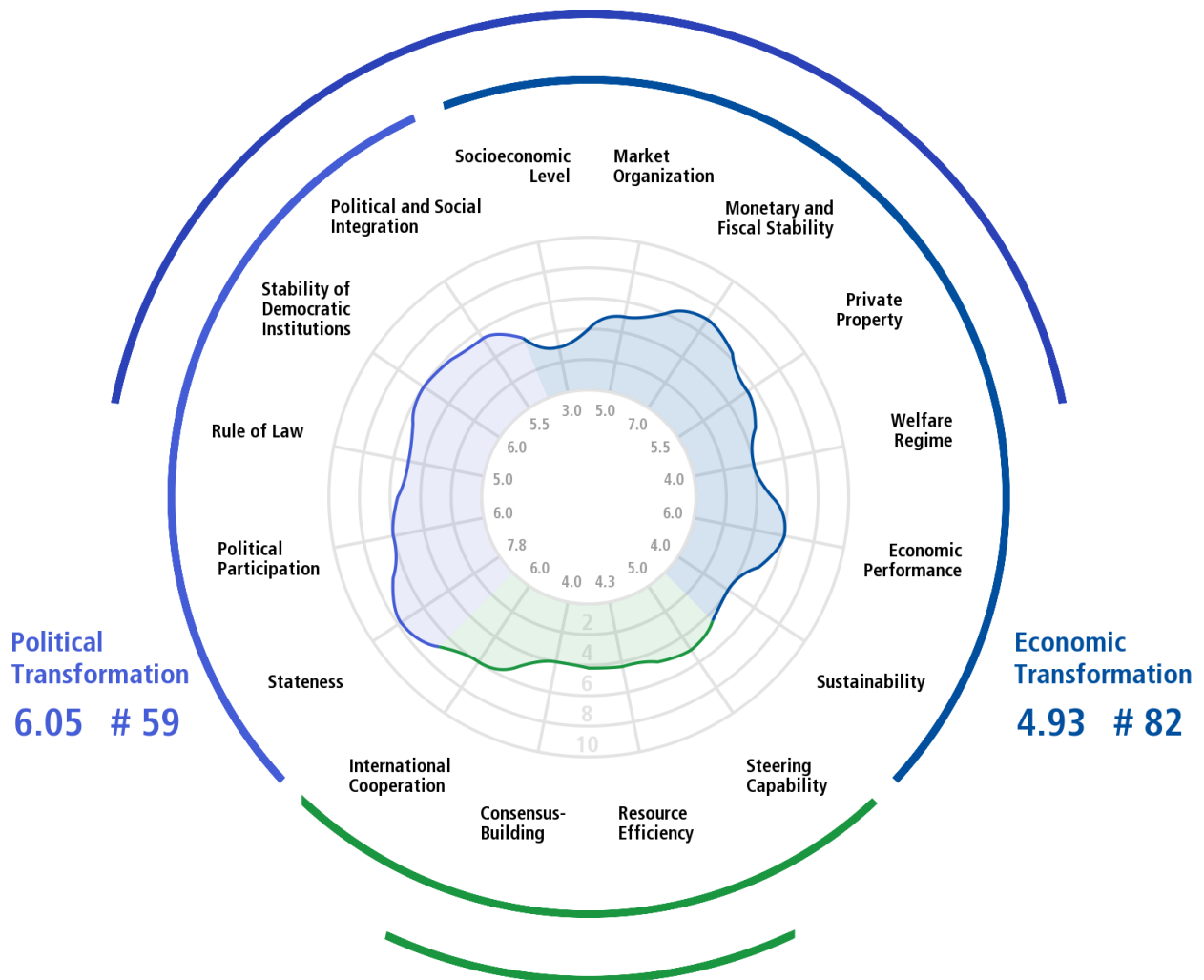


Tanzania

Status Index

5.49 # 63

on 1-10 scale out of 137



Political Transformation
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4.47 # 85

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2020**. It covers the period from February 1, 2017 to January 31, 2019. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Key Indicators

Population	M	56.3	HDI	0.528	GDP p.c., PPP \$	3227
Pop. growth ¹	% p.a.	3.0	HDI rank of 189	159	Gini Index	37.8
Life expectancy	years	64.5	UN Education Index	0.423	Poverty ³	% 79.0
Urban population	%	33.8	Gender inequality ²	0.539	Aid per capita \$	47.3

Sources (as of December 2019): The World Bank, World Development Indicators 2019 | UNDP, Human Development Report 2019. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

Executive Summary

The period under review saw an astounding acceleration in the authoritarian leadership tendencies of President Magufuli's administration, which had first become apparent after the president's election in October 2015. The period was characterized by unprecedented violations of human rights and previously guaranteed democratic principles. Decision-making powers became increasingly centralized on the president, who has displayed a tendency to rule by directives, orders and ultimatums rather than follow formal procedures. Civic space has further narrowed. Opposition parties, CSOs, human rights defenders, the media and even ordinary citizens have come under severe pressure. Critics have frequently been harassed and intimidated, threatened, (temporarily) arrested, and prosecuted. A leading opposition politician barely survived an assassination attempt, while investigations into the murders of two other opposition politicians remain unresolved. One journalist, while investigating a series of mysterious deaths of politicians (mainly from the ruling party), and several security personnel and ordinary citizens in Coast Region have disappeared. The number of deaths of ordinary citizens in connection with police actions has increased. Amendments to the contentious Statistics Act, and the new Electronic and Postal Communications (Online Content) Regulations further curtailed freedoms of opinion and expression. Proposed amendments to the Political Parties Act aim to increase government control over opposition parties.

The severe deterioration of democracy as well as several policy decisions (e.g., the president's order to ban pregnant schoolgirls and teenage mothers from returning to public schools, and actions and threats against the LGBT+ community) brought the government widespread domestic and international criticism, to which government leaders have strongly objected. Relations between Tanzania and its Western partners deteriorated significantly, with important donors withholding aid and the European Union seeking to comprehensively review its policies toward Tanzania.

The government vigorously pursued the fight against corruption, fraud, embezzlement, theft and waste of public funds; negligence, ill-discipline and low productivity in the public sector; and the prevailing culture of impunity. Numerous public servants were fired due to allegations of corruption, embezzlement or related crimes, and several high-ranking officials were prosecuted and given jail sentences. The government launched the third phase of its National Anti-Corruption Strategy and Action Plan, although the previous phases had achieved very little success. The Anti-Corruption Agency's budget was increased, and a special division in the High Court created to deal specifically with corruption and related offenses. Dissatisfied with the agency's performance, President Magufuli again replaced its director general. As a result, according to opinion polls, corruption was reduced and the service of government agencies improved. Human rights activists, however, criticized the decision, arguing that the civil servants were dismissed on mere allegations, without clear evidence, and that due procedures were not followed.

The government showed a strong commitment to the implementation of the Tanzania Development Vision 2025, which aims to transform Tanzania into a semi-industrialized, lower middle-income country largely independent of foreign aid by 2025. President Magufuli's explicit industrialization drive focused on large infrastructure projects, mainly on the improvement of electricity, roads, rail, airports and ports.

The country's macroeconomic performance remained quite satisfactory by global comparison and exemplary by sub-Saharan African levels. Despite a GDP growth rate of 6% to 7%, the vast majority of the population nevertheless continue to live in extreme poverty with only rudimentary access to most basic social services. Financial institutions expect the economic growth rate to slow because of uncertainties around the government's economic agenda, the president's erratic directives and interventions, continuous threats against private business interests, and tendencies toward economic nationalism. Strict measures were imposed to reduce unnecessary expenditures and increase tax revenue, albeit sometimes executed in a questionable and counterproductive manner. This resulted in an atmosphere of uncertainty in the business community, liquidity shortages and the closure of businesses. Tanzania's economic backbone, the agricultural sector, continued to underperform. Employing about 80% of the workforce, the agricultural sector contributed just 25% to GDP.

