural development movement in the 1970s whose spirit was to use a community-driven development approach aiming at transforming top-down planners into client-oriented service providers and to empower poor rural communities, to play a role in designing and implementing programmes that affect their livelihoods. Nevertheless, admittedly, the differences between Korea in the 1970s and modern Tanzania (in the 2000s) were notable and substantial. This reality could affect the impact of the programme (OECD, 2011).

7.0 Theoretical Underpinnings of the Project

According to Thong and Thi Hao (2019), the Harrod – Domar economic growth model basically argues that it is saving and investing which create increase in productive capital which in turn is the determinant of economic growth. Entrepreneurs are expected to save and invest in the same economy in order to create capital. Capital increases due to investment activities of these

entrepreneurs. So, under this model economic growth depends on three main factors which are capital (K), labour (L), and resources (R). This could be expressed in an equation as follows:

$$Y = f(K, L, R)$$

In this equation factors R and L are the resources necessary for the creation of an increase in productive capital (K). The capital produced and re invested in the same economy by entrepreneurs leads to production of goods and services while more saving leads to expanded capital and further economic growth.

On the other hand, the underlying argument of the Vicious Circle of Poverty Theory is that a poor society will never be able to develop the required capital to get itself out of poverty unless it receives help from outside. The reason for poverty, according to this theory is poverty itself. The poor are caught in a situation where their poverty engenders more poverty as they fail to mobilize the necessary productive capital to generate growth through investment. The suggested solution to the trap of poverty for every poor society is to accept and receive financial push from outside. The main argument of the theory is that in any poor country the failure to accumulate necessary capital for economic take off follows the repeating trend of low income, low savings, low investment, and low productivity. In the final analysis, both of the models are macroeconomic and they suggest that poor societies would inevitably need capital from outside for their initial economic take off.

The logic of introducing foreign aid to a village setting like that of Pangawe, is the thinking that the villagers were failing to save and invest to create productive capital. This is the same logic as that of Nurkse's Vicious Circle of Poverty (1953) which suggested that poor societies were remaining poor because they failed to mobilize savings due to low income. Both the Harrod-Domar model and the Viscous Circle of Poverty are modernization models that believe in the ability of injected capital to lead to economic growth in a poor setting. This study set out to determine why the capital injected through foreign aid could not deliver rural development as expected in the case of Korean aid to Pangawe village.

9.0 Methodology

The Korean aid to Pangawe village was found to have been categorized into two types of projects one was aid for the modernization of the village in general and the second was support for the establishment of smaller projects managed at neighbourhood level. The first category was labelled 'KOICA projects' while the second was labelled 'SAEMAUL projects.' This study used purposive and snowball sampling techniques to reach the intended respondents. In the first instance the chairman and secretary of Pangawe village were approached and requested to respond to an interview on the project. Then these leaders were requested to provide names of other respondents that could provide information on specific projects. These formed the group that participated in a focus group discussion. This second stage of sampling was applied for both KOICA and SAEMAUL projects. Finally, the interviewees were asked to provide names of group members from specific projects including youth, women and men. These were interrogated through semi structured interviews.

Secondary data was accessed through a detailed project report that was prepared for the office of the regional commissioner. Information from the interviews and focus group discussions was tape recorded, transcribed and then subjected to a process of content analysis. Major themes were identified and broken into smaller themes that informed the findings of this study. The project report was translated from English to Kiswahili and reviewed. This too was analysed using qualitative content analysis method.

Content Analysis is a technique used for examining the content/information contained in written documents or other media. The process included 'counting how often certain words or themes appeared. 'After we systematically record what we find, we analyse it, often using graphs or charts' (Neuman, 2014, p. 49). The analysis involved organization of the data into to broad categories, deductive and inductive theme making/creation and finally coding of the sub themes. Inductive theme generation is when themes emerge directly from the data while deductive theme generation involves the development of themes, concepts and variables from theory and previous studies (Berg, 2001). The emerging themes were then matched to the objectives of the study to build the interpretive narration (Berg, 2009).

10.0 Performance of the KOICA-sponsored Village Projects

10.1 Agriculture

The plan was to establish a maize farm covering an area of 60 hectares and a model farm of one hectare. The model farm was intended to be imitated by farmers from other villages. The farming project was to be accompanied by the construction of irrigation infra-structures. After the project was handed over to the village, the performance of the farming project was inadequate. A sixty-hectare maize farm was started and handed over to a group of 130 farmers for management. The group was given one tractor, one power tiller machine, one planter and a maize processing machine. By the time of the study the farmers' group had only 106 members. The planter was not working. Irrigation infrastructure had not been constructed and the output from agriculture was found to be very minimal as the project depended on seasonal rainfall.

10.2 Animal keeping

The aim was to earmark 150 acres for this project. The area was well fenced and handed over to a 67-member animal keeping group. By the time of the study the group had only 15 members. But a big chunk of the land earmarked for animal keeping was being hired out to private farmers for crop farming. The project had also aimed at constructing cow and poultry sheds, a water-well, a water tank, dipping trough and a servant house. Three cow sheds were found and they were still in good condition. One dipping trough had been built but never used as it was said to have been constructed below standard. A poultry shed was also constructed but by the time of the study it was found to be empty. This too was reported to have been built below standard. The servants' house was also built and furnished but never inhabited. The villagers reported that the house was built too far from common residence and was therefore not safe for habitation.

