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**REPORT OF FIELD MISSION
TO SUPPORT THE DEVELOPMENT OF A MISSION STRATEGY
FOR DEMOCRACY AND GOVERNANCE**

MAY 21, 1992

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**ANALYSIS OF DEMOCRACY/GOVERNANCE SITUATION IN THE REPUBLIC OF
TANZANIA AND PROPOSED TWENTY-FOUR MONTH COUNTRY STRATEGY
FOR
DEMOCRACY GOVERNANCE FOR TANZANIA**

I. THE AFRICA BUREAU'S CONCEPT OF DEMOCRACY AND GOVERNANCE

In the past two years the Africa Bureau of AID/Washington has been working, with mission input, to develop a conception of Democracy and Governance which, while meeting the legislative mandate of the Foreign Assistance Act (Sec. 496-The Development Fund for Africa) adequately addresses U.S. Government policy guidelines to foster an evolution toward democracy and better governance, to translate this perspective into programs at the country level, and to factor democracy/governance criteria into the AID allocation process.

While this conceptualization and programming process is not yet complete, the broad outlines of it are now clear.

Governance is a broad term defining processes whereby a society organizes itself around a widely agreed upon set of rules for the purpose of employing resources to meet the needs of that societies population. Governance incorporates both a technical and a normative or value dimension. Technically, the concern with governance focuses on the effectiveness and efficiency of resource mobilization and use to address public problems, and on the predictability of rules and their application. This aspect of governance can be summarized as competence and the rule of law. Value aspects of governance ask the question "competence for what and the rule of law for whom?" Value aspects of governance, or the definition of "good governance" not only involve whether the job gets done competently, but the preference for processes which are viewed as legitimate and authoritative, which are responsive to the needs and concerns of the population, which are accountable to the population for performance and results, and which are sufficiently open and transparent to make accountability and objective and widely known judgments about responsiveness and efficiency possible.

Democracy is a goal whose end state has evolved over time. Democratization is currently understood to be movement toward a particular set of governance relationships or rules involving:

- accountability of authority holders to the population;
- meaningful competition for positions of authority;
- regular and open, and competitive choice processes for leaders and holders of authority, usually in the form of elections;
- the capacity of non-leaders to participate in governance;
- tolerance and even encouragement of non-state actors (or civil society) to function in both economic and governance issues of concern to the population;

- guarantees of a minimum standard of respect for human rights of the population, including minorities, by holders of authority such that other democratic rights can be exercised at acceptable costs.

Obviously, there are important areas of overlap between the concept of governance and democratization. Broadly, the goal of U.S. government policy in the developing world is to promote the areas of convergence, or what we can call "democratic governance." Without in any way denying this broader goal, A.I.D. specifically focuses the aspects of democratic governance which are thought to contribute most powerfully to the possibility of sustainable economic development, particularly competence, predictability (rule of law), transparency, and meaningful societal pluralism (the development of civil society) both as a favorable enabling environment for growth and entrepreneurial activity and as a method for checking the abuse of authority by any particular set of public office holders.

II. THE CONTEXT FOR GOVERNANCE AND DEVELOPMENT IN TANZANIA

For the past two years, and particularly for the past year, the Tanzanian system of governance has been in rapid and dynamic evolution. These changes are as yet very embryonic and their future state or even short-term implications for U.S. policy goals including the promotion of economic development are very difficult to predict.¹ This highly dynamic situation offers considerable opportunities to promote aspects of democratic governance. It also cautions prudence.

In order to understand the extremely dynamic nature of the current governance situation it is important to describe a few basic features of Tanzanian governance since the early 1960s, without entering into an extensive review of Tanzanian political and administrative history.

A.1 From the declaration of the single party state in 1963 on political and subsequently administrative accountability in Tanzania inexorably declined, and competition for positions of authority at nearly all levels of Tanzanian society were constrained to structures controlled by the ruling party--at first TANU (Tanganyika African Nationalist Union), and then the CCM (Chama Cha Mapinduzi, or Revolutionary Party). While some competition for positions of authority was retained within the single party candidate selection process, and electoral processes continued to be used within this context, the ability of the people to hold national leadership accountable for political and policy results was sharply curtailed.