History and Characteristics of Transformation

An assessment of Tanzania's transformation trajectory has to consider the political construction of the United Republic of Tanzania (the Union) forging together the mainland (formerly Tanganyika) and semi-autonomous Zanzibar (consisting of two main islands: Pemba and Unguja). Each part of the Union has its own constitution, parliament, government and budget. Developments have unfolded quite differently in these separate entities.

On the mainland, the one-party system (introduced in 1965) peacefully gave way to a multiparty system in 1992. In Zanzibar, political transformation was marked by violent clashes and the sustained repression of the main opposition party, the Civic United Front (CUF). The Union experienced exemplary political stability after the end of the socialist Nyerere era (1985), with three presidents (Ali Hassan Mwinyi, Benjamin Mkapa and Jakaya Kikwete), each ruling for two five-year terms. Zanzibar, however, remained a predominantly authoritarian regime within the Union. Political transformation was initiated by the Union government, controlled by the sole existing Revolutionary Party (Chama Cha Mapinduzi, CCM). A presidential commission appointed in 1991 advocated introducing a multiparty system in early 1992, although over 80% of approximately 30,000 citizens polled at that time expressed support for one-party rule, while a majority favored a greater participatory role for the public in the political system. This first phase of liberalization and democratization climaxed in 1995 when the 30-year practice of single-party elections yielded to the first multiparty elections. In the 2000 elections, the CCM nevertheless managed to win a decisive two-thirds majority. This majority was further enlarged in 2005, when the CCM secured over 80% of votes. The 2010 Zanzibar election results were contentious (as they had been in 1995, 2000 and 2005), but the eruption of violence was prevented due to a pre-election agreement between CCM and CUF to form a Government of National Unity (GNU). Since the 2010 elections, amid rapidly growing public dissatisfaction with socioeconomic conditions and the government's performance, several by-election results indicated that the main opposition party, the Party for Democracy and Progress (CHADEMA), was making noticeable gains. This trend was confirmed in the 2015 elections, which were again won by the CCM, albeit in a much closer contest than ever before.

While a separation of powers is enshrined in the constitution, in reality the executive dominates, and neither the legislature nor the judiciary are truly independent. Although Tanzania can be characterized as a relatively well-organized country, the administration is prone to inefficiency. Embezzlement of public funds and corruption are widely criticized characteristics of the political and administrative systems.

The economic transformation of the former socialist-oriented, state-controlled economy began in 1986 with the first IMF structural adjustment program, but the process was only erratically implemented until the mid-1990s. Market reforms were pursued more consistently after 1995. Progress was then made in privatizing most state enterprises and in generally deregulating the economy. The inflation rate was reduced to single-digit figures. The latter half of the 1990s,

following a long economic crisis, marked a return to relatively favorable economic growth rates. During the 2000s, the GDP growth rate consistently hovered around 6% to 7%, with Tanzania among the top economic performers in Africa. Nevertheless, reforms have fallen far short of overcoming the country's structural economic weaknesses, namely a dependence on foreign aid, mining and agriculture (much of it at subsistence level), and limited development of manufacturing industries – hence, little diversification of exports. The private sector has substantially expanded since the country's socialist past, but is still hampered by an overbearing bureaucracy and state interference.

Although Tanzania's Human Development Index score has improved over the years (from 0.353 in 1990 to 0.538 in 2017), Tanzania continues to rank among the countries with the lowest human development. Tanzania's macroeconomic progress has not had a marked impact on the country's appalling level of poverty. About one third of the population lives under the poverty line and almost 70% live on less than \$1.25 a day.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

The security forces are loyal to and controlled by the state, they face no competition from any other social or militant group. Local vigilante groups (sungusungu) are registered by the police and cooperate with them. Isolated, locally limited violent conflicts (mainly about land issues), sporadic but increasing politically motivated assaults and an increasing level of violent crime somewhat restrict the state's monopoly on the use of force.

This monopoly is, however, somewhat challenged by an increasing – but still comparatively low – rate of violent crime. In Coast Region alone, more than 40 people – mainly police officers and politicians from the ruling party, but also ordinary citizens – have been mysteriously killed since 2014. The police, however, claimed in August 2018 to have solved the cases and killed or arrested the offenders.

A large majority of the population accepts the nation-state as legitimate. Citizenship and naturalization are not denied on the basis of race, ethnicity, national origin, religion, gender or for political reasons.

The legitimacy of the Union between the mainland and semi-autonomous Zanzibar is, however, questioned by politicians and segments of the Zanzibar population. They claim that Zanzibar is underrepresented in the Union, politically and culturally marginalized, and economically exploited by the mainland. Their demands range from claims for greater autonomy to complete independence for Zanzibar.

In Zanzibar, supporters of the opposition have been denied citizens' rights, mainly during the voter registration processes prior to Zanzibar presidential, parliamentary and district council elections. To be allowed to vote in the Zanzibar elections, voters are obliged to have a Zanzibar Identity Card (ZanID), which is issued by local government officials (shehas). In numerous cases, shehas have refused to issue ZanIDs to opposition supporters.

Question
Score

Monopoly on the
use of force

9



State identity

8



Tanzania is explicitly a secular state. The legal framework is derived from English common law. Laws are enacted by parliament, interpreted by courts of law and enforced by the administration. Citizens are free to seek remedies through courts of law, through religious institutions or through relevant traditional rules/institutions. Marriage, divorce and inheritance are regulated by religious, traditional or state institutions, according to citizens' choice.

Religious dogmas can influence politics, since religious leaders are highly respected in society. Typically, political parties and politicians seek good relations with religious leaders and their communities. The current government has, however, threatened to deregister religious institutions for allegedly "mixing politics and religion" after several religious leaders issued concerns about recent political developments in the country. Religious dogmas also affect policy-making in so far as politicians are influenced by their respective religious beliefs (e.g., the influence of Christian fundamentalism on homosexuality and student pregnancies).

In Zanzibar, laws are to some extent influenced by religious dogmas of the dominant Muslim faith (e.g., some religious rules for Ramadan have been included in Zanzibari laws).

Tanzania is generally characterized as being a comparatively well-administered state. Administrative structures exist throughout the entire territory. Performance is, however, highly deficient due to insufficient financial resources, waste and embezzlement of public funds, unmotivated and incompetent staff, corruption, and political interference.

The administration generally provides the most basic services, but only the most very basic ones. Only about 50% of the population have access to safe water, and 15% use improved sanitation facilities. Successive governments have successfully implemented measures to improve school enrollment in primary and secondary schools; however, learning and teaching environments and the quality of education remain poor. Basic health care facilities exist even in the most rural areas, but they often lack essential medications and qualified staff.

Primary courts and police exist, and are accessible throughout the country, but generally have a bad reputation among the population. Both are considered to be prone to corruption: court cases usually take an extremely long time and the police tend to overreact in difficult situations.

Several reform programs (e.g., Civil Service Reform Program, Local Government Reform Program, Public Financial Management Reform Program, and Big Results Now Initiative, as well as various sector-specific reform programs) have over recent years been implemented to strengthen the administrative system and improve performance, albeit without resounding success.

No interference of religious dogmas

8



1

Basic administration

6



1

Following the election in October 2015, the present administration under President Magufuli has vigorously introduced measures to increase discipline in the public sector, stop the squandering and theft of public resources, and fight corruption at all levels. Although these measures have had some positive effects on work discipline and service delivery, they mainly focused on threats, setting targets and ultimatums, and less on structural reforms. For example, tax collectors were given fixed targets that they had to meet, which incentivized some of tax collectors to undertake questionable and arbitrary actions against small business owners and the general population.

