

Tanzania in a Geographic, Demographic, and Historical Perspective

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Embarking on a study of a country's economic development requires having clearly in mind its main geographic and cultural aspects as well as a precise vision of its history and the main features of its current political context. Such is the objective of this first chapter.

I THE NATURAL AND HUMAN CONTEXT OF DEVELOPMENT IN TANZANIA

With almost a million square kilometres, Tanzania is by far the biggest country in East Africa and even in Southern Africa, excluding South Africa. It borders the Indian Ocean over 1,400 kilometres and extends some 750 kilometres west inland at its larger width. It shares borders with eight countries: Kenya and Uganda to the north; Rwanda, Burundi, and Zaire to the west; and Zambia, Malawi, and Mozambique to the south. Today's United Republic of Tanzania also includes several islands off its Indian Ocean shore, including the island of Zanzibar.

Just a few degrees below the equator, Tanzania's climate is essentially tropical, although it is temperate in the highlands. Much of the country outside the coastal area is above 900 metres. It consists of extensive rolling plains interrupted by the Great Rift Valley, which cuts the east of the African continent from north to south. The Rift crosses the western part of Tanzania, where it is interspersed by Africa's three great lakes: Victoria, Tanganyika, and Malawi (or Nyasa), whose shores are shared with neighbouring countries. The country offers a wide variety of landscapes: from coastal swamps to rain forests, and from savannahs to plateaus and mountains. Four major ecological regions are usually distinguished because of highly differentiated climates. The mountain lands in the north and south-west receive generous amounts of rain, and the same is true of the lakeshore regions, especially Lake Victoria's; high plateaus

that fill the centre of the country are semi-arid, whereas the coastal area is both hot and humid.

Overall, however, the country enjoys high agricultural potential, which presently is under-exploited. It is estimated that land suitable for cultivation amounts to 44 Mha, of which only 30 per cent is presently cultivated, most often under harsh conditions, and is rained with irregular precipitations and using traditional techniques. Numerous rivers and lakes represent a huge potential for irrigated agriculture, however. As much as 7 Mha are considered to have medium or high irrigation potential, out of which only 5 Mha are actually under irrigation.

Tanzania's subsoil is rich in minerals and fuel resources. Minerals include gold, iron ore, nickel, and uranium, whereas fuels include coal and natural gas, mostly offshore. Gemstones are another important resource, most notable diamonds and a local stone called tanzanite. Altogether, mineral and fuel exports represent 45 per cent of exports.

The beauty of its mountainous, sea, and savannah landscapes along with its world-famous reserves of wild animals is another of Tanzania's resources. Year-round, tourists flock to the numerous reserve game parks at the foot of Mount Kilimanjaro and to the resorts on the Indian Ocean coast in Zanzibar and neighbouring islands. Tourism revenues represent more than 25 per cent of exports of goods and services, even though they contracted sharply in 2020 owing to the COVID-19 pandemic.

Moving on to population characteristics, Tanzania shelters some 60 million people. Given its size, however, it is relatively sparsely populated. Its population density is the lowest in East Africa. However, as in most African countries, its population grows very quickly, presently at an annual rate of around 2.8 per cent, and density increases at the same pace. It more than doubled over the last twenty-five years. Even though urbanisation progressed during that period, it had only a small impact on the rise in population density in rural areas. This densification of the country would look even more impressive if the comparison were to be made with that seen in the mid-twentieth century at the time of independence. Population density then was only eleven inhabitants per square kilometre, a figure that is found today in desertic countries such as Libya, Mauritania, and Australia. In the opposite direction, the present size of the population and its rate of growth is sometimes worrying when one thinks about the future. By 2040, the Tanzanian population will reach more than 100 million, which may raise serious issues of employment, individual livelihood, and pressure on the provision of public goods and services.

This low population density is a reminder of the conditions of the early peopling of the geographical area that became Tanzania and the human landscape found by the colonisers in the late nineteenth century that then shaped the context of early development after independence. It can be summarised in two words: ethnic diversity.

It is estimated that there were 120 different ethnic groups in Tanzania, most with their own language, customs, and political systems, and kingdoms

or chieftaincies at the time of independence. This state of affairs raises two important issues: (1) Why did no single groups or coalitions impose or at least repeatedly try to impose its rule over the others, as was seen in various other instances in Africa, in particular among neighbouring countries such as Kenya or Uganda? (2) To what extent was this conspicuous ethnic diversity a decisive factor in the development path that Tanzania followed after independence and is still following today?

