



Universiteit
Leiden
The Netherlands

The diverging South : comparing the cashew sectors of Tanzania and Vietnam

Kilama, B.B.

Citation

Kilama, B. B. (2013, March 7). *The diverging South : comparing the cashew sectors of Tanzania and Vietnam*. *African studies collection*. Retrieved from <https://hdl.handle.net/1887/20600>

Version: Not Applicable (or Unknown)

License: [Licence agreement concerning inclusion of doctoral thesis in the Institutional Repository of the University of Leiden](#)

Downloaded from: <https://hdl.handle.net/1887/20600>

Note: To cite this publication please use the final published version (if applicable).

Cover Page



Universiteit Leiden



The handle <http://hdl.handle.net/1887/20600> holds various files of this Leiden University dissertation.

Author: Kilama, Blandina

Title: The diverging South : comparing the cashew sectors of Tanzania and Vietnam

Issue Date: 2013-03-07

The diverging South

African Studies Centre
African Studies Collection, vol. 48

The diverging South

Comparing the cashew sectors of Tanzania and Vietnam

Blandina Kilama

Published by:
African Studies Centre
P.O. Box 9555
2300 RB Leiden
asc@ascleiden.nl
www.ascleiden.nl

Cover design: Heike Slingerland
Cover photos: Blandina Kilama
Photos: Blandina Kilama

Printed by Ipskamp Drukkers, Enschede

ISSN: 1876-018X
ISBN: 978-90-5448-124-9

© Blandina Kilama, 2013

Contents

Graphs, tables, figures, maps and photos *vii*
Acknowledgements *x*

1	INTRODUCTION	<i>1</i>
2	PARALLEL BUT DIFFERENT TRANSITION TO A MARKET ECONOMY	<i>6</i>
	Introduction	<i>6</i>
	The diverging South	<i>8</i>
	Common roots, diverging pathways	<i>9</i>
	Similar economic turning points (1986)	<i>20</i>
	Diverging tracks	<i>21</i>
	Conclusion	<i>25</i>
3	CASHEW: OLD-TIMER VERSUS NEWCOMER	<i>27</i>
	Introduction	<i>27</i>
	Description of cashew value chains	<i>27</i>
	The sector story of cashew on the world market	<i>34</i>
	A tale of two cashew countries: Tanzania versus Vietnam	<i>38</i>
	Tanzania: Mtwara	<i>39</i>
	Vietnam: Binh Phuoc	<i>42</i>
	Tanzania: Two peaks, then what?	<i>45</i>
	Vietnam: The whirlwind	<i>56</i>
	Contrasting resettlement stories	<i>60</i>
	Discussion of findings	<i>61</i>
4	DIFFERENCE IN SUNK COSTS, OUTPUT PERFORMANCE AND INPUT USAGE	<i>64</i>
	Introduction	<i>64</i>
	Induced technical and institutional innovation	<i>65</i>
	Methodology	<i>69</i>
	Decomposition analysis	<i>86</i>
	Stylized facts and findings	<i>88</i>
	Discussion	<i>100</i>

5	CONTRASTING TALES OF VALUE CHAINS	103
	Introduction	103
	Creating space for actors to perform in the value chain	104
	Methodology	108
	Tanzania	108
	Vietnam	127
	Conclusion	138
6	CONCLUSIONS	142
	The role played by the state	143
	Support system	145
	Access to credit	146
	Infrastructure	147
	Lessons	147
	Appendix: Tables, graphs, figures, photos	151
	References	169

Graphs, tables, figures, maps, photos and boxes

Graphs

2.1	Population pyramids for Tanzania and Vietnam (2009)	7
2.2	Tanzania's export volume by commodity (1961-2009)	11
2.3	GDP per capita based on purchasing power parity	17
2.4	GDP Growth (constant prices, national currency) (1980-2009)	17
2.5	Total imports, exports and trade balance by country (1997-2010)	18
2.6	Transformation of GDP across countries (2005)	19
2.7	Percentage contributions of agriculture, industry and services to GDP in Tanzania and Vietnam (1990, 2000 and 2009)	20
3.1	Tanzania and Vietnam: raw cashew production for selected years	28
3.2	World regional raw cashew production (1961-2008)	35
3.3	Regional share of raw cashew production	35
3.4	Important raw-cashew-producing countries (1961-2008)	36
3.5	Tanzania's raw-cashew production (1945-2011)	45
3.6	Tanzania's raw cashew production (1945-1962)	46
3.7	Tanzania's raw cashew production (1962-1985)	47
3.8	Tanzania's raw cashew production (1986-2011)	52
3.9	Tanzanian farm-gate prices and production of raw cashew (1999-2011)	53
3.10	Vietnam: Raw cashew production (1990-2009)	59
4.1	Hypothetical graphical illustration of Equation 1	87
4.2	Tree density, output per tree and yield by type of farmer and country	90
3A1	Tanzania: Raw cashew production and value (1961- 2006)	153
3A2	Tanzania and Vietnam: Raw cashew production (various years)	155
5A3	Leading natural rubber producers	167
5A4	Production of raw cashew and rubber in Vietnam (various years)	167
5A5	Harvested area of natural rubber in Vietnam (various years)	168