¹As this proposed strategy was being researched and written legislation amending the Tanzanian constitution based on the Presidential Commission report (Nyalali Commission) was being debated and moved in a special session of the National Legislature in Dodoma. New policy decisions, such as the move to separate the ruling party (Chama Cha Mapinduzi) from the military were being announced.

A.2. From the Arusha Declaration of 1967 on, tolerance or encouragement of non-governmental actors in economic affairs all but disappeared. The Tanzanian state increasingly found itself in the position of attempting to manage virtually the entire economy, while producing strong disincentives to entrepreneurial activity of any sort.

A.3. Throughout the 1970s the Tanzanian state grew increasingly intolerant of any forms organizational pluralism and autonomy which it could not control. The administrative reorganization of 1972, billed as decentralization, effectively eliminated local government.² In 1976, rural cooperatives were formally dissolved and replaced with parastatal crop authorities. Unions were undermined and incorporated in a single state union.³ All other mass organizations, women's groups, youth organizations, sports clubs, cultural groups, and parents associations were brought under the control of the ruling party. The Tanzanian governance system in fact became one of virtual monopoly of all governance by the party-state. In effect, non-state actors and even local authorities ceased to have any real role to play in governance. Tanzanian society had become consummately non-participatory.

A.4. The result of the above two steps was over-centralization, rampant inefficiency, ineffective policy implementation, and abuse of authority often taking the form of rent-seeking behavior which provided further disincentives to productive forces in Tanzanian society.

A.5. In addition to producing a bloated and ineffective public administration, the Tanzanian governance system became increasingly arbitrary, moving away from predictability and rules of law, weakening judicial processes and the court system to the point of non-functioning, and decreasingly transparent both in its internal procedures and in terms of the public's right to know through access to the media.

A.6. Given these developments, the governance system of Tanzania provided few bases for legitimacy, and little sense that the system was responsive. It is significant, however, that a residual regard for Tanzania's first President Julius Nyerere, and for the notions of national unity and equity represented in the ideology of "ujamaa," as well as a number of ethnic and geographic features unique to this nation, were sufficient to permit this governance situation to persist with minimal instability.

²A.S. Kauzeni, "Rural Development Alternatives and the Role of a Local-Level Development Strategy: Tanzania Case Study," Regional Development Dialogue, 9,2, Summer 1988, p. 120; Joel Samoff, "Popular Initiatives and Local Government in Tanzania," Journal of Developing Areas, 24 (October 1989), pp. 1-18.

³Aili Mari Tripp, "Local Organizations, participation and the State in urban Tanzania," in Bratton and Hyden, Governance and Politics in Africa (Boulder, CO: Lynne Rienner, 1992), p. 231.

A.7. To its credit, as well, even with this degree of centralization and lack of accountability, the Tanzanian people never experienced the degree of abuse of human rights, particularly of basic integrity of life violations (political killings, extra-judicial processes, torture, systematic abuse of police power⁴) encountered in many neighboring states in the region.

B. When change did begin to occur, it was initiated principally by the leadership of the ruling party, responding in part to international pressures and the regimes extreme aid dependence, and to a greater degree to its own calculations about the long-term internal contradictions and problems of "economic policy reform," including limited but accelerating economic liberalization.

Given the highly dynamic nature of the governance situation, it is problematic to attempt to briefly summarize how these basic features of Tanzanian society have been altered, or where they stand at the moment. A few tentative guides, however, seem in order to situate the country team's current strategic choices more clearly.