There may not be a decisive answer to these questions. But it is tempting to imagine that the extension of the area that would later become Tanzania and the diversity of its habitats are the cause of the relative fragmentation of ethnic groups since the early days of the peopling of the country. In his chapter on the history of Tanzania, J. Sutton insists that until the fifteenth century, the peopling of Tanzania by successive arrivals of new tribes proceeded more by assimilation than by the conquest, extinction, and acculturation of existing tribal groups by others.¹ Even though conflicts and struggles erupted afterwards, with some groups trying to appropriate the land of others, as explained by Kimambo in another chapter of the same volume,² no big kingdom was ever formed that would be able to conquer a significant portion of the territory. Also, it took a long time before tight links were established between the coastal area and the interior of the country, and they were more commercial – in particular, through caravan trade – than bellicose. Today, the largest ethnic group, the Sukuma, represents only 13 per cent of the population, whereas the second largest group, the Nyamwezi, is four times smaller. This contrasts with other East African countries, where the largest groups are of comparable size or where there are essentially two groups of unequal size that are strongly rivalrous.

The lack of rivalry among ethnic groups and the rather common front opposed to the German colonisers at the time of the Maji-Maji uprising (1905–1907), which some consider to be a founding event of the Tanzanian nation, explain the lack of a strong power struggle at the time of independence, which was doubtlessly gave Tanzania a decisive advantage over other countries where internal fights for the control of power have wasted time and resources that could be put towards development. It is also argued that Swahili developed rather early as a kind of lingua franca for communication among groups and played the role of a unifying factor.

Another kind of human differentiation with some importance in Tanzania's history is the racial discrimination explicitly introduced by the colonial powers on the basis of the origin of the population. Strong differences were thus made between Europeans, Arabs, Asians, and Africans. Even though Africans were over-dominant from a demographic point of view, economic power was in the hands of the others. Europeans lost importance when most left the country at independence. But Arabs and Asians, mostly Indians, remained powerful.

¹ See Sutton (1969).

² See also Kimambo et al. (2017).

The former owed their economic power to the conquest of Zanzibar by the Oman Sultanate in the late seventeenth century and the Arab domination over trade along the East African coast and between the coast and the interior. Even though they were a tiny minority, they were able to maintain their influence throughout the colonial period and after Zanzibar united with the mainland after independence. Indian merchants had always been part of the trading network along the African shores of the Indian Ocean. Some Indians were also hired as civil servants by the Oman Sultanate in Zanzibar. In colonial times, a sizeable number were brought in by the British to build railroads in the region. Many of them decided to stay. As they could not access land cultivated by Africans, they specialised in retail and wholesale trade in the interior of the country and later in light manufacturing. Both groups failed to integrate with the African population. They remain small minorities today, but their early business specialisation in the pre-colonial and colonial economy gave them an economic power that was not in proportion to their demographic weight. Their social distance from Tanzanian Africans is still quite detectable.

A last source of human differentiation to be stressed concerns religion. Christianity was introduced in the sixteenth and seventeenth centuries in the coastal area and progressively spread to the interior of the country through numerous missions. Today some 60 per cent of the population is Christian, half of it Roman Catholic and the other protestants of various denominations. Being 30 per cent of the population, Muslims are far from being a minority. They are mostly Sunni, but Shia are also present. Given the strong historical influence of Arabs in Zanzibar and along the coast, Muslims tend to be concentrated in those areas. A rather tiny minority of Tanzanians are animists or without religion. Traditionally, religion was not a source of friction in Tanzanian society. On the contrary, tolerance on both the Christian and the Muslim sides has been the norm. Lately, however, following the rise in Islamist activism in the world, some tension has occasionally appeared.

Such is, in a few words, the natural and human context in which Tanzania's history unfolded throughout colonial times and after independence, and which has influenced and continues to influence its economic development today.

II A SHORT ACCOUNT OF THE POLITICAL HISTORY OF TANZANIA

Two features are apparent in the short history of Tanzania since independence.³ The first is the extent to which it is intertwined with the economy. The course followed by Tanzania was strongly influenced by economic

³ This short historical account relies heavily on several key references, in particular, Edwards (2012, 2014); Coulson (2013); Lofchie (2014); Ndulu and Mwase (2017); and Shivji (2021) for the fifth phase.

events, most noticeably the serious balance of payment crisis of the early 1980s, but the country's course also had a huge impact on the economy itself, in particular the early choice of a socialist development strategy. The second feature is its clear periodicity. Unlike many African countries, politics in Tanzania have been fairly peaceful and respectful of the constitution. History since independence divides itself logically into four periods, each corresponding to a different personality in the presidential seat – hence the organisation of the brief summary that follows, after a short reminder of the colonisation period.

The African Association, which became the Tanganyika African Association (TAA) after splitting from Zanzibar, initially had weak political ambition. Yet a land dispute between settlers and natives in two Meru villages in the 1950s led the local TAA secretary, Kyrilo Japhet, to launch a vigorous anti-government campaign and to seek support from the Trusteeship Council, which was responsible for the supervision of territories under mandate in the United Nations. This triggered the politicising of the TAA.