2 | Political Participation

Presidential, parliamentary and district council elections are regularly held every five years; universal suffrage and a secret ballot are generally ensured. Fully registered political parties can participate in elections and mandates are filled according to election outcomes.

There are about 20 registered political parties. The political landscape is, however, strongly dominated by the Revolutionary Party (Chama cha Mapinduzi, CCM), which has governed the country since independence in 1961. Two major opposition parties have emerged since the early 1990s, the Party for Democracy and Progress (Chama cha Demokrasia na Maendeleo, CHADEMA) on the mainland and the Civic United Front (CUF) that is particularly strong in Zanzibar. However, growing support for the opposition, particularly since the last elections in 2015, may have resulted in the ruling party's determination to ensure that the CCM will remain in power by any means necessary. This also applies to Zanzibar, where the CCM and the CUF are each supported by about half of the population, although the CCM has full control over all institutions.

Elections for Union institutions (the presidency and the parliament) and for district council elections on the mainland are administered by the National Electoral Commission (NEC), whereas the Zanzibar Electoral Commission (ZEC) administers elections for the Zanzibar presidency, the Zanzibar parliament and the district councils in Zanzibar. Although neither commission is independent from the government, the NEC has generally performed more professionally, effectively and impartially. Whereas the outcomes of elections administered by the NEC have generally reflected the voters' will, most, if not all past elections in Zanzibar have been severely manipulated. This applies in particular to the 2015 elections, when the ZEC chairman nullified the elections during vote-counting, claiming irregularities and ordering a new election. This interference was strongly rejected by the international community, which in vain demanded proof of the alleged irregularities, and by the CUF, which refused to participate in the repeat election.

Free and fair elections

6

'06 '20 10



1

Voting procedures (including vote-counting and tabulation) by both commissions were assessed positively by national and international election observers.

However, the CCM made excessive use of state resources before the elections; constituency boundaries were redrawn to benefit the ruling party; opposition members and supporters were intimidated and opposition voters were prevented from registering to vote – especially in Zanzibar.

Privately owned media tend to be biased toward the CCM. Even private media outlets that reported on the opposition focused largely on the major opposition parties. There was hardly any reporting about the activities of small – and de facto insignificant – parties.

In June 2016, the new president, Magufuli, banned all political rallies and public demonstrations until the next elections in 2020, arguing that it was now time for society to concentrate on development and not on politicking.

Under Magufuli's administration, politicians from opposition parties were constantly harassed, arbitrarily arrested, and charged with sedition, instilling public unrest or threatening the peace. Politicians were abducted, assaulted and have been killed by unknown assailants.

Several by-elections for local councils and parliamentary seats were held in 2017 and 2018 after positions fell vacant because the elected representatives had resigned, died or defected from opposition parties to the CCM. The by-elections were marred by irregularities and violence. Institutions like the non-governmental Legal and Human Rights Centre and the U.S. embassy expressed concerns about the NEC's refusal to register opposition candidates, the unwarranted arrests of political leaders and agents, intimidation by police of voters and opposition party members, physical abuse, and suppression of freedoms of assembly and speech.

In mid-November 2018, amendments to the Political Parties Act of 1992 were tabled in parliament. The amendments would give the Registrar of Political Parties (a presidential appointee) the power to deregister political parties for minor administrative offences and interfere in the internal affairs of political parties, including the right to suspend individual party members and prevent party members from undertaking political activities. Political parties will be prohibited from acting as “a group of people that influences public opinion or government action in the interest of a particular cause.” This means parties would be prohibited from performing one of the fundamental functions of a political party. In December 2018, three opposition parties filed a case at the High Court against the intended amendments, but this was rejected by the court. At the end of January 2019, the amendments are yet to be passed by the parliament.

In general, democratically elected representatives have full power to govern. Political power is mainly vested in the executive branch, with strong authority in the hands of the (directly elected) president. The dominance of the executive limits the (elected) legislative's power to hold the government accountable. The strongest veto group is the ruling party, the CCM, and its committees. These committees are elected, but only by party members and not by all eligible voters in general elections. Under the current presidency, governance has become even more centralized. The National Assembly and the CCM party organs have been brought under the control of the authoritarian president and have lost much of their previous powers.

Interest groups of all sorts (economic, faith-based, criminal) try to influence decision-making and some of these groups sometimes also engage in corruption.

The military has considerable influence, but remains completely out of public scrutiny. It is, however, fully integrated into the political system and controlled by the state's civilian institutions.

The international donor community also constitutes an influential actor, which can act to limit the governments' agency to function. The diversification of donors and economic partners and growing competition among them has, however, increased the government's ability to ignore traditional (Western) donors' demands.

The constitution guarantees freedom of association and freedom of assembly. Associations are required to register themselves under specific laws, such as the (currently redrafted) Political Parties Act (1992), the NGO Act (2002), the Societies Act (2002) and the Cooperative Societies Act (2003); they may also be deregistered by the state organs.

Citizens are free to form associations and to assemble, as state interference in NGO activities is low. However, legislation gives the authorities – in particular, the police – the power to deny the right of assembly on grounds that are not clearly defined (e.g., security concerns) and hence prone to arbitrariness. According to different sources, there are between 3,000 and 8,000 registered associations in Tanzania.

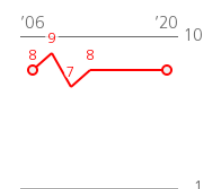
Under the current Magufuli government, the space for NGOs and Civil Society Organizations (CSOs) has significantly narrowed.

Whereas service delivery organizations are still welcomed and acknowledged as important to achieving the country's development goals, advocacy groups critical of the government, government policies and general conditions in the country face increasingly stringent restrictions.

Various CSOs have been temporarily banned, their offices searched, and their staff harassed, arrested and interrogated by state organs, including the president himself.

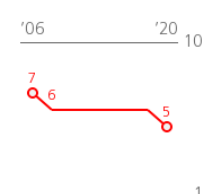
Effective power to govern

8



Association / assembly rights

5



The constitution guarantees freedom of expression and the right to information.

Between 2015 and 2018, four laws have been enacted that severely limit the freedom of expression and the right to information, and increase the government's control over the media sector: the Cybercrimes Act, the Statistics Act, the Media Services Act, and the Electronic and Postal Communications (Online Content) Regulations.

Previously, Tanzania enjoyed a comparatively high degree of freedom of opinion and press freedom, and a diverse media landscape, with numerous print outlets, TV and radio stations, and internet sites and blogs, reflecting a variety of different opinions.

However, the four draconian laws have been used to seriously undermine press freedom, with newspapers and radio stations being closed or temporarily banned. The situation is, however, not (yet) entirely bleak. The media is still able to report critically and cover the activities of opposition politicians.

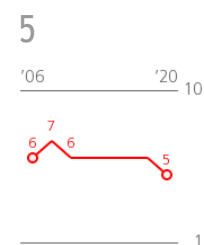
Journalists have been threatened, harassed, attacked and even killed, and their offices vandalized. A reporter from one leading newspaper went missing under suspicious circumstances in November 2017 and has not been seen since. In November 2018, two visiting representatives of the Committee to Protect Journalists (CPJ) were arrested and interrogated for several hours. Numerous people have been arrested and charged under the provisions of the contentious Cybercrimes Act.

The attacks on journalists and the implementation of the new draconian laws have instilled a climate of fear and caution among media practitioners. Corruption and self-censorship occur, although the extent of this is difficult to measure.