Tables

2.1	Vietnam and Tanzania compared	7
2.2	Tanzania's export volume by commodity ('000 tonnes)	22
2.3	Vietnam's exports of selected commodities ('000 tonnes)	24
3.1	Cashew season: Tanzania (Mambamba)	42
3.2	Cashew season: Vietnam (Phu Nghia)	44
3.3	Percentage of deductions for cashew marketing costs in Tanzania (2007/2008 – 2010/2011)	55
4.1	Variables	73
4.2	Categorization by type of farmer	76
4.3	Household-based indicators	77
4.4	Geometric means of tree density: Output per tree by farmer type and country	84

4.5	Geometric means of output (kg) and land size (ha) by type of farmer and country	89
4.6	Geometric means of labour, labour per hectare and labour per tree by type of farmer and country	93
4.7	Main sources of money for maintenance (by number of farmers interviewed)	100
4.8	Summary of stylized facts in production of cashew	101
2A1	Poverty levels, inequality and human development index for Tanzania and Vietnam (various years)	152
2A2	Tanzania export volume by agricultural commodities (000 tonnes, various years)	152
2A3	Tanzania real annual growth rates (% , various years,)	153
3A1	Average FOB prices of cashew nut in USD/lb (Cochin/Tuticorin)	153
3A2	Export of Cashew kernels - Tanzania	154
3A3	TZ: Estimated indicative price for a kilo of Cashew (2008- 2011)	154
3A4	TZ:Cashew production by district/region 1998/99 - 2010/2011	156
3A5	VN: Cashew production by districts in Binh Phuoc region 2004 to 2009	158
4A1	Sampled households from each district, ward, village and hamlet	158
4A2	Ratios of density, output per tree and yield by Tanzania over Vietnam	158
4A3	Workers used for producing cashew in Tanzania and Vietnam	159
4A4	From seed to cashew as a tree crop	159
5A1	Prices of raw cashew nut in Tanzania 2006/07 to 2010/11	164
5A2	List of key informants' interviews conducted	165

Figures

3.1	Cashew value chain	29
3.2	Cashew processing steps	30
3.3	Parts of raw cashew	31
3.4	Spacing of cashew	33
3.5	Main importers of kernels (2007)	37
3.6	Cashew-growing regions and districts in Tanzania	41
3.7	Cashew-growing districts in Binh Phuoc	44
4.1	Farm workers used in Tanzania and Vietnam, by type of farmer	92
4.2	Distribution of labour use per hectare	94
5.1	Marketing of cashew as a prisoners' dilemma, Tanzania	110
5.2	The Warehouse Receipt System (WRS)	113
5.3	Cashew: Reputation game, Vietnam	129
5.4	Cashew marketing in Vietnam	133
4A1	Land distribution in hectares	160
4A2	Distribution of trees per household	160
4A3	Labour distribution in hectares	161
4A4	Output per hectare in the last season	161
4A5	Yield distribution	162
4A6	Trees density distribution	162
4A7	Output per tree distribution	163
4A8	Distribution of labour per tree	163

Maps

- 3.1 Cashew-growing regions of Tanzania 39
- 3.2 Cashew-growing provinces in Vietnam (ranked by production in metric tonnes) 43
- 4.1 Visited cashew-growing areas of Tanzania 71