Julius Nyerere, who had studied in the United Kingdom and was one of the early Africans in Tanganyika to get a university degree, accelerated this process when he became the president of TAA in 1953. He transformed it into a real political party with local bases throughout the territory and links with trade unions, cooperative societies, and tribal unions. The explicit goal of this newly labelled Tanganyika African National Union (TANU) was independence.

A Independence

Independence was obtained in a peaceful way after TANU won practically all the seats of the Legislative Council that were open to election in 1958, and then again when all the seats in the Council were open to election in 1960. The British colonial secretary then acceded to African demand for a 'responsible government'. One year later, independence was declared, with TANU as the party of government and Nyerere as prime minister.

Three years later, the new Republic of Tanganyika united with Zanzibar, where a violent revolution against the Arab minority that was ruling the islands had just brought to power an African-dominated party. Together the two countries formed the United Republic of Tanzania, with Julius Nyerere as president and Abeid Amani Karume from Zanzibar as vice-president. Tanzania is one state and a sovereign united republic. Nevertheless, the new country was a union, with two governments, the Union Government (United Republic of Tanzania) and the Revolutionary Government of Zanzibar as an autonomous government. The size imbalance between the two members of the union was the main reason for this structure of governance. The population of Zanzibar never represented more than 3 per cent of the whole population of the united republic.

B Forging a Nation: The Nyerere Socialist Era

Although Nyerere had been at the helm since 1961, it was not until 1967 that his strategy for the development of Tanzania was made explicit. A first five-year development plan with emphasis on private sector development, poverty reduction, and agricultural development proved disappointing. The resulting frustration, as well as the views about development that Nyerere developed during the time TANU was preparing for independence and that he shared with some other African leaders, led him to elaborate a new strategy. It was very much inspired by the experiences of socialist countries such as the Soviet Union and China, which were to be adapted to fit the African context. The full strategy was exposed in the Arusha Declaration, which is still very vividly recalled today not so much because of its economic aspects but because it was in some sense foundational for Tanzania as an independent nation.⁴

The Arusha Declaration announced a socialist-oriented development programme adapted to the African context under the label of 'Ujamaa', or 'family-hood', in Swahili. It comprised three dominant strategies: first, emphasising the agricultural sector and the urgent need to improve its productivity, most importantly through regrouping dispersed subsistence farms; second, ensuring state control of the means of production and exchange, and thus nationalisation of part of the non-agricultural sector; and third, addressing social demands in terms of education, health, equality, and participation in public decision making.

The implementation of the programme sketched in the Arusha Declaration was quick in terms of nationalisation of banks, import-export companies, and several major industries. It was slower in agriculture, where the gains in productivity as well as generalised access to social services, including education and health, were supposed to go through 'villagisation' and, in part, collective farming. The Ujamaa villages undoubtedly represented the most original part of the whole development strategy put forward by the Nyerere government. Yet some resistance grew against the villagisation process in various parts of the country, and in several cases it became necessary to move people by force.

The results of the strategy spelled out in the Arusha Declaration were far from spectacular. In a rather candid evaluation ten years later, Nyerere himself gave a lukewarm account of it, acknowledging that growth had slowed since the new development strategy had been put in place, and results in the agricultural sector were particularly disappointing (Nyerere, 1977).

Nationalisations did not hold on to the Arusha promises. In fact, they led to disastrous results a few years later, very much because of mismanagement by bureaucrats, interference from politicians, weaknesses in technology management, slow human resource development, limited commercialisation, and corruption at the head of nationalised companies. Even the most obvious

⁴ See Nyerere (1967), United Republic of Tanzania (1967).

economic strengths of Tanzania, like sisal exports, progressively weakened, a drop that was aggravated by falling world prices and that led the economy to the edge of bankruptcy.

Results were especially bad in the agricultural sector. The villagisation programme seems to have badly disrupted production processes. The outcome of villagisation as a basis for harnessing economies of scale proved disappointing, as collective farms were not as productive as envisaged – for example, productivity on farms under the villagisation programme was lower than that seen on private peasant farms in the 1970s.⁵ If overall productivity gains had been obtained in the extensive cultivation of some export cash crops such as tea and tobacco, this had been at the expense of food crops. In a few years, Tanzania had gone from being a net exporter to a net importer of food, the progress in export crops being insufficient to cover the cost of imports. Without the aid of the World Bank and the International Monetary Fund (IMF), the country would have been bankrupt and doomed to famine. While some scholars such as Edwards (2014) interpret this failure as the result of Nyerere's socialist policies, other scholars argue that it does not necessarily reflect the failure of this strategy but rather the failure to involve people in the whole Ujamaa initiative.⁶ Key social groups such as mass organisations had either been weakened or co-opted into the single party system or into the ruling bureaucracy and were not truly representing and acting for the people.⁷

After slowing down, gross domestic product (GDP) per capita started to fall after 1976, at the same time as severe balance of payment problems developed. Nyerere refused the conditions imposed by international financial institutions for helping the country out of its foreign payment difficulties. A National Economic Survival Programme (NESP) and then a home-grown Structural Adjustment Programme (SAP) were launched in the early 1980s. However, they came too late and failed to get the economy out of the crisis. After having expelled an IMF mission in 1981, Nyerere was finally forced to accept a stand-by agreement with that institution in 1985. This agreement was a preliminary step towards an SAP to be signed with the World Bank, the aim of which was to move the economy back to a market-led economic system and, as a matter of fact, to undo much of Nyerere's effort to build a socialist economy. He left power in 1985, leaving to his successor the task of managing this change in economic regime.