B.1. Since February 1992, the situation of opposition politicians has altered significantly by the declaration that parties other than the CCM will be able to organize and by the acceptance of a provision of the Nyalali Commission to permit the legalization of other political parties, adopted at Dodoma in May 1992.⁴ A number of parties have declared themselves but none has yet to register. Conditions of registration may prove difficult for most parties, as they must enroll 200 members in at least 10 of the countries 25 regions, including a number from both the islands and the mainland.⁵ Several parties, such as Kamahuru may overcome this obstacle by allying with Chama Cha Wananchi (Civic League). Others, such as the Union for Multiparty Democracy (UMD) and the National Convention for Construction and Reform (NCCR) seem close to registering. The fact that they may be able to meet registration requirements, however, does not assure them the ability to effectively organize, particularly outside of Dar es Salaam. It is too early to judge whether any of them will pose a serious electoral threat to the CCM in local elections which are tentatively set to take place in 1993. The very fact of legal multi-parties is likely to improve political accountability, even with the ruling CCM where leadership competition may become more intense as elections approach. At the minimum, the build up to elections will increase popular participation in governance matters as issues are discussed more publicly.

B.2. In the past two years there has been a growing tolerance and even encouragement of "private sector" economic actors, although this process bears close examination (see below). Large-scale business interests have been allowed to form Chambers of Commerce and associations which are now striving to influence government policy on a range of interests. Thus far, these associations appear to be closely linked both to government and to the parastatal sector which constitutes, in some cases, a substantial portion of their membership (CTI). With one

⁴Legislation will go into effect on July 1, 1992 pending signature of the presidents of both Tanzania and of Zanzibar.

⁵The registration law exempts the CCM from the obligation to register as a political party,

exception, no comparable movement to officially form quasi autonomous organizations of rural producers, of small-scale enterprises, or of economic actors in the informal sector has yet emerged. That exception is the TCCIA (Tanzania Chamber of Commerce for Industry and Agriculture) which appears now to be focusing on organizing small and medium sized individual enterprises rather than serving, as originally intended when promoted by the government, as an umbrella organization for other Chambers of larger merchants. While these developments represent some privatization of production and of economic influence, the government continues attempt to manage even the development of small enterprises through the use of parastatals, such as SIDO (Small Industries Development Organization).

B.3. To all appearances, civil society in Tanzania remains extremely weak, and party-government measures to free major associations from CCM control have yet to bear fruit.⁶ However, there is building evidence that informally Tanzanians are organizing to accomplish a variety of tasks without state "help" or interference.

B.3.1. Formally, unions now organized under the umbrella of the Organization of Tanzanian Trade Unions (OTTU) are independent of the party. They are, however, giving only the faintest signs of independence, and no new unions by sector of the economy have been established as yet.⁷

B.3.2. In the case of women's organization (Union of Tanzanian Women, UTW) and the Youth Organization even the first step of delinkage from the CCM has yet to take place.

B.3.3 In reality, however, civil society in Tanzania has begun to revive informally, filling the space left by a highly inefficient state with limited resources. This change has produced both an increasing number of formal associations (NGOs) and many more informal ones. Beginning in the 1980s citizens in some rural regions of the country began to organize both school organizing committees and new commodity marketing cooperatives, resurrecting local organization without official sanction.⁸ A similar phenomenon has been noted in urban areas where citizens have organized local policing organizations ("sungu sungu") to supplement ineffective police protection. Government response has been uneven, resisting these developments in some areas, and effectively sanctioning them in others.⁹

⁶Tripp, *op. cit.*, p. 239 states that in April 1991 the CCM Central Committee decided that these mass organizations could draw up their own constitutions, develop their own programs and elect their own leaders, although they were not formally declared independent of the party.

⁷Discussion with Andrea Singh, Director of the Regional International Labour Organization in Dar es Salaam, 5/15/92. She provided a few examples of OTTU leadership resisting government positions on new labor legislation and on the acceptance of the ILO Convention clause on collective bargaining in 1991.

⁸Samoff, *op. cit.*, 6-9.

⁹Tripp, *op. cit.*, pp.236-237.

B.3.3a. Of course, a number of "traditional" NGOs, such as religious based service organizations (YWCA), Red Cross, Lions Clubs etc. have continued to function in Tanzania, playing very circumscribed roles closely monitored by specific government ministries.¹⁰ In the new environment, these organizations may attempt to play more extensive and more autonomous roles, but this is not yet evident.