The Electronic and Postal Communications (Online Content) Regulations of 2018 introduced, among other measures, substantial obstacles for internet content producers (e.g., online bloggers, administrators of online forums, and producers of online radio and TV programs). A recently introduced prohibitive annual license fees for online content services of about \$435 forced many bloggers to stop their activities.

Tanzania dropped 10 places in the 2018 Reporter Without Borders' World Press Freedom Index and is now ranked 93 out of 180 countries. Over the last four years, the country has dropped by 24 places.

Freedom of
expression



3 | Rule of Law

Constitutionally, the separation of powers is fundamentally assured, but in practice, the executive branch dominates.

However, formally, the separation of powers is limited. The parliament includes the National Assembly and the president. The president has the right to appoint up to 10 unelected additional members of parliament. The attorney general – a presidential appointee – is an ex-officio member of parliament. Judges and magistrates are also appointed by the president.

Under the current presidency, the dominance of the executive branch has increased. Meanwhile, the parliament has lost much of its former strength and independence and has become an instrument of the executive to the detriment of its role as an organ of checks and balances.

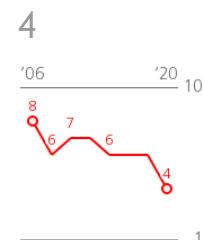
The president, the prime minister, government ministers, and regional and district officials are increasingly governing through orders and directives rather than following formal procedures.

There is a well-developed and differentiated juridical system. Since the judiciary is not a “union matter,” Zanzibar and mainland Tanzania have their own, but somewhat similar, judicial systems, which extend from primary courts to a High Court. The Court of Appeal, however, is a Union institution and deals with cases that affect both parts of the Union. Zanzibar has, in addition, a system of Kadhis’ courts. Their jurisdiction is restricted to questions of Muslim Law, such as personal status, marriage, divorce or inheritance. However, Zanzibari are free to choose whether they would prefer to present their case before a Kadhis’ court or a secular government court.

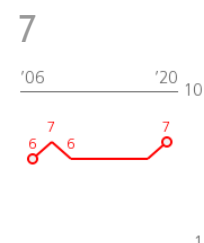
Political influence and corruption, especially at lower level courts, limit the independence of the judiciary. Long legal proceedings, a scarcity of financial resources and qualified personal and distrust from the general population further limit the legal system’s capacity to fulfill its intended role.

Higher-level courts (e.g., High Court or Court of Appeal) continue to show a strong resilience to government attempts to apply pressure on rulings of a political nature. Opposition politicians accused of breaching public assembly regulations are often set free.

Separation of powers



Independent judiciary



The current administration focusses heavily on the fight against corruption and other forms of abuse of office. Hundreds of officials have been sacked since President Magufuli assumed office in late 2015 – albeit sometimes without following the due procedure.

Several high-ranking people have been brought before court and sentenced. While most have lost their jobs, few have received a more severe sentence, and corruption and other forms of abuse of office continue to be common.

Corruption is structurally ingrained among the political and economic elite, stemming from the one-party era. Though it is also common among lower-levels of public administration, faith-based organizations and the general public, and in the private sector, the media and civil society. Whereas the anti-corruption efforts of previous governments have at best been half-hearted, President Magufuli has proven to be strongly committed to curbing corruption and has made anti-corruption efforts one of his hallmarks.

The constitution and the legislation generally protect the rights to life and security of people. The death penalty exists for convictions of treason and murder and is the mandatory sentence for murder. According to the Legal and Human Rights Center's (LHRC) mid-year Human Rights Report 2018, currently more than 400 prison inmates have been sentenced to death.

Recently, severe violations of civil rights have significantly increased. The right to life has been violated by security organs (Field Force Unit, military, ordinary police), which tend to react with excessive force, particularly in politically motivated contexts.

Furthermore, cases involving threats and intimidations from security organs (e.g., the secret service); abductions; assassinations and assassination attempts; extrajudicial executions; and the enforced disappearances of human rights activists, politicians, journalists, law enforcement officers and even a prominent businessman have dramatically increased. In most cases, however, it remains unclear who the perpetrators were.

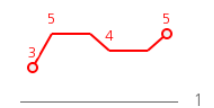
Severe violations of the rights to life and security of people continued to occur in Coast Region during 2017, where politicians, law enforcement officers and ordinary citizens were killed by unknown people.

A widely-held belief in witchcraft also poses a threat to the right to life and security of people. According to the LHRC, on average about 500 people annually are killed due to belief in witchcraft, mainly elderly women and people with albinism. Although state authorities condemn these acts, there is no comprehensive strategy against crimes related to belief in witchcraft and very few perpetrators are prosecuted.

Prosecution of office abuse

5

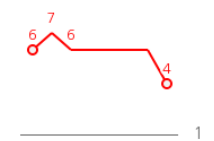
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Civil rights

4

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The LHRC reports that since 2010 more than 4,000 people have lost their lives due to rapidly increasing acts of mob violence, the main cause of violations against the right to life.

Torture is not systematically practiced. The right to personal security is, however, not guaranteed in prison. The conditions in prisons are generally appalling and prisoners must rely on the benevolence of prison staff.

Access to justice is formally provided by the juridical system, which is, however, constrained by several factors. There is a shortage of courts and qualified personnel, mainly in rural areas. Many people are not familiar with the court system and hesitate to bring a case to court. For the majority of poor Tanzanians, court fees are prohibitively high and legal aid is unaffordable. Furthermore, trust in the legal system and its ability to find satisfactory and just solutions to disputes is low, due to the long duration of court procedures and a widespread perception that the courts mainly protect the interests of wealthy and influential people.

The laws provide for equality before the law. There are, however, some discriminatory laws, such as inheritance and marriage laws, which discriminate against women. The government has frequently spoken out against discrimination against girls and women and has implemented several programs to promote gender equality. These efforts are, however, undermined by common cultural norms and values in a male-dominated society. Gender-based violence is prevalent. In 2013, the government introduced Gender and Children's Desks in police stations with specifically trained female police officers.

Homosexual acts are criminal offenses in Tanzania; police actions against people accused of promoting or practicing homosexuality have increased since 2017. Prejudices and discrimination based on sexual orientation are rife due to cultural and religious norms. Also, discrimination against people with disabilities is common.

4 | Stability of Democratic Institutions

On the mainland, democratically legitimized institutions exist in principle on the national, regional and local levels. The National Assembly, local councils and the national and local governments are elected. Despite the president's and the ruling party's considerable power to interfere, decision-making generally follows appropriate and legitimate procedures. However, in an increasingly authoritarian atmosphere, the space for dissenting opinion has shrunk for lawmakers. In addition, the administration of President Magufuli has introduced a practice of ruling through edicts, which frequently conflict with established legitimate procedures and the law. This practice risks undermining the country's democratic institutions in the long run.

Performance of democratic institutions

6

'06 '20 10



1

The courts and most administrative structures are weak due to underfinancing, incompetence, unclear or missing information, corruption, and nepotism, especially on the regional, district and local levels.

Frictions frequently occur on the district and local levels, where elected local government structures and appointed central government structures overlap.

In Zanzibar, the situation is more critical since the formally democratic institutions function within an authoritarian framework. The Zanzibari parliament has been elected, albeit under questionable conditions.

Democratic institutions are in principle accepted as legitimate by most relevant actors, but the ruling party Chama Cha Mapinduzi (CCM) uses its historical strength and appears resistant to opening the political system into a genuine functioning multiparty democracy (formally established in 1992), with a vibrant and critical civil society and media, which would challenge the dominant position CCM has held since independence.