If the economic achievements of the Nyerere era were disappointing, the same cannot be said of the non-economic sphere. A key success, and a consequence of the villagisation process, has been to promote participation

⁵ See Collier and Wangwe (1986).

⁶ See Nyerere (1968), United Republic of Tanzania (2017a, pp. 54–6).

⁷ For instance, the state machinery made the decision to ban the Ruvuma Development Association, which is regarded by some scholars as having been a genuine socialist organisation emulating members' participation in its development affairs – see Ibbott (2014).

in development activities and decision making. The nation-building project Nyerere embarked on – which included disbanding chiefdoms and promoting the Swahili language – brought national unity and cohesion. This was reinforced by investments in education, the schooling system, literacy, and health programmes. In comparison with many other African countries, Tanzania is exceptional in the political stability it has shown since independence, under the influence of Nyerere's probity and respect of constitutional rules. Both legacies are closely linked, for political stability would have been difficult to achieve in the presence of tribal rivalry.

Another aspect of Nyerere's actions that made him a major political figure in Africa was his pan-Africanism and his view that African states were most often too small to develop in an autonomous way. Here, too, however, he was unsuccessful, at the level of both the continent and the region. As far as the latter is concerned, he was a strong promoter of the East Africa Community (EAC) that would federate Kenya, Tanzania, and Uganda. Yet, after some years, Western-oriented Kenya's leadership sought to isolate itself from the socialist regime in Tanzania, whereas Uganda, under Amin Dada, aggressively invaded the northern region of Tanzania in 1978. Nyerere chased the invaders and then entered Uganda, where he was able to oust Amin Dada after a long war, the cost of which was sizeable for Tanzania and was aggravated by the consequences of the breakup of the East African Community. Rising oil prices also contributed to an economic situation that was already difficult. These circumstances ultimately led to the end of Tanzania's socialist era.

C The Difficult Transition to the Market: 1980–1995 (Nyerere-Mwinyi)

Ali Hassan Mwinyi, who was the vice-president of Tanzania and also the president of Zanzibar, was elected president in 1985 with the explicit support of Nyerere, who was still in control of the Chama Cha Mapinduzi (CCM) party that was borne from the merger of TANU of Tanzania Mainland and Afro Shirazi Party of Zanzibar in 1977 and that is constitutionally the single political party in Tanzania. His objective was quite explicitly to re-establish the primacy of market mechanisms and to put the Tanzanian economy back on a positive growth path. This was done in a somewhat disordered way over his two presidential mandates under the strong influence of bilateral donors and the Bretton Woods institutions, though there was some domestic resistance.

The first set of reforms consisted of trying to align prices to supply–demand conditions so that they would give the right incentives to economic agents. Agricultural marketing, including the supply of agricultural inputs, was liberalised, prices and wages were deregulated, the currency was massively devalued, and import tariffs were rationalised. Initially, growth reacted positively to the reforms, mostly because of the release of aid resources that had been withheld by donors because of friction with the Tanzanian government in the

last years of the Nyerere era and because the agricultural sector recovered some dynamism after years of paralysis. However, growth then stagnated, as it was becoming obvious that several institutional factors were preventing it from really taking off.

Another set of structural reforms was launched during the second mandate of Mwinyi from 1990 onwards, the most important one being dismantling and privatising the numerous state-owned companies that ran the economy during the socialist era and were still operating. Other reforms included opening the financial sector to private domestic and foreign actors, concentrating tax collection within a single Tanzanian Revenue Authority,⁸ dismantling monopolies in the agricultural output trade, and reforming the civil service with the aim of reducing the number of civil servants and making them more effective.

Other reforms were undertaken in the political sphere. Constitutional changes had been passed in 1985 that defined more precisely the prerogatives of the president and limited his mandate to two five-year terms. Most importantly, a multi-party system was established in 1992, formally ending the legal monopoly of the CCM party, the so-called party of the revolution. Consequently, the political scene became much more active, and the Tanzanian people's political unity began to weaken as the 1995 general election approached.