B.3.3b. More recently, the government has encouraged the development of non-governmental organizations, particularly those which provide social services in lieu of state resources and which can attract "northern" financial and technical support.¹¹ Some NGOs which have explicitly economic functions, such as the Tanzanian Business Women's Association, have also recently been permitted to function. The government has even sanctioned the formation of a NGO umbrella organization (TANGO) to coordinate and support this sector. It should be noted, however, that these NGOs still have close formal and informal connections to the state. They are required to be licensed by the Ministry of Home Affairs, which has recently declined to register some associations fearing that they were potentially agencies of alternative political parties. Some NGO leaders, in fact, are also government employees, serving in such parastatal organizations as SIDO (Small Industries Development Organization).

B.3.3c. Professional associations such as the Tanzanian Journalists Association (TAJA), or the Law Society of Tanganyika, have been regulated by the state which has had a much more ambiguous attitude toward them. On the one hand, even the Law Society has been extremely cautious about getting excessively identified with "opposition politics," although it did sponsor a symposium on Democracy in 1990. This caution is understandable, given the fact that in April 1991, the legal status of one such group, the Tanzanian Legal Section Trust, was revoked by the government because it had proposed to hold a national seminar on multiparty democracy.¹² On the other hand, apart from these organizations, there is no Tanzanian Human Rights organization capable of acting even as a "watch group." In this context the Law Society and its associated Legal Aide Society, provide one of the only bases for legal action to counter the abuses of state in areas of political and civil liberties, and are likely to be called upon increasingly to fulfill this role as the system moved toward multi-party elections.

B.3.3d. In addition to these formal NGOs, there is evidence that a large number of informal associations of all kinds are springing up unofficially in the non-formal sector, attempting to perform a variety of roles which state actors have been unable to fulfill. Thus far, neither the state, nor the official NGO umbrella organization has made much progress in coordinating (or controlling) them.

¹⁰Tripp, *op.cit.*, p. 233 argues that the YWCA in some areas of Dar es Salaam was much more effective than the UTW in operating programs for women successful and with some independence from the state.

¹¹This section is based largely on interviews with NGO leaders.

¹²Tripp, *op.cit.*, p. 240, quoting from the Tanzanian Daily News April 19, 1991.

B.3.4 These developments point to three important conclusions: First, Tanzanian society is not as non-participatory as it may initially appear. Second, a good many of the newly forming institutions are only marginally actors in civil society--that is non-state actors that can intermediate between state institutions and the broader society. Thus far most are either closely linked to state control mechanisms, or they are beyond the reach of the state functioning in a very local and informal setting. Third, given these observations, supporting the emergence of civil society, as a vital part of the "private sector" poses some serious difficulties.

B.4. At the level of the state itself, there is as yet little evidence that the governance system is improving. The system is still highly centralized and inefficient. There is still substantial, although anecdotal, evidence of corruption and rent seeking in routine bureaucratic practices, creating substantial costs for local enterprises. A series of World Bank programs, however, including financial sector reform programs which require much tighter supervision and monitoring of banks, may improve effectiveness at least in key sectors of the national economy. Reductions of the civil service through the privatization of parastatals and the performance of these functions to a greater degree by non-state actors, should also reduce the opportunity for rent-seeking. Most recently, the introduction in April 1991, of a much liberalized foreign exchange facility, including privately held exchange bureaus, should help as well, although these operations will have to be closely monitored to understand how state officials are actually involved.