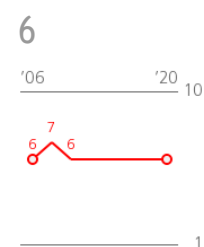
There are strong indications that the country's political leadership – particularly President Magufuli – does not fully accept the legitimacy of democratic institutions (e.g., independent media, civil society organizations and opposition political parties). The president's authoritarian governance style, which is based on his personal directives and a disregard for formal procedures, weakens democratic institutions.

Several state institutions are not always sufficiently accepted by all relevant actors, as even government officials occasionally feel a greater obligation to the former and current state party, and to the president, than to the legislature. The CCM has demonstrated an unwillingness to accept democratic institutions when they appear to pose a threat to the party's claim to power and has blocked or undermined decisions made by them (e.g., the auditor general's critical reports). Most people who are not CCM sympathizers have reservations about the impartiality of election management bodies, which are viewed as being biased toward the ruling party.

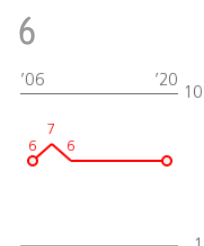
5 | Political and Social Integration

The party system is dominated by the former state party, the CCM (the Revolutionary Party). The CCM, in power since independence in 1961, is deeply rooted in society, and has branches and members in every corner of the country. Despite recurring internal frictions, the CCM has proved very stable. The CCM's wing in Zanzibar enjoys a considerably independent existence within the party, with specific interests that sometimes contradict those of the main party. Apart from the divide between the mainland and Zanzibar, there are sometimes very hostile factions, mainly based on clientelistic networks of ambitious leaders pursuing their own personal interests. President Magufuli (also the CCM chairman) has managed to bring the previously

Commitment to democratic institutions



Party system



quite independent and self-confident party under his control, stifling internal party debates and democracy. With very few exemptions, opponents to Magufuli or his policies within the CCM have kept silent – or have left the party and joined the opposition.

Opposition parties emerged after the multiparty system was reintroduced in 1992. Most of them lack concise programs and obtain their support mainly through opposition to the CCM.

The Party for Democracy and Progress (CHADEMA) has managed to stabilize itself as the leading opposition party since 2010 and – in the 2015 elections – was the first party able to challenge the CCM's dominance (as the leading force in a four-party alliance, Ukawa).

Although some CHADEMA politicians have over the years built up a strong local base for their party, the party as a whole can hardly be described as socially rooted. It draws its current support from opposition to the CCM, with some regional strongholds.

In 2017 and 2018, several opposition members of parliament left their parties and joined (or rejoined) the CCM. This may have been the result of a frustration with being part of an ineffective opposition, but more likely, it was the result of being lured into the CCM by promises of benefits. The CCM pursues an aggressive policy of systematically weakening the opposition.

In Zanzibar, where the political arena is extremely polarized and society divided along party lines, the Civic United Front (CUF) constitutes the main – and de facto only – opposition party. Support for the CUF and CCM on the islands is almost on a par, with the CUF overwhelmingly supported on Pemba and in Zanzibar's Stone Town. The CUF is well rooted in Zanzibar, although it owes most of its support to its (aged) charismatic leader, Secretary-General Seif Sharif Hamad. The CUF's position is, however, increasingly challenged as a result of Hamad's failure to secure political change through elections and political bargaining, which has always been torpedoed by the CCM. A frustrated citizenry could possibly withdraw from political activities and more radical groups might try to pursue less conciliatory approaches.

A handful of smaller parties (e.g., the NCCR-Mageuzi, TLP, United Democratic Party and Alliance for Change and Transparency) have played or continue to play a role in the political arena. However, such parties are mere electoral vehicles for their respective party leaders rather than socially rooted and organized political parties with distinct party programs. Several other parties exist but are insignificant.

Polarization between opposition and ruling parties has always been very high in Zanzibar. Since the 2015 elections, this has also become the case on the mainland. The oppressive reaction of the state apparatus to opposition further increases polarization.

Tanzania has a long tradition of cooperative and civil society organizations, dating back to the colonial era when trade unions and associations played an important role in the struggle for independence. During the one-party era (until 1992), independent civic activities were suppressed and social interests were incorporated into the single party.

In the 1990s, donor countries' practice of supporting NGOs rather than the government led to a mushrooming of service delivery organizations. These ranged from small local self-help groups to international NGOs.

Some politically active advocacy CSOs have emerged, albeit in a much smaller number than NGOs and mainly based in major cities. One to two dozen such advocacy CSOs operate professionally and can play a mediating role between society and the political system. They work across a wide range of issues, including human and women's rights, empowerment, health, education, democratization, gender, environmental, land management, and media. The major CSOs usually work together and form alliances to advocate for specific topics of common interest. Their declared claim to represent the interest of the poor majority is, however, somewhat questionable due to their strong urban and elitist base, and high dependency on external donor funding.

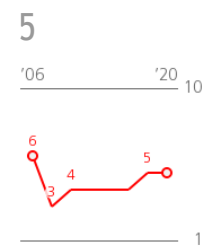
There are several trade unions and professional associations. Most of them, however, lack professional structures and adequate funding. Nevertheless, they have some bargaining power to improve the situation of their respective groups, especially if they represent a strategically important sector (e.g., transport, teachers or doctors).

Faith-based organizations (FBOs) and religious leaders enjoy a high degree of legitimacy and play an important role in mediating between society and the state. Unlike most CSOs, trade unions and professional associations, FBOs are also present in rural areas.

Service delivery NGOs, advocacy CSOs, FBOs and religious leaders, and trade unions and professional associations do not embrace ethnic or regionalist sentiments. Instead, they see themselves as pro-democracy. In practice, they play a limited but constructive role. Since religious affiliation constitutes a major source of identity in Tanzania, FBOs and religious leaders play an important role in mobilizing people and mediating among different interests. In general, FBOs and religious leaders contribute to peace and social cohesion through – among other things – interfaith dialogue and cooperation. By propagating conservative values, and defending conservative and even undemocratic structures, they stifle democratization at times. Furthermore, conflicts between and within various religious groups and denominations pose a threat to peace and stability.

National and international business interest groups – linking natural resources extraction, manufacturing, trade and services (e.g., telecommunications, tourism) –

Interest groups



are fast expanding. These interest groups are often perceived as one of the main causes for growing corruption. The extractive industries (e.g., gold, diamonds, coal, gas and oil, and uranium) is of particular concern. The government has proved incapable of implementing safeguards to protect people and ecosystems due to a lack of financial, technical and human resources. This has led to serious human rights violations, land-grabbing and damage to the natural environment.

The capacity of cooperative associations to mediate between society and the political system has recently diminished, since the operations and communications of these associations are being restricted.

According to several recent opinion surveys, approval for democracy is fairly high in Tanzania.

In surveys conducted by the NGO Twaweza in 2017 and 2018, 84% of respondents supported a multiparty system, 78% wanted the president to obey the law and abide by court decisions. Furthermore, public support for various rights and freedoms (e.g., the right to criticize the government, the right to information, the right of opposition parties to hold rallies, and freedoms of opinion, media and assembly) is high or are growing, compared to surveys in 2015/16.

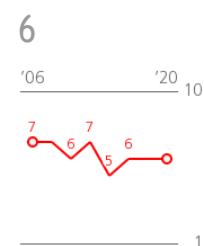
Results of several surveys allow the conclusion that Tanzanians prefer to choose their political leaders, but increasingly understand democracy also in terms of personal freedoms (e.g., freedom of expression and freedom of assembly). There is a strong (and growing) degree of dissatisfaction with the current performance of politicians and their institutions – but not with the political system, its procedures and institutions as such.