The end of Mwinyi's second term was marked by various corruption scandals, the most notorious of which was revealed by the World Bank in November 1994. The embezzlement, amounting to some 3 per cent of annual GDP, involved senior officials in the Ministry of Finance and caused donors to temporarily stop all disbursements.⁹

This event was the culmination of a rampant crisis between the executive branch and the donors that ran throughout practically the whole Mwinyi presidency. Its root lay in the fundamental opposition of a large part of the Tanzanian elite, including in some instances cabinet ministers, to moving away from the socialist regime. Some held such a view for ideological reasons, but others clearly tried to protect the rents they were able to create during the socialist era. As a result, the reforms imposed by the international financial institutions slowed down and had little impact on the economy. Corruption was rising, whereas growth would not take off. The crisis that culminated in donors withdrawing a significant part of their aid in 1995 was finally overcome thanks to the work of a consultative group, which was able to pacify the donor–recipient relationship.¹⁰

It is hardly surprising that such a transition from socialism to a market economy was so difficult and conflictive, both with donors and within Tanzania. It is not surprising either that corruption practices spread in such a period of disruptive reforms, especially starting from a regime where corruption was

⁸ Implemented under President Mkapa in 1996.

⁹ See Lofchie (2014, pp. 127–8).

¹⁰ See Edwards (2012, pp. 27–40), Lofchie (2014, Chapter 4).

already widespread among the elite. Some time was necessary for the economy and society to stabilise and growth to pick up. Quite revelatory in this respect is the ‘Mzee Rukhsa’ or ‘Everything goes’ nickname given by Tanzanians to the Mwinyi era. Although this occurred some twenty-five years ago, it will be seen that this period left durable marks on society and the economy.

The economy and society started to settle down and growth started to pick up under the presidency of Benjamin Mkapa, the first president elected in multi-party elections.

D The Marker Era: 1995–2015 (Mkapa-Kikwete)

The evolution of Tanzania over since the early 2000s under the successive presidencies of Benjamin Mkapa and Jakaya Kikwete may be described as the actual implementation and deepening of the reforms passed under the presidency of Mwinyi. Despite the underlying tension mentioned earlier, this took place with remarkable political stability, at least on the mainland, owing in part to the single party (CCM) that had ruled the country since independence remaining the dominant party after the move to a multi-party system. In fact, it took some time for the opposition to strengthen and it is only recently that it has started to represent a possible threat to the CCM, at least on the mainland.

The same cannot be said of Zanzibar, where the confrontation between the CCM and the local opposition party (Civic United Front, CUF) and later ACT has been extremely conflictive, with several upsurges of violence. Rigged elections, a partisan electoral commission, harsh repression of protests, and renegeing on union government commitments created a climate of mutual distrust that proved difficult to calm down. A constitutional reform of the relationship between the two members of the United Republic of Tanzania that could reduce the intensity of the confrontation has been considered for some time, but it is presently at a stalemate.

Another prominent feature of the last two decades is the frequency of major corruption scandals, which suggests that corruption is indeed rooted in society and the economy. Several cases came to light under both Mkapa and Kikwete, which every time led to ministers and high-ranked officials being dismissed and led to donors temporarily suspending aid disbursements. Since those days, Tanzania has found itself systematically rated very low in the corruption rankings published by Transparency International and comparable organisations. Donors repeatedly conditioned their aid on efforts being made to curb corruption, and successive governments have committed to act in this area. Their impact has been limited, though. Inherited from the socialist era and the disordered period of transition towards a market economy, corruption is a plague that now seems extremely difficult to eradicate.¹¹

¹¹ The current president, J. P. Magufuli, was elected on a very strong anti-corruption platform and has sent strong signs of his determination in this area since taking office in 2016.

Some other noteworthy political developments are worth stressing. One is the inflow of refugees owing to conflicts in the neighbouring Democratic Republic of Congo (DRC), Rwanda, and Burundi since the mid-1990s. At some stage, there were around 700,000 refugees hosted in Tanzanian camps who were supported by international organisations and the Tanzanian government. Another development was the re-launch in 2000, twenty-three years after its collapse in 1977, of the East African Community. Initially revived with its three founding members (Tanzania, Kenya, and Uganda), the EAC was enlarged to include Rwanda and Burundi in July 2009.¹²

On the economic side, the progress towards an all-market economy proved to be slower than anticipated. The number of parastatals or state-owned enterprises (SOEs) still active in 1995 was considerable – that is, more than 300. It took time to privatise them, to merge them in joint ventures with the private sector, or simply to dismantle them. There was concern that the privatisation programme did not give adequate opportunity for local private entrepreneurs to participate. One factor that contributed to this outcome was the failure to operationalise the Privatisation Trust Fund established by the Privatisation Trust Act of 1996. It also took time for the public mindset to change with respect to the role of the private sector in development. It was only during the second term of Kikwete's mandate that policies aimed at creating a favourable climate for the private sector were explicitly adopted.