The water well (bore hole) was dug, connected to a solar powered water pump and a water tank. Nevertheless, the water was found to be too salty and not fit for human or animal use. The farmers then decided to put doors and windows on the water tank and use it for the storage of crops. This group too was handed with a tractor and power tiller machine. The tractor was found to be broken down and not usable.

Another aim of the animal keeping project was to buy 100 dairy cows, 1000

chicken, and 500 dairy goats. The 50 goats were purchased but in the case of other animals only 33 dairy cows and 200 chicken were purchased. The cows and chicken were handed over to the animal keeping group to be used as capital for the production of more cows and chicken. The group decided to sell all the 33 dairy cows and buy 7 improved breed cows. A total of 8 cows were found by the time of the study. The chicken project never took off. The goats were found to have been distributed among a few villagers who were interested. Only a few of the goats were found to be still used as capital for the production of more goats. There was a report that some cows had jumped off a truck as they were being transported to their shed. Responding to one of the semi structured interview questions, an interviewee said:

People are only pretending. They want to own these farms individually and they steal things. How can cows jump form a truck and get lost in broad day light? They stole the cows!

More findings about the KOICA projects in Pangawe village show that water for irrigation to facilitate farming and animal keeping was to be tapped form a neighbouring village called Bamba. This study was informed that the infrastructure for this project was never built because Bamba villagers did not allow KOICA to tap water from their village and send it to the neighbouring village of Pangawe. This is one of the major causes of the failure of agricultural projects in Pangawe village. The second major impediment was that the Morogoro District Council engaged in a rival project of selling land plots at the area earmarked for agriculture and animal keeping.

10.3 Construction of public infrastructure

Six classrooms were constructed for Pangawe Primary School. In addition, one kindergarten class was built, a library, an administration building for the school, as well as two toilets of 14 holes each. The project supplied 300 desks, tables, chairs and book shelves. The project also constructed and furnished one teachers' house. The school was also supplied with a water-well with its tanks. The project constructed and furnished a two-hall building to serve as community centre. The building was in place and used for various activities. Another building was constructed to help in keeping the agricultural equipment. This building was found intact and in use. In addition, a 6.3-kilometre village road was built with murrum. Village leaders and some few villagers got an opportunity to travel to

Korea for short term training.

11.0 Performance of SAEMAUL Neighbourhood Projects

Performance of the SAEMAUL projects was also not encouraging. The projects were designed to be run by activity groups. An activity group is a group of persons with a common interest in running a certain type of project focusing on a specific production activity. These groups were mobilized in terms of neighbourhoods. This study found that the youth of Pangawe village were given two maize milling diesel powered machines housed in a modern building. By the time of the study the two machines were non-functional. They were broken down and needed repairing. Pangawe village women were given 30 sewing machines housed in two buildings. One of the buildings was for training and the other one was meant to be a dormitory for learners. It was found during the study that the project was still running but it had been privatized. It was now run by an individual.

Chicken project was introduced also in one of the neighbourhoods. Under this project group members had agreed to contribute 2000 shillings per month in order to sustain the project. Each member would receive a fully mature hen for production of more chicken. The aim was that eventually the whole village would enjoy the benefits of the good breed of chicken. By the time of the study there was no project. The group members had decided to turn to soap making and abandoned the chicken project. A youth group in another neighbourhood was availed with 55 goats, 9 sheep and a fenced shed. By the time of the study there was no project. The youth had decided to divide the animals among themselves for each of them to continue with private keeping in their houses. It was not easy to identify any meaningful propagation of the animals as initially intended. As one of the respondents said:

People here are already used to animal keeping at home. It is difficult to organize them to work in communal groups for something they think they have always been doing at home. How do you convince them?

12.0 Discussion of the Findings

It is evident from the findings that the whole Pangawe Village Integrated Rural Development Programme was not well managed. There was a serious ownership gap between the village and the district council authorities after the

program was handed over to the village. This is seen in the fact that a village in the same district could prohibit the donor from using water for development activities. In a well-conceived and coordinated project such issues need to be sorted out and memoranda of understanding established among all the concerned project partners. Another closely related issue is that of authentic feasibility study. One wonders whether there had been any feasibility study for the projects. The village report shows that money had been invested in a deep water well where the water was too salty for human or animal consumption. A good project starts with exploration which leads to expert opinion on such technical issues. In addition, the report shows that the servant house was built in an uninhabitable place. One wonders how the decision was reached to locate the house in that area.

Most of the expensive equipment provided for the projects were found broken and requiring repair. This shows that the machines were not well handled. Accountability systems were not put in place at the beginning of the project. This is a fatal mistake for any project. Where people are not held accountable, communal projects never yield. It also shows that there was no maintenance plan. Broken machines are not repaired and therefore the projects have come to a halt. Theories that advocate for a financial push in terms of foreign aid focus only on capital availability without considering the behaviours of the human agents in development. Without accountability and management skills, the effect of foreign capital will not lead to development. Just like Rugumamu (1997) showed, aid can fall in the wrong hands and lead to waste of time and other resources.