For the majority of the population (mainly in rural areas), close informal networks of extended families still provide the social capital to manage everyday life and to confront challenges that emerge from economic, social and natural crises. According to a 2012 Afrobarometer survey, general social trust was not particularly high: 88% claimed that one must be very careful in dealing with people in general. Yet, according to a survey by Twaweza (September 2014), community trust was high with 98% saying that their community would pull together following an unfortunate event. Families are the most trusted network (when compared to neighbors and acquaintances): 88% trusted their relatives and 76% trusted their neighbors.

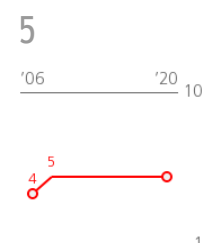
People organize themselves informally rather than relying on public or formal organizations to improve their situation. 72% of those interviewed by Twaweza (2014) were involved in a community organization, such as a religious group or a saving and loan group. Political self-organizing has been rather limited to urban-based groupings.

However, family and community bonds, self-help organizations, and savings groups are important networks of solidarity, in the absence of reliable and comprehensive

Approval of
democracy



Social capital



safety nets provided by the state, NGOs, FBOs or other institutions. The importance of these safety-nets also make them vulnerable and prone to misuse and fraud. Consequently, the level of distrust and suspicion is quite high in society in general as well as within these self-help groups, which in many cases have introduced control mechanisms to avoid misuse and fraud.

II. Economic Transformation

6 | Level of Socioeconomic Development

Although Tanzania has made considerable improvements in the Human Development Index (moving from a score of 0.353 in 1990 to 0.538 in 2017), it continues to rank among the countries with the lowest level of human development and ranked 154 out of 189 countries in the 2017 HDI.

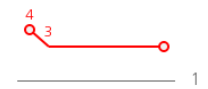
Social exclusion is extensive and structurally ingrained. There is a strong divide between urban and rural areas. According to the 2015 Tanzania Mainland Poverty Assessment Report, extreme poverty is less rampant in urban areas. Similarly, access to health care, education, water, sanitation and information is better in urban areas. The majority of the population exists, however, in rural areas, living (at least partially) on subsistence farming. According to the World Bank, 79% of the population lived on less than \$3.20 a day in 2011. Despite significant macroeconomic growth, the absolute number of people living in extreme poverty (defined by the World Bank as an income of less than \$1.90 a day) increased from 17 million in 1990 to 22 million in 2013, mainly due to population growth. The relative share of the population living below the national poverty line has slowly declined to less than one third. At a rapidly increasing rate, the gap between the very few rich and the many very poor is widening, despite comparatively low-income disparities, indicated by a Gini coefficient of 0.38 (2011). Women often live in relative deprivation. Tanzania has developed slowly according to the Gender Inequality Index, from 0.593 (2005) to 0.537 (2017). On the Global Gender Gap Index, Tanzania ranked 68 out of 144 countries (2017).

Question
Score

Socioeconomic
barriers

3

'06 '20 10



Economic indicators		2015	2016	2017	2018
GDP	\$ M	47378.6	49774.0	53320.6	57437.1
GDP growth	%	6.2	6.9	6.8	5.2
Inflation (CPI)	%	5.6	5.2	5.3	3.5
Unemployment	%	2.1	2.1	1.9	1.9
Foreign direct investment	% of GDP	3.4	2.7	2.2	1.9
Export growth	%	1.3	0.0	-4.1	-
Import growth	%	-5.2	-8.9	-7.1	-
Current account balance	\$ M	-4119.7	-2154.6	-1633.7	-
Public debt	% of GDP	35.9	36.4	36.6	37.3
External debt	\$ M	15277.9	16189.1	18396.7	18585.0
Total debt service	\$ M	350.1	692.5	746.9	1071.6
Net lending/borrowing	% of GDP	-1.1	-0.7	-1.5	-0.3
Tax revenue	% of GDP	10.5	11.4	11.8	11.6
Government consumption	% of GDP	9.9	9.1	8.5	-
Public education spending	% of GDP	-	-	-	-
Public health spending	% of GDP	1.3	1.7	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.1	1.1	1.2	1.2

Sources (as of December 2019): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

The fundamentals for domestic and foreign market competition exist in Tanzania, but within a weak institutional framework. Although the majority of former state-owned enterprises have been privatized, the government still controls pricing in the agriculture sector, telecommunications, banking, energy and transport. International investment is largely concentrated on mining, services (telecommunications, finance and tourism) and construction, and to a lesser extent in manufacturing industries. Labor regulations are not efficient and the informal sector contributes a significant, but difficult to quantify, share of economic activity.

Tanzania's ranking in the Ease of Doing Business Report has fallen from 132 (2017) to 137 (2018) to 144 (2019). The Magufuli government's spontaneous and often erratic interventions in economic regulation has created an atmosphere of uncertainty, raised doubts about the government's commitment to market principles and demonstrated the weakness of the institutional economic framework. Generally, cumbersome bureaucratic procedures (partly a legacy of the country's socialist past) are a burden to the development of a functioning market economy. Consequently, the country only ranked 163 out of 190 countries in the Doing Business 2019 sub-index "Starting a Business." On average, it takes 27.5 days and 10 procedures, and costs 58.7% of the average annual income per capita to establish a business.

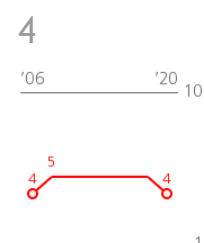
The president has also frequently intervened in markets, banning certain imports, exports and commodities, some of which he had to revoke later. Among the most prominent presidential interventions in the country's market system were the ban on the export of all unprocessed minerals in 2017, and the directive to the government to buy and process the 2018 cashew-nut harvest through the army and the Tanzania Agricultural Development Bank.

Tanzania enacted its first competition law, the Fair Trade Practices Act, in 1994 and set up a department within the Ministry of Trade and Industry to oversee its implementation. The law was replaced by the Fair Competition Act (FCA) of 2003. The aim of the FCA is to promote competition in trade and commerce and protect consumers from unfair and misleading market practices.

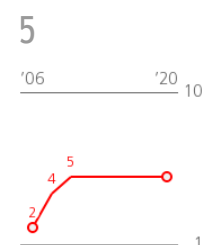
The FCA established a Fair Competition Commission (FCC) in 2007, which has the powers to investigate and impose sanctions, and a Fair Competition Tribunal (FCT) as the authority to appeal against FCC decisions. The FCC is a member of the International Competition Network.

The FCA's authority also applies in respect to the state and its agents, when they are engaged in commercial activities. The commission has, however, no mandate to deal

Market organization



Competition policy



with competition matters in the four strategic sectors of energy and water, transport, civil aviation and communications, where specific regulatory authorities exist.

From a legal perspective, Tanzania has a sound legal and institutional framework for the implementation and development of competition law and policy, which has adopted a number of international best practices and standards. While the country has a sound legal and institutional competition law framework, the enforcement of effective antitrust policy is limited. In particular, there are severe problems concerning the FCC, including a lack of competent and trained staff, and financial resources.

Since market liberalization and the privatization of the former socialist economy – which began very cautiously in 1986, before being pursued systematically in the 1990s – trade has been continuously liberalized mainly within the context of the East African Community (EAC).

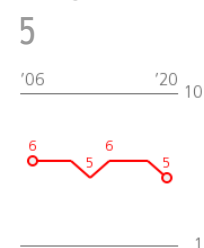
As a WTO member since 1995, Tanzania aligns with positions of the group of LDCs, and the African, Caribbean and Pacific Group of States. As a founding member of the EAC, Tanzania is undertaking trade liberalization within the EAC's customs union and applies the EAC's agreed Common External Tariff. Many of Tanzania's trade policies are, therefore, not determined by the national government, but subject to decisions by the EAC authorities.