Still on the economic side, the last twenty years have seen significant progress towards macroeconomic stability but relatively little towards the 'self-reliance' goal pursued since the Nyerere era. Since independence, donors have generously supported the development of Tanzania. They have sometimes suspended their aid after corruption scandals or in times of disagreement about the policies to be implemented, but they have always been present when their help was crucially needed. It cannot be denied that, at least over the last twenty to twenty-five years, Tanzania has been an 'aid darling'.

In any case, the recent period has been rather favourable on the economic growth front. Considerable acceleration took place during the second term of the Mkapa presidency. With an average GDP growth rate of 6 per cent between 2002 and 2015, Tanzania is among the African champions. As in other countries, however, it is difficult to say how much of this is thanks to domestic reforms and how much to a favourable international context.

E The Fifth Phase: November 2015–March 2021

On 5 November 2015, the fifth president of Tanzania was elected. John Pombe Magufuli's nomination within the dominant CCM party was the result of a difficult process, as he was a kind of outsider with respect to influential groups within the party. He won the nomination, and then the election, very much

¹² And, more recently, South Sudan.

on his anti-corruption platform and his well-recognised personal probity, a quality he had shown as the minister of Public Works in the previous administration. For the first time since the advent of multi-partyism, however, the opposition showed real strength, getting a little more than 40 per cent of the votes in the run-off ballot.

One of the factors that contributed to his rise to power in spite of his limited record as a player in the ruling party is the manner in which the credibility of the dominant party, CCM, had been eroded by a series of corruption scandals and a general perception that corruption had been on the rise in the country.¹³ In this regard, the main opposition party, Chadema, made considerable political gains in society by launching an anti-corruption campaign that contributed to eroding the credibility of CCM. This may have been one of the factors that led to dropping Edward Lowasa from the CCM candidacy, even though he was rated as highly popular among the candidates within CCM. The decision to drop his name is likely to have been influenced by the fact that he had been mentioned in a recent major scandal and had then been attacked by Chadema in their anti-corruption campaign. The ruling party, CCM, and its leaders had been so maligned and marred by allegations of corruption that it is likely this situation enhanced the chances of nominating for the presidency a candidate who was not identifiable with the party and its heavyweights – that is, a relatively clean person. Ironically, when Lowasa was dropped by CCM, he was nominated by Chadema as their presidential candidate. It had been hoped that this candidate, perceived to be popular in CCM, would move to Chadema with a substantial group of CCM members. In any case, he moved with a handful of CCM members. The nomination of Lowasa as Chadema presidential candidate had a major paradoxical effect on the choice of campaign agenda on both sides. Chadema dropped the anti-corruption agenda, presumably because earlier they had tainted Lowasa as a corrupt person, and the CCM candidate picked the anti-corruption agenda and campaigned on that ticket, often putting CCM on the back burner. This change of roles in the agenda put forward, and shifting agenda so easily, may be an indication of the ideological shortcomings of both parties. Magufuli won with 58 per cent of the vote, mainly on his anti-corruption platform.

It may be too early to evaluate the full consequences of Magufuli's actions, as the outcomes were still unfolding in terms of institutional diagnostics when he died in March 2021, after just more than five years in office. Yet it will be useful for the analysis in this volume to mention their main original features.

¹³ Numerous scandals struck under Magufuli's predecessors. Three major ones strongly impacted public opinion: (1) side payments in the tendering of an energy project to a foreign company that proved unfavourable to Tanzania; (2) more recently and still in connection with this tender a scandal struck because of fraudulent payments to CCM politicians out of an escrow account opened by the National Electricity Company (TANESCO); and (3) fraudulent payments involving high-ranking politicians and bureaucrats made from an external payment arrears (EPA) account set up at the Central Bank to help service the balance of payments.

President Magufuli entered office as a popular leader largely on account of the promises he made about fighting corruption, cutting down on unnecessary public expenditures, checking the waste of public resources, identifying as a man of action (he was nicknamed the ‘bulldozer’), and caring for the down-trodden (*wanyonge*). These promises were appealing because they came at a time when corruption scandals had been rampant, poverty and unemployment were still major concerns, and the ideological direction of CCM was being questioned because of what Shivji calls the consequence of CCM having been disarmed ideologically and organisationally over a generation.¹⁴ His popularity was enhanced by the perception that he was a leader who could get things done. This was appealing because the Kikwete administration had increasingly gained a *laissez-faire* reputation and because of the perception that ‘law and order’ had been eroded while transparency – which he promoted – was perceived as not being accompanied by accountability. This perception planted seeds of what was later to manifest as high-handed actions to return the country to order and get things done, even if it meant taking shortcuts involving autocratic means. Indeed, he did get things done, confirming his nickname ‘bulldozer’, but, as some have said, he was more of a supervisor than a political leader.¹⁵

President Magufuli identified the concept of development with accomplishing major infrastructure undertakings. Huge projects were thus launched, including the hydroelectric dam across Stigler’s Gorge (Nyerere Hydroelectric project), the Standard Gauge Railway from Dar es Salaam to Kigoma and further west, and many miles of tarmac roads across the country. These projects will yield development returns in the future, possibly helping industrialisation, another of Magufuli’s priorities (*Tanzania ya viwanda*). However, he did not really define the kind of industrialisation he stood for, nor the way it could trickle down to agriculture, the sector where the majority of the poor (*wanyonge*) are found. The industrialisation drive remained unplanned and confused, and the youth still have not seen the level of job creation that they had hoped for. The animosity that often tinted the relationship between the president and big business did not help to carry forward the industrialisation agenda.