B.4.a The biggest opportunities for improving public sector performance, however, lie in three areas which are still embryonic. First, and most important, is the reduction of the role of the state in the economy, and the performance of more planning and investment decisions by non-state actors. Thus far, this process has only begun with the emergence of actors like CTI (Confederation of Tanzanian Industries) and IPP (Industrial Product Promotion). These actors are actively cultivating the image of autonomy from the state, and are seeking to establish their own analytic and planning capability. The inauguration of the Policy and Development Research Center (PDRC) in Dar es Salaam on May 19, 1992 is one such effort.¹³ This development bears careful observation, however, since the founding members of PDRC are nearly all officials in CTI, and since Tanzanian governmental officials at the highest level have been involved in fostering both CTI and PDRC. Finally, it should be noted that CTI's executive council is composed primarily of executives from the largest and best-connected commercial and industrial groups in Tanzania, and of current executives in parastatal organizations. The actual independence of these agencies from the public sector in both policy terms and in terms of special relationships can reasonably be questioned.

Second, the degree of openness in the system in terms of information about policy decisions, and outcomes will substantially condition the degree of improvement in public sector performance. The emergence of an independent press is an encouraging sign, and the existence of two weekly newspapers which offer some economic coverage independent of the paper Daily News may help. (See discussion of media evolution in point 5 below.)

¹³Tanzania Daily News, May 20, 1992, p. 1.

Finally, the development of competitive politics at the national level, and of multi-party competition locally can serve as a powerful check on public sector abuse as both opposition parties and reform elements within the CCM scramble to clean house and point out the faults of their opponents.

B.5. The rule of law in Tanzania is just beginning to improve as the CCM actively attempts to attract foreign investment. Thus far, however, it rests more on the personal commitments and pronouncements of President Mwinyi and on piecemeal reforms of specific laws of critical importance to potential investors, than it does on a systematic reform of Tanzania's legal and judicial system. Recently, for example the party paper Daily News has reported that the word "nationalization" is now virtually taboo, no doubt a welcome signal the current and potential investors who remember of directly experienced waves of nationalization in the 1960s and 1970s. The court system is still entirely controlled by the CCM and functions poorly. In its current form it can hardly be expected to serve as an independent check on abuses by CCM and public sector officials, particularly in issues pertaining to political competition which are likely to emerge as elections approach. It is encouraging to note that Chief Justice Nyalali, head of the presidential commission on multi-partyism and constitutional reform, has recently requested donors to provide substantial assistance both to conduct legal education programs and to revitalize the Tanzanian judiciary.¹⁴ Although these documents reveal the depth of problems which the judiciary confronts and its removal from the Tanzanian people, they continue to reveal a limited vision of what is required portrayed mainly as equipment, funds, and professional training. For the rule of law to have meaning in present day Tanzania legal education must take the form of civic education and media coverage of legal and civil rights which people can insist upon in defense of their own rights and the rights of their private associations and property.

B.5a In the near term, the most important development in governance in Tanzania, in promoting both accountability and the rule of law is increasing media openness. In the past two years a number of independent newspapers have been permitted to publish. Preliminary surveys of the print media indicates that they in fact do represent a broader segment of opinion than was previously available, and that several are occasionally critical of government on some issues. The most important independent english language newspapers now available are the Business Times(weekly), and the Express (weekly). Both give some attention to economic news of interest to the private sector. Neither has been known to engage in exposes. There are, moreover, serious questions about how far this media will go in criticizing governmental performance given the history of self-censorship in the Tanzanian media, and its ownership. Both suffer from very limited professional staffs, and from serious material constraints, including that fact that they print on the parastatal printing presses (PRINTPAK). Both have substantial ownership by members of the big-business community. Business Times, for example, is substantially owned by Iddi Simba, Chairman of the J.V. Group and of the Confederation of Tanzanian Industries. A substantial, but undisclosed portion of the ownership of Media Holdings which publishes

¹⁴United Republic of Tanzania. "The Judiciary: Application for Assistance," October 1991. Submitted to the United States Embassy in Tanzania.

Express is held by members of the Aga Khan group. To the extent, as suggested above, that these interests are closely associated with CCM ministries and officials it may be questioned how objective or critical economic reporting and reporting on public sector performance will be. The situation for the Swahili language newspapers, apart from the government paper Uhuru, is less clear. Some, at least, are owned by publishers whose sympathies lie with particular opposition groups. They report that they experience serious impediments in the production and distribution of their papers, including discriminatory taxes on the paper they use, the necessity to find access to presses other than PRINTPAK, and the tacit intimidation of vendors causing them lost sales and limited distribution. As a result, a paper like RADI, which supports the NCCR point of view, is published irregularly and has limited distribution.