Photos

- 3.1 Symbolic signs of the two major cashew producing areas: Mtwara in Tanzania and Binh Phuoc in Vietnam 38
- 3.2 Small traders: *Uhuru Day* in Nanhyanga, Tandahimba, Mtwara 40
- 3.3a Shelling cashew in Vietnam 57
- 3.3b Shelling cashew in Tanzanian facilities 57
- 4.1 Dak O market in Bugimap, Binh Phuoc 72
- 4.2 Cashew farmers 73
- 4.3 Cashew farmers on their farms 76
- 4.4 Top work 83
- 4.5 Grafting 84
- 4.6 Engine-powered tools being used in Vietnam 95
- 5.1 Procedures undertaken at the warehouse before auction 115
- 5.2 KIMWODEA's new processing facility in Kitangari, Newala, Mtwara 121
- 5.3 Small-scale (local) processing 122
- 5.4 Rubber and pepper 131
- 5.5 A farmer taking raw cashew to a trading centre in Binh Phuoc 132
- 5.6 A typical trading centre in Binh Phuoc 134
- 1A Some of the visited facilities 166

Boxes

- 3.1 Buying raw cashew 1991-2006 in Tanzania 52
- 4.1 Cashew areas visited in Tanzania 74
- 4.2 Cashew areas visited in Vietnam 74
- 4.3 Engagement with labour in Tanzania 91
- 4.4 History of pesticide use 98
- 5.1 Trading cashew on the free market in Tanzania 111
- 5.2 Challenges faced by the cashew support system in Tanzania 119
- 5.3 KIMWODEA, a small processor operating in Tanzania 123
- 5.4 Formal processors' operations in Tanzania 123
- 5.5 Rubber and pepper 130
- 5.6 Processors' operations in Vietnam 134
- 5.7 Keeping the support system in check 137

Acknowledgements

This thesis is a result of consultations with many people from three different continents. I have many people to thank. Firstly, I acknowledge the generous financial support I received from the Netherlands Ministry of Foreign Affairs. Special thanks go to Roel van der Veen who headed the Tracking Development project. I would like to thank Jan Kees van Donge and David Henley for leading the Africa and Asia projects respectively. At the African Studies Centre, I would like to thank the director of the African Studies Centre who also is my promoter, Prof. Ton Dietz. I also thank the former director, Prof. Leo de Haan, who is now the rector of the International Institute of Social Studies of Erasmus University of Rotterdam.

Regarding my thesis, I would like to thank my supervisors, Prof. Ton Dietz and Prof. Marc Wuyts. Ton, thank you so much for guiding my ideas and for the numerous discussions we had that allowed them to be presented here as comprehensively and sharply as they are. Marc, this thesis is a result of the continuous meetings we had both in Tanzania and the Netherlands. I feel very privileged to have been able to work with two great scholars and thank you both for your academic guidance, support and encouragement throughout this PhD process.

Many people and institutions played a role during my PhD. Special thanks go to the executive director of Research on Poverty Alleviation (REPOA), Prof. Samuel Wangwe, and the management and staff of REPOA for all their support. I appreciated the initial guidance I received from Prof. Joseph Semboja, the previous executive director who is now at the Uongozi Institute. My sincere thanks go to all my colleagues at REPOA who supported me on this journey: Alison, Avina, Cornel (thank you for compiling the macro data), Damian Gabagambi (thank you for your input), Danford Sango, Dennis Rweyemamu, Donald (thank you for your inspiration as we undertook this journey together and congratulations), Ella (thank you Glory for the frequent updates and support), Enock (*asantesana* for making sure all the documents were ready for my fieldwork on time, I am forever indebted to you), Erasto Ngalewa (RIP), Hanna Mtango (thank you for preparing the conference), Hanna (*mama wa4* thank you), Hubert (I appreciate your promptness in providing materials from the library), Jamal (I can't thank you enough, thank you for assisting with the translation of the questionnaires), Joanita (as a friend, thank you for your continued support both in the Netherlands and in Dar), Jofrey (I thank you for your friendship and prompt response in sorting out all the IT matters that arose during my time away from the