Under President Magufuli, efforts were also made to get the most out of Tanzania’s natural resources to benefit the people of Tanzania. He effected a piece of legislation called the Natural Wealth and Resources (Permanent Sovereignty) Act that was passed in 2017 and that asserted the Tanzanian people’s sovereign ownership and control over natural resources. He took on Barrick, the multinational gold company, and stopped containers full of mineral sand from being exported while he formed a local team of experts to check the mineral content of the sand. He also worked on other forms of

¹⁴ See Shivji (2021).

¹⁵ See Shivji (2021).

revenue generation from minerals. However, these efforts fell short in two areas. First, building the human and institutional capacity for managing natural resources along the long-run lines was not accorded priority, contrary to recommendations that had been made by civil society organisations such as Haki Rasilimali – the Tanzanian branch of the ‘Publish What You Pay’ international non-governmental organisation (NGO) – about extractive industry governance. Second, the regime did not effectively engage in formulating and strengthening policy frameworks for managing natural resources.

On other fronts, the president boldly moved against grand corruption in both the political and business spheres. For what this kind of study is worth given the difficulty of evaluating corruption, a 2020 report by the Tanzanian anti-corruption agency, the Prevention and Combating Corruption Bureau (PCCB), revealed that corruption had declined during his administration. In education, he abolished primary and secondary school fees, and accelerated the building of classrooms and the provision of desks. On health, investments in new facilities and equipment were enhanced, and health insurance coverage was extended at a cheap premium to almost one-third of the population. He was also in favour of less informality in the economy but did not have a clear strategy for formalisation besides issuing street vendors and kiosk-owners with identity cards at 20 shillings that would free them from further tax payments and harassment by law enforcement personnel.

Magufuli wanted to see results fast. His strategy fits the saying ‘If you want to go fast, go alone; but if you want to go far, go together’. He chose to go fast and obtained some results. But, breaking very much from his predecessors, he ruled in a rather authoritarian and personalised way.

If Tanzania continued to be a relatively stable and peaceful polity during his mandate, this stability was superficial, and continuity was illusory (Shivji, 2021). To some extent stability and peace were induced by fear and the narrowing of civic space. Political rallies were banned, and opposition leaders were openly harassed by the police and implicated in numerous court cases. Space for civil society organisations and NGOs was severely restricted. Many organisations and civil society actors were subjected to all kinds of intimidating demands from state authorities, but print and electronic media bore the brunt of the repression. Some journalists and opposition leaders were taken to jail or even assaulted. Ironically, while the mainstream media was undergoing censure, a small pro-Magufuli media house emerged, introducing itself as an independent advocate that supported him. Its newspapers and TV defamed prominent people, including former secretary generals of the ruling party who were perceived to have fallen out of favour. The media house abused Magufuli’s critics and pursued opponents and foes without hindrance. Of course, no disciplinary action was taken against it by either regulatory bodies or media watchdogs. After Magufuli died, however, the organisation was taken to court and convicted for defamation. This story illustrates the fear inspired by Magufuli’s authoritarianism in the whole state

apparatus, including the closest circle around him, as well as many private actors (Shivji, 2021).

This state of affairs made people unhappy and frustrated as they were not able to hold their government accountable. Instead, 'people were expected to be accountable to the government'.¹⁶ Magufuli's domestic popularity started very high as measured by the annual TWaweza poll. His posture as a 'man of integrity', determined to go against the status quo, and able to sometimes take spectacular measures initially pleased public opinion. Over time his popularity started to fall, however, to such an extent that the 2018 TWaweza poll showed a rate of approval only moderately above 50 per cent. TWaweza got into trouble with the Magufuli government, and no more poll results have been published since then.