According to the findings, it becomes difficult to understand how the types of projects were identified. How participatory was the process of choosing the types of projects to be run? A good and sustainable project ensures that the beneficiaries are the ones who choose the types of activities. In addition, here too a good feasibility study is required to ensure that productive activities are connected to viable and dependable markets. The fact that group members abandon the initial activity and decide to engage in other activities shows that there was a problem in identifying feasible project activities. The mode of running the projects had to be carefully decided too. Communal economic arrangements work only where people can be held accountable and the activities are encouragingly productive in terms of market availability. That is why some groups chose to abandon chicken farming and turned to soap making. It also

explains why the sewing project had been sustained after privatization.

Ujamaa strongly defended the importance of love, sharing and work as the bases for the African traditional society, and in turn, the basis for Ujamaa. But this culture was never truly developed and practiced in a typical Tanzanian village. The major obstacle to the assurance of love, sharing and work in a typical village is that these values are moral in nature (Silveira, 1976). In addition, dissimilarities between the contexts of Korea and Tanzania existed and were clearly notable even from the beginning of the project. *Undong* may have had striking similarities with Ujamaa but the culture of work and respect for communal property may have not been well cultivated in Tanzanian villages. Competitive tendencies, class pride, and affinity for private property never ceased even under Ujamaa (van de Laar, 1972).

Finally, the project faced the problem of wrong timing. There was already a new Tanzania that was not very supportive of subsistence agriculture. People wanted to produce things for sale. There was a conflict of two different philosophies. The Pangawe project timing was into the liberal age in Tanzania. *Undong* in Korea was built on the same philosophy as that of Ujamaa. By the time KOICA was starting its project at Pangawe, Ujamaa was already a thing of the past for many Tanzanians – notwithstanding its continued affirmation in the constitution. In practice most Tanzania villagers were already making efforts to quit village mentality. In many places of Tanzania agriculture was already being transformed from a sector for village sustenance to a sector that should bring money and modernize village life. Many people had changed their thinking from subsistence farming to farming as a business activity. Agricultural proceeds were no longer meant for sharing between villagers. They were rather meant for sale. The spirit of cooperation was fading away and the spirit of competition was coming in. People with such a mind-set can never participate effectively in village communal work. In addition, such mind-set is not supportive of the culture of love and fraternity upheld in Ujamaa. The new culture is an important fact that contributed to the failure of the Pangawe project(s). The logic was right but the context was incompatible.

The findings of this study correspond with and support the position held by Carlsson et al. (1997). All the three determinants of development aid

effectiveness mentioned by these authors i.e. project management capacity of the recipients, relationship between donors and the aid recipients and sustainability of the aid have been shown to be in the negative side of performance. This means that in Pangawe the neighbourhood, village and district authorities did not have the required levels of project management capacity. Likewise, the relationship between donors and recipients was not well cultivated (Siddig and Ismail, 2013). The Pangawe project was imposed from the top. The villagers did not have the time to develop the necessary closeness with the donors in order to create a real common and continued understanding which would be the social foundation of the project. At the end the whole project was abandoned by all. The donors gave it over to the village while the national, regional and district government authorities were not closely involved. Because of lack of reliable scientific feasibility study during the beginning of the project, lack of accountability systems and lack of equipment maintenance arrangements, the project could not be sustainable.

13.0 Conclusion

This paper set out to evaluate the effectiveness of Korean development aid to Pangawe village in Tanzania in the light of the long-held view that what poor communities need is capital from outside. The findings have shown that capital alone may be limited and its intentions curtailed by social and cultural realities of the receiving communities. Project feasibility study is one among the most important ingredients that were missing in the Pangawe village project. There was also a serious problem of project ownership among the government authorities in Morogoro. After the project was handed over to the village, both district and regional government authorities did not take the responsibility of managing the project.

Also, by the time the project was introduced the culture of Ujamaa was already dying. Private property ownership and entrepreneurship were already being promoted all over the country. Accountability for the assets belonging to the projects was another big problem. Economic activity groups in the village could decide and act wrongly with impunity. The assets were not maintained and no one was held accountable. The project in Pangawe failed because of utter mismanagement. In addition to lack of reliable feasibility studies, the project lacked ownership, accountability and maintenance plan. The failure of the

Pangawe village project proves that capital alone is not enough for successful development projects. Good management, accountability and other cultural factors should inform the efficiency of capital use.

Given these findings, we argue that, for development aid to work effectively, development support for village projects should not be given as aid but as small revolving loans with strict payback conditions. Group lending methods or the use of cooperative societies could be the best approach in such cases. The lucrativeness of each project should be made clearly known to the beneficiaries from the onset. Markets should be explored and links established. Benefits of a particular project for one or a few individuals should then inform the expansion of the project. Failures should be phased out and individuals held accountable for their decisions and actions that affect the projects.

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