B.5.b. By far the most important media in terms of audience is radio and it is still entirely in the hands of the CCM party-state. It is not yet clear how this will affect access to the radio by opposition parties. Thus far Radio Tanzania has offered them some time on at least one occasion. It remains to be seen how access will be allocated in the run-up to and actual conduct of a political campaign.

B.6. In the context of political and economic liberalization the current regime is clearly attempting to build a new basis for legitimacy based on both a popular mandate in a competitive selection process, and on material improvements in the life of Tanzanians resulting from economic growth. The old basis of legitimacy, respect for Nyerere and adherence to "ujamma" socialist ideas is not entirely dead. At least one faction of the political elite is likely to run on this program, although it is not clear how much support it will command in the countryside. There is certainly evidence that some members of Tanzania's educated class and of its social service oriented NGO community still hold to the view that the role of the state is to assure equity and a minimum standard of living.¹⁵ Instead, the Mwinyi regime, appears to be willing to run on a much more pragmatic basis. This, of course, poses serious risks, because if CCM policies fail to produce material gains in the foreseeable future, or if it fails to produce a convincingly open election choice process, the regime and its leadership may lose any legitimacy it now possesses.

B.7. Apart from the obvious and important fact that respect for private property and business activities has been enhanced, human rights practices, particularly in the domain of integrity of life issues, have not altered significantly in Tanzania as political and economic liberalization has begun to occur. As suggested above, it is a tribute to the CCM that these rights were never abused to the degree experienced in neighboring countries. Nevertheless, the absence of any

¹⁵See Yosiah Bwatwa, "Final Report: Canadian and Tanzanian NGO and Partnership Visit: January 27-14 February, 1992," Consultant's Report, Dar es Salaam, February 1992, p. 23. Bwatwa is a member of the TANGO Executive Council; and Issa G. Shivji, "The democracy Debate in Africa; Tanzania," Review of African Political Economy, 50, March 1991, pp. 80-82..

effective Tanzanian human rights monitoring organization, raises questions about the ability to monitor the evolution of these rights as political competition begins to heat up.

III. COUNTRY TEAM PERSPECTIVES ON DEMOCRACY/GOVERNANCE ISSUES

A. Focus

There is considerable agreement among the major U.S. government actors (The Embassy, AID, and USIS) in Tanzania as to the priorities for promoting democratic governance in this context. Clearly, the emphasis of all three is on assisting Tanzanians to recreate the basis for a democratic, competent and responsive government by strengthening civil society. The interests of the three agencies in doing so are entirely complementary. The AID mission is most clearly focusing on strengthening the private sector, which it defines principally as the non-governmental business community. It recognizes, however, the connection between this interest and the development of other aspects of societal pluralism, specifically small and informal producers, the NGO sector, and the media.

U.S. Embassy officials are similarly concerned about civil society, but focus more on political processes which they believe will strongly condition the possibilities for growth and autonomy in the private sector--principally, the growth of political accountability through an open and legitimatizing choice process, the assurance of basic legal civil rights, and the functional separation of the party and the state specifically in the areas of professionalizing the military and civilian bureaucracies.

USIS is most concerned about the underlying political culture of the country in terms of its attitudes toward rule of law, citizen's legal rights, and the right to information.

All three actors in the country team also have an acute appreciation of the highly transitional nature of the current situation in Tanzania, of limited U.S.G. resources to influence fundamental patterns which are in their early stages of change and redefinition, and of the need for caution and strategic choice in the near term.