office), Khadijah (I appreciate all the logistic support you provided during my travels), Lucas (thank you for our helpful discussions, all the best), Paula (*mamdogo*, thank you for the insightful discussions at the various stages of my writing), Raymond Mnenwa (gone too soon, RIP), Rehema Losiru (I thank you for your friendship and support *mama JJ*), Rehema Tukai (I appreciate the discussions we had, all the best), Thadeus (all the best) and Zuki Mihyo. I would also like to thank all the participants at REPOA's 16th Annual Research Workshop, the DIIS Conference in Copenhagen and at the various seminars at the Netherlands Ministry of Foreign Affairs. I very much appreciated all the comments and information I received at various stages during my PhD from Akinyinka Akinyoade, Marleen Dekker, Michael Kamazima, Bernard Berendsen, Admasu Shiferaw, John Kleinen, Andre Leliveld, Tim Kelsall, Brian Cooksey, John Shao, Tausi Kida, Marcel Rutten, Andrew Coulson, Maureen Macintosh, Marten de Boer, Maia Green, Emmanuel Maliti, Ahmed Makbel, Chambi Chachage, Mohamed Hanga, Shamte Shomari, Tuntufye Mwambusi, Issa Michuzi, Dick Foeken, Gervas Mahanga, Jane Shuma, Nancy Bondo, Dickson Lema and Nii Sowa. Anna Fivawo-Wuyts, thank you for your kindness (RIP).

My sincere thanks go to Prof. Ton Nu Quynh Tran, the executive director of CEFURDS in Ho Chi Minh City, Vietnam. I appreciated the support and encouragement provided to me during my stay and fieldwork in Vietnam. I also thank colleagues at CEFURDS. *Cam on rat nhieu!* Special thanks go to Nguyễn Quang Giải, Đinh Thị Hòa and Trần Quang Anh. I appreciate the assistance you provided with translating my instruments into and from Vietnamese. I also want to thank my Vietnamese friends Thị Minh Hải and Đinh Thị Hòa, and not forgetting all the members of Saigon Hash. While on fieldwork, I was humbled by the assistance provided by so many people. Special thanks go to Mr Nguyen Vu of Binh Phuoc who went out of his way to make sure I met the people I needed to talk to. I appreciated the hospitality provided by our hosts in Bugiamap District. Thank you Mr Xoai and Mr Duy for opening so many doors and finding us somewhere to stay. My research assistants were always very helpful in the field: Nguyễn Thị Hương Thùy together with Phạm Quế Thanh, Trần Thị Thùy, Trần Văn Thành, Nguyễn Thị Bùng, Nguyễn Thị Sen and Trương Thị Thanh. Many thanks to you all.

I would like to thank my fellow PhD students in the CERES 2008 cohort and especially the Tracking Development project: Adewale, Helmy, Bethuel, Anh, Un Leang, Wan Fairuz and Frank Mwebaze. My brothers, I still cherish the days we spent together around the world, especially in Amsterdam, and the discussions we had at the ASC, KITLV and ISS. I will always remember you. Ernest Mwasalwiba, Femke Brandt, Dhoya Snijders, Mercy Derkyi, Hailemichael Matiku Worku and Lina Pocheti, it was nice sharing more than just academic

discussions with you. Thank you for your continued support. I would also like to sincerely thank, my fellow PhD students who I shared the ASC's PhD room with: Doreen Setume, Doreen Kobusingye, Evelyne Tegomoh, Fatima Diallo, Linda van de Kamp, Lotje de Vries, Margot Leegwater, Martin van Vliet, Romborah Robert Simiyu, Peter Justin, Inge Butter and Sebastiaan Soeters.

I would also like to thank the administrative staff at the African Studies Centre, namely Trudi Blomsma, Gitty Petit, Maaïke Westra, Ursula Oberst, Marieke van Winden and Jan Binnendijk. Ann Reeves's language editing was excellent and highly appreciated and Mieke Zwart did a wonderful job with the layout.

I thank all my friends for their constant support and their prayers: SFA, KCL, WDC, Adeline Tibakweitira, Lulu and Bart, Henny and Wietze, Mbumi, Kayla together with Paulina, Mahada, Gabriel and Erick, Flora together with Leticia, Lily, Linea and Jon, Asimwe, Winnie, Gianna and Henry, Doris Marealle, Christopher Giattas, Harriet Lwakatare, Mary Ntandu, Costantine Magavilla, Swahibu Bwami, Faustine Kezilahabi, George Kaseza, Ande Mwakatundu, Deo Sumay, Fatina Kiluvia, Kweba, Ali Masabo and Newaho Mkisi. And special thanks go to my relatives and RIP to all those who are no longer with us.

My parents Prof. Wen Kilama and Anatolia offered continuous prayers, support and inspiration too and I thank them for this. To my siblings and their families, Emmanuel, Bonita and Anande, Byabato, Isabella, Wenceslaus and Byera, Siya, Dorina, Aichi and Aika, Antonia and Twinaemigisha (Beata), I would like to say thanks so much for all your prayers and for being there for me, I love you all.