Under the EAC, several regulations were adopted to harmonize the members' trade policies vis-à-vis third countries. EAC countries' multiple memberships in different regional economic communities, such as the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA), continue to provide major impediments to full harmonization. Tanzania grants tariff preferences on a reciprocal basis to SADC members.

In 2016, Tanzania rejected the signing of a comprehensive Economic Partnership Agreement (EPA) with the European Union due to doubts as to whether Tanzania's industrialization would be stifled by an EPA, and uncertainties about the post-Brexit relationship between the European Union and the United Kingdom (Tanzania's most important trading partner in the European Union). The refusal to sign the EPA is a cause of significant friction with other EAC members (e.g., Kenya). Despite the existence of an EAC Common Market, a wide range of ad hoc applied non-tariff barriers (often the result of political quarrels) constrains the full liberalization of the EAC region.

Tanzania concluded bilateral treaties for the promotion and protection of foreign direct investments with a number of EU member states. Tanzania's largest trading partners are the European Union, India and China. Tanzania experiences continuous structural trade deficits due to a high domestic demand for capital goods, deficient

Liberalization of
foreign trade



production of domestic consumer goods and low value of export goods. The EAC signed a Trade and Investment Framework Agreement with the United States in 2008.

Trade bans, protectionist measures and a new nationalist economic agenda (“Tanzania First”) have been advocated by President Magufuli since 2016 and have affected the country’s openness to foreign trade. The country’s main trading partners in the EAC complain about increasing non-tariff trade barriers imposed by Tanzanian authorities, such as temporary trade bans, numerous expensive fees and charges, and various bureaucratic hurdles. Despite reforms, such as the introduction of a One Stop Center at the Dar es Salaam port, clearance delays and extra-legal levies hamper free trade. In the period under review, free trade has increasingly frequently been distorted by state interference, special rules and non-tariff barriers.

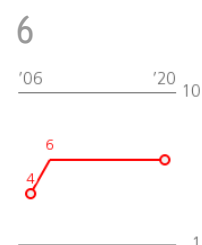
The relatively small financial sector is dominated by banks (which have 72% of system assets) and pension funds (26%). As of December 2017, 54 banks were registered, ranging from small community banks to state-owned banks to branches of international banks. In recent years, market concentration has declined, although two banks still dominate with a market share of almost 40%. The high number of banks in a relatively small banking sector raises doubts about the profitability of some banks. In recent years, credit quality has deteriorated alarmingly, with the ratio of non-performing loans having increased from 6.6% (2014) to 12.4% (2017). According to the IMF, structural features significantly underpin challenges to financial sector stability. The licenses for several small banks have recently been withdrawn by the central bank. The bank capital to assets ratio has increased from 10.3% in 2010 to 12.8% in 2017.

Presently more than 60% of Tanzanians have access to banking services (compared to 11% in 2006), with most utilizing mobile banking. Mobile money transactions, provided by telecommunication companies, have significantly expanded and mobile money systems have become the preferred instrument for money transfer, electronic payments and even savings.

The conventional banking system is still relatively small and displays increasing gender and social gaps. Large parts of the enterprise sector – particularly small and medium enterprises, and rural enterprises – are underserved by the formal financial sector due to the lack of credit availability and high costs. The capital market remains very small and undifferentiated. A stock exchange has existed since the 1990s, but with very few listed companies and low turnover.

The financial sector is controlled by the Bank of Tanzania, which serves as the central bank. Most international banking standards are met, but the IMF Financial System Stability Assessment of November 2018 revealed several shortcomings and recommended enhancements to banking supervision, which is constrained by a lack of adequate professional resources.

Banking system



8 | Monetary and fiscal stability

Controlling inflation and ensuring an appropriate foreign exchange rate are recognized as important goals. The National Five Year Development Plan 2016/17 to 2020/21 sets the target inflation rate at 5%. Since 2001, the annual inflation rate averaged between 5% and 8%, with the exception of 2008 to 2012, when inflation rates went up to 10% to 15%. At the end of 2018, the inflation rate had fallen to less than 5%.

Currency policy has had mixed results. Because of a persistent foreign trade deficit and variable international transfers (e.g., in the form of development aid), the value of the Tanzanian shilling has fallen slowly, but steadily since 2006 relative to the U.S. dollar. During the past two years, however, the exchange rate has remained relatively stable. According to IMF data, the real effective exchange rate (based on CPI) has varied significantly over recent years, dropping from 104.4 in 2009 to 90.4 in 2011, before increasing to 119.3 in 2014, and then dropping again to 109.4 in 2017.

The central bank is fairly independent and is competently run, but is subject to occasional political influence.

Over the past two decades, Tanzania has achieved macroeconomic stability as a result of market-oriented reforms, prudent macroeconomic policies and strict discipline in its fiscal policy.

In 2006, Tanzania's PRGF expired, and since the country no longer needed IMF financial assistance, it was replaced by a Policy Support Instrument (PSI) that regularly obtained favorable reviews from IMF missions. In its 2018 review, the IMF was concerned about the mixed recent economic performance and recommended the implementation of further structural reforms.

Since 2016, the present government has implemented drastic measures to reduce unnecessary government expenditure, waste of public funds and tax evasion. An increase in tax revenue has become a primary goal for the government. At the same time, abrupt tax increases and erratic regulatory changes have increased uncertainty and had a negative effect on the business climate, leading to persistent liquidity problems throughout the economy.

Government consumption was slightly reduced from 18.6% of GDP in 2007 to 14.0% of GDP in 2016. The government used about three quarters of the 2017/18 budget for recurrent expenditure, only one quarter was spent on development. Less than two thirds of the budgeted development (i.e., capital) expenditure was actually disbursed due to continued implementation and capacity problems.

The fiscal deficit in recent years averaged between 1.5% and 5% of GDP, thus generally meeting the prescribed targets. Public debt has continuously increased from

Monetary stability

7

'06 '20 10



1

Fiscal stability

7

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1

21.6% of GDP (2007) to 37.4% in 2017 as a result of increased non-concessional borrowing, and debt services increased to almost one third of total budget expenditures in the 2018/19 fiscal year. A 2016 IMF debt sustainability analysis concluded that Tanzania, nevertheless, remained at low risk of external debt distress and that the country's debt was manageable.

9 | Private Property

The 1977 constitution guarantees the right to own property. The Land Act of 1999 defines and regulates acquisition, benefits, use and sale of land. Although land property rights are regulated, numerous conflicts over land occur due to a lack of title deeds, non-formalized transfers of land, unclear ownership status, corruption and the unfair application of the law. Several projects have been undertaken to clarify and formalize land tenure, settle land conflicts and issue title deeds, but progress has been extremely slow. Most rural land is still not properly documented. This creates serious problems in agreeing on adequate compensation for major land investment projects, leading to accusations of land-grabbing.

The state is not allowed to confiscate land without paying fair and adequate compensation to the occupant. There have, however, been several cases of authorities confiscating land on grounds of general welfare, without paying any or only inadequate compensation.

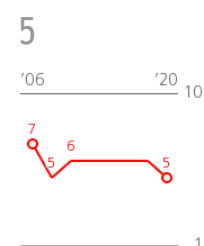
A new policy to seize undeveloped land larger than 20 hectares from investors and give it to local farmers is likely to increase uncertainty among investors.

In the 2018 International Property Rights Index, Tanzania ranked 71 out of 125 countries globally and 6 out of 26 African countries, with a score of 5.174, a slight improvement over its 2017 and 2016 rankings.

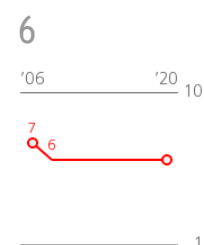
Although the government treats the private sector as a driving force for industrialization, the administration has sent inconsistent signals to the business community with abrupt policy changes, bans on certain imports or exports, short-term modifications in the tax regime and termination of agreements.