B. Means

A variety of instruments are available to the country team in the implementation of its activities in this area. AID has two projects which have clear governance implications--its Human Resource Development Activity, and its Finance and Enterprise Development Project. The governance goals of both are very similar. The HRDA project paper focuses on the private sector, recommending the use of a variety of forms of training to build capacity of non-

governmental organizations and associations.¹⁶ Specifically related to democratic governance, HRDA calls for training staff in the basic skills of managing a non-governmental association (association management and membership building, organizational skills, budgeting, training, policy analysis and representational skills such that the views of members can be more effectively at the level of national political processes. In addition, HRDAs provide training which will "sensitize public officials to the economic importance of the private sector."

The PAAD for the Finance and Enterprise Development Project also focuses on supporting the private sector in the same areas--policy analysis, representational roles, and the strengthening of associations which can better enter into policy dialogues with government.

In terms of its program funds, the Mission does not seek, at this time to define governance as a separate program objective for AID/Tanzania, but prefers instead to work through existing (HRDA) and emerging (FED) projects.

For its part USIS has a professional staff, the services of USIA and VOA to provide programs and materials, and a modest local program budget. It can use these resources to inform Tanzanians more fully about the concepts of the free press in a competitive political environment, the nature and functioning of the private sector in national development, and the rule of law as it pertaining to civic and political rights. Some of these activities will directly complement AID's focus on capacity building in the private sector, and on representational functions.

State can make use of the Democracy and Human Rights Fund (Sec. 116e) to provide all political actors with the opportunities for more interchange and for opportunities to learn from other actors about specific aspects political liberalization. It can use the new Africa Regional Electoral Assistance Fund specifically to upgrade the skills of political leaders, including the opposition, to promote civic education and to help organize election observation activities. It may also be able to make use of the IFES facility to assist on election planning, although that facility may run out before the activity needs to commerce in Tanzania.

IV. PROPOSED STRATEGY FOR THE NEAR TERM

A. In the near term (24-36 months) it is recommended that AID/Tanzania adopted the following approach to promoting democratic governance in Tanzania:

1. Focus its efforts and activities on supporting the development of institutional capability in the private sector as a key to the revitalization of Tanzanian civil society.

¹⁶HUMAN RESOURCE DEVELOPMENT PROJECT, Project Paper, August 5 1987, p. 26..

2. Retain maximum flexibility in the definition of the private sector, and in the selection of targets of opportunity to support institutional growth in the private sector.

3. Concentrate on developing organizational, policy analytic and representational skills of private sector actors, and on opportunities to enhance the enabling environment (macro-economic policy, legal, organizational, cultural and communication) for private sector development as opportunities arise.

Until the evolution of the Tanzanian political system is more developed, the focus on AID's governance activities should be in the non-state sector, supporting and encouraging the promotion of an enabling environment for private sector development in the society. This approach complements perfectly the policy approach of the FED project which will attempt to alter and assure the maintenance of state policies in specific areas such as finance.

This approach is recommended because there remain serious issues in the current organization of the Tanzanian state which limit the prospects for successful support to public sector reforms directly, until political events more fully define the emerging character of the state. Given the virtual merger of the party with the bureaucracy, and in particular with the judiciary, the pattern of over-centralization and of rent-seeking behavior is likely to persist.¹⁷ Until either a firm and enforceable legal framework is in place to assure the professionalization of the public service, or a competitive political process complemented with an open, critical media emerges to hold the dominant party much more accountable to the public, direct assistance to public service management reform or judicial reform is not likely to be a high yield method of improving the enabling environment. Similarly, until a system is in place whereby the government is more responsive to organized interest groups through representative institutions, and/or formal consultation (such as through an Economic and Social Council), working on the state side to improve private sector representation will be limited.

The danger of working directly to improve state institutions now is two fold. First, there is little assurance as yet that party-state behavior will be different than in the past and the resources may yield very low returns. Second, effective improvements in state functioning at this time might well improve public sector efficiency, but might make the movement to democratic governance more difficult. These actions directly with the public sector should be part of a longer term aid strategy for Tanzania which will be more clearly defined after the elections.