In two elections (local government elections in 2019 and the general election in October 2020) when people could have openly expressed their views, there were rampant claims of unfair treatment of the opposition. In the local government elections of 2019, the opposition felt so mistreated that they opted out of the elections, which led Magufuli to observe that opting out was a democratic decision too. In the general election of October 2020, Chadema presidential candidate Tundu Lissu drew such large crowds during the campaign that the winner of the election appeared increasingly uncertain. However, Magufuli, the CCM presidential candidate, and CCM parliamentary candidates won with such a large margin that opposition cried foul, accusing CCM of malpractice supported by the police. Indeed, Magufuli won with 84 per cent of the vote, and CCM won all parliamentary seats except a couple. However, for the first time since the beginning of general elections in 1965, no election petitions were filed. By itself, this was not only a telling critical comment on the 2020 general elections under President Magufuli's watch but above all a veiled pointer to the loss of people's trust in the impartiality of the judiciary. In the *Journal of Democracy* in July 2021, Dan Paget argued that with brutal resolve, the ruling party sought not merely to win an election, but to annihilate the opposition. According to other observers,¹⁷ the flawed 2020 Tanzanian elections are blamed on an authoritarian turn instigated by Magufuli, although focusing exclusively on Magufuli obscures the authoritarian foundations of CCM rule and the strategies used by CCM to maintain political control, albeit in a more subtle way.

The stand Magufuli took on COVID-19 is another sign of his distrust of others' opinion as well as a mind that could at times be seen as both obsessive and self-contradictory. He denied the existence of the pandemic while sometimes acknowledging its reality. He thus publicly claimed that Tanzania had eradicated COVID-19 through three days of prayer, but is also reported to

¹⁶ Conversation with Dr Kitima, a priest, vice chancellor of the University of Dar es Salaam, and member of the Tanzanian Academy of Science, in his personal capacity.

¹⁷ See Cheeseman et al. (2021).

have played down the pandemic and denounced vaccines as a Western conspiracy against Africans. Under his administration Tanzania suspended updating its COVID-19 cases and deaths to the World Health Organization and communication on the pandemic was prohibited, even though there were clear indications that the number of admissions at hospitals of patients exhibiting respiratory symptoms consistent with COVID-19 was increasing. Although still unofficial, he may have been one of them when he died in March 2021, a few weeks after starting his second presidential mandate. Despite, or possibly because of, his persistent denial of the virus, the US State Department diplomatically remarked after his passing that the United States remained committed to continuing to support Tanzanians ‘as they work to combat the COVID-19 pandemic’.

The history of President Magufuli’s administration underlines the risks of viewing leaders through rose-tinted glasses. Charismatic individuals can claim the reformer’s mantle, but giving them too much credence before structural reforms are implemented sells democracy short and increases the risk of authoritarian relapse.

F The Beginning of the Sixth Phase

President Samia Suluhu Hassan was sworn in as the new president of the sixth-phase government on 19 March 2021 following the death of Magufuli. Several new developments and notable changes in policies on several fronts have already been observed.

Freedom of the media and of speech has been one immediate change from the Magufuli regime. Social media immediately became vibrant in the first week of the sixth phase. Print and electronic media are operating freely, and some of those that had been closed have been restarted. There is freedom of the opposition parties, and President Samia has openly spoken in favour of bringing unity and peace between CCM and the opposition parties. There are clear signs of departure from authoritarianism.

President Samia has demonstrated that observance of the rule of law is being restored. Several businesspeople who had been arrested and stayed in custody without being charged and those who had been charged falsely for money laundering have been released. Those who had been close to Magufuli and broke the law with impunity have been taken to court and charged.

There are encouraging indications of an improved business climate. The relationship with the business sector has improved, as indicated by frequent meetings with sections of the business community and resumption of dialogue between government and the private sector in the Tanzania National Business Council. President Samia has been accompanied by business representatives in her state visits to other countries (Uganda, Kenya, Rwanda, Burundi, and the United States), an indication that she is determined to improve relations with the private sector. President Samia has liberalised several policies politically

and economically and in terms of economic diplomacy, as indicated by mended relations with several foreign governments and international financial institutions, notably the World Bank and the IMF. The policies and procedures related to issuing permits to investors have eased, and permits for foreign experts have been made more liberal and efficient. Investors are facilitated more efficiently in terms of the time it takes.

G Final Remarks on Political History

Numerous major events have occurred over the last fifty years or so that have oriented Tanzania in various, sometimes opposing, directions. In the first stage, post-independence Tanzania continued colonial trends, with essentially an outward market orientation. Then came the turn to socialism and the attempt at creating a self-reliant African socialist society. This second period lasted seventeen years, during which huge and sometimes violent reforms took place at the same time as mindsets were deeply modified. Then a new period came that started to reverse the previous order, trying to instil in society the seeds of a market economy and a multi-party democracy. Ten years later, this new regime is more or less in place, but the old order has not completely disappeared in the minds of civil servants and the employees and managers of SOEs. Also, such a succession of reforms and the difficulty of monitoring them in a rigorous way has generated specific mindsets, especially regarding corruption, that will take time to be modified.

Most importantly for the present study, it is difficult to imagine that such a contrasting evolution in such a short time span has had no impact on the institutional context in which present and future development must take place. It is the purpose of this study to identify precisely which institutions are the most likely to be obstacles to that development. Before focusing on institutional issues, however, it is necessary to review the main features of the development process in Tanzania.