¹⁷It should be noted that CCM officials have decreed that senior civil servants including magistrates may no longer be "active" in the CCM, and that military officers may not be members of any political party. The CCM has also given "mass organizations" the right to choose whether they will continue being affiliated with the party. This process of separating the party from the state is still being unilaterally managed by the CCM and has no firm legal basis thus far. It can not at present be taken as assurance of change in the basic functioning of state institutions.

B. Specific Recommendations for Action for AID/Tanzania

1. Within an overall contract to implement the FED program, the contractor should employ a professional whose responsibility would be to supervise and arrange for all training and workshops for private sector development to support mission activities. This person would reside in Tanzania and would work with the project team planning not only technical training activities, but those specifically tailored to enhancing governance. He or she would work closely with the HRDA training officer to develop training opportunities which could jointly address the goals of strengthening non-governmental actors in policy analysis, internal organization and representational roles. He or she would also work closely with USIS and Embassy personnel in the period leading up to local and national elections to see how training activities might support mutual interests in strengthening the enabling environment (see below). Given the rapid development of events in Tanzania, it is important to have a full-time person in-country on the project team to be able to respond to opportunities which broadly fit the goals of strengthening the private sector, as they arise. A Tanzanian professional contracted by the overall FED contractor would be ideal.

2. The private sector training officer should conceive of his or her role broadly to include potential linkages to the organized business community (CTI, local Chambers of Commerce or Merchants Chambers including the Dar Chamber, TCCIA, etc), sub sectors of the business community with particular needs including craft and small scale manufacturers associations, tour operators associations, to Tanzanian NGOs promoting non-state economic activity such as women's business and professional organizations. Opportunities should be explored with NGO umbrella organizations as to how to promote institutional capabilities and skills among rural producer associations which might currently be informal in nature, although the FED project would not work directly with such actors until they are more formally organized.

This person would work in close coordination with the ILO advisor to the Chamber of Commerce and with individuals developing similar activities for PVO-NGO organizations to see how AID resources can complement their programs in strengthening policy analysis, representational roles and policy dialogue activities.

Training opportunities should include possible linkages to media, law and human rights groups whose work is critically connected to the promotion of a legal environment conducive to private sector operation and expansion.

3. On the basis of these opportunities, a strategic choice should be made annually as to which programs can be supported by FED and which could be incorporated into the HRDA training plan.

4. The private sector training officer should also coordinate with USIS and the Embassy to see how proposed AID training programs in strengthening the advocacy and analytic skills of the non-state sector can fit into their programmatic needs. (see next section).

C. Coordination of Actions as a Country Team

1. AID should keep the Embassy and USIS missions fully informed of its activities in this area, and should solicit their support in developing and responding to opportunities in the broader areas of the enabling environment suggested above. For example, the advice and support of USIS and the Embassy should be solicited in developing training programs, workshops and public presentations relating to such issues as a) the role of the media in presenting economic policy issues in a competitive party system b) state-private sectors relations for development in specific areas c) organizing and managing membership associations d) the concept and practice of constituency and membership service relations e) promoting policy positions effectively. These topics which will specifically serve the needs and interests of the emerging private business sector, will also be of great value to NGOs and other associations whose active involvement in Tanzanian society will help assure the development of an environment in which private business interests are more secure.

2. AID should look for ways of coordinating its training programs with Embassy and USIS activities which are specifically relevant to promoting the development of civil society such as:

1. Embassy use of Africa Regional Electoral Assistance Fund (AREAF) resources in the pre-election period can be linked to training civic associations including business associations in specific skills such as public affairs, membership management, policy advocacy, so that these funds not only assist political actors, but enhance the skills of a range of non-state actors.

2. USIS programs to work with print journalists on covering legal issues, on promoting civic education, and on covering economic policy issues can link to AID training programs for other target groups which require improved communications skills. An example might be a workshop or training program for both journalists and staff (professional or voluntary) of NGOs and business associations in newsletter production, in simple story construction, and in presenting a policy position to a target audience. USIS might benefit from the joint character of these programs by expanding its own ability to offer training through its association with AID training programs in areas of mutual or complementary interest.

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