A comprehensive program for privatizing most state-owned enterprises from the socialist era was undertaken in the 1990s, and private business has become increasingly important since then. After a very slow start, the pace of privatization increased, and by 2014, around 80% of some 400 state-owned enterprises had been privatized. Privatization has not always followed market principles but has often been rife with corrupt practices. Breweries, the tobacco industry, cement companies and banks have been successfully privatized. Practically all manufacturing companies have been fully privatized, but – as many have remained dormant since privatization – demands for the government to re-possess these entities have increased of late.

Property rights



Private enterprise



However, the privatization of key infrastructure operators (e.g., telecommunications, electricity services, airspace, railways and port authorities) has stopped or remains incomplete. However, in some sectors, such as telecommunications and electricity, state and private or community-based enterprises coexist. In 2006, the government repurchased 49% of the privatized shares of Air Tanzania and has recently started to revive the ailing airline. The privatization of the Tanzania Railways Corporation (2007), following its purchase by a state-run Indian investor (Rites), failed in 2010.

10 | Welfare Regime

The most important social safety net for the majority of people is the extended family network.

Private and governmental social security schemes (e.g., health insurance and pension funds) exist for a relatively small number of people (permanent employees of large companies and of the state). These (formal sector) social security nets are neither affordable nor attainable for the poor majority, who depend on informal networks to compensate for social risks. Since the majority of the population is poor, informal networks among the poor can only provide the most basic coverage. In 2016, the government announced that it would introduce a mandatory health insurance. However, this policy has not yet been realized.

Beyond this, even formal security nets provide an insufficient welfare level, pensions are very low and most government hospitals struggle to offer essential services.

The public health system is subsidized by the government, but apart from very few national hospitals, poorly equipped.

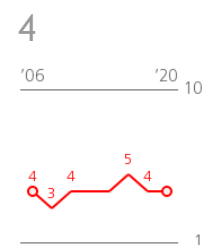
Non-citizens can access the social security net, if they work in a formal sector company.

Tanzania's constitution prohibits discrimination based on gender, color, place of origin, political opinion, religion, nationality, tribe or station in life. Anti-discriminatory legislation is in place, has yet to be adjusted to support this constitutional principle, for instance in cases of access to land, as well as inheritance and marriage, where discrimination against women occurs.

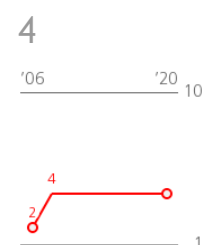
Constitutional principles are also contradicted by customary laws, which are usually applied in rural areas and deny women equal opportunities in certain instances, (i.e., rights to inheritance).

Despite some government programs to support people with disabilities, they do not enjoy equal opportunities in terms of access to education and employment or a barrier-free environment.

Social safety nets



Equal opportunity



Cultural norms, poverty and the scarcity of support institutions outside of urban areas are the main factors that in many respects impede equal opportunity.

Whereas gender parity is achieved for enrollment in primary schools, the ratio of female to male enrollment is 0.9 at the secondary and 0.5 at the tertiary education level.

According to UNICEF (2016), completion rates of primary, secondary and upper secondary education depend heavily on the place of residence and economic background, with students from urban and wealthier backgrounds more likely to complete their education than children from poor and from rural settings.

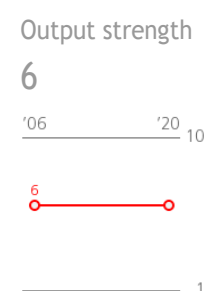
The women account for 48.9% of the total labor force (2017). The gross enrollment ratio is 80.7% for primary, 31.7% for secondary and 3.9% for tertiary education. The adult literacy rate among the total population is 77.9%: 83.2% among men and 73.1% among women (2018).

11 | Economic Performance

Since the early 2000s, Tanzania's GDP showed a remarkably consistent growth rate of between 6% and 7%, albeit still on a relatively low absolute level, with GDP per capita based on purchasing power parity (PPP) of \$2,946 in 2017 (\$1,830 in 2007). Tanzania remains at the top of the fastest growing and most consistently performing economies in Africa, although still characterized by a very low level of material wealth for the vast majority of the population, with about one-third living below the poverty line. Steady growth rates of 8% to 10% would be necessary to make a substantial difference in alleviating the country's deeply ingrained poverty. With a population growth rate of 3.1%, the GDP per capita growth is only 3.9% in constant local currency. In 2018, inflation was contained at around 5% (5.3% in 2017).

Financial institutions, however, expect the growth rate to slow down due to uncertainties about the government's economic policy direction, the president's erratic directives, continuous threats against private business and tendencies toward economic nationalism. In addition, the government has imposed strict measures to reduce unnecessary expenditure and increase tax revenue, albeit sometimes in a questionable and counterproductive manner, which resulted in an atmosphere of uncertainty within the business community, liquidity shortages and the closure of businesses. The president, however, claims credit for a successful industrialization policy, with more than 3,000 new companies having allegedly been established since he came to office.

Most macroeconomic indicators are satisfactory. The structural trade deficit was brought down to \$3 billion in 2016 from \$5.6 billion in 2014. The current account deficit was reduced from about \$5 billion to \$2 billion over the same period. Foreign



direct investment remains relatively low at 2.3% of GDP in 2017 (but the highest in East Africa). Foreign investors are mainly attracted by the extractive industries, infrastructure projects, and construction, telecommunications and tourism sectors. According to World Bank data, public debt has increased from 21.6% of GDP in 2007 (the result of the 2006 debt cancellation under the HIPC initiative) to 37.2% of GDP (2016) to 37.4% of GDP in 2017. A 2016 IMF Debt Sustainability Analysis indicated that Tanzania's risk of debt distress is low, implying that the country's debt is quite sustainable.

Economic growth – mainly driven by capital-intensive sectors like finance, transport and communications – and macroeconomic stability have not yet translated into the reduction of poverty and the creation of jobs, and youth unemployment is very high. Almost half of Tanzania's population is under 15 years of age. Although it is generally assumed that a majority of the population is essentially involved in the informal sector or in subsistence farming, it will be a major challenge for the government and the market to create jobs for approximately 800,000 people entering the labor market every year. The fast-growing cities, especially Dar es Salaam, have to cope with the highest pressure, as most youth are seeking work in Tanzania's main metropolitan area.

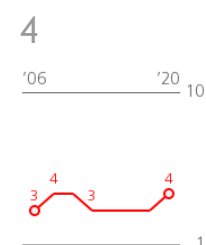
The country's economic backbone, the agricultural sector, performs only insufficiently, compared to its potential. It employs about 80% of the workforce, but contributes only about 25% to the GDP. The sector is dominated by subsistence production of peasants who depend on the most simple technologies and favorable weather conditions.

12 | Sustainability

The effects of environmental degradation and climate change are clearly visible in Tanzania. Diverse factors are at play: mining and the extraction of oil and gas, growing infrastructure, less rainfall and a rise in temperatures within sweet water reservoirs (e.g., Lake Victoria; directly implying less water for human use), a reduction in agricultural and fishery productivity, the loss of economic traditions (such as the Maasai community's keeping of cattle), and the spread of malaria. Compounding these factors, the government has failed to promote viable energy alternatives to charcoal and wood. Since 2005, the government has allowed uranium extraction, including in protected areas such as the Selous Game Reserve; yet there are no measures for coping with the self-imposed safety regulations or assessing the impacts for human life and the environment.

Environmental awareness is minimal within Tanzania's political elite and the broader population. The National Environment Management Council (NEMC), located under the vice-president's office, exists since 1983 (re-established in 2004) and plays the role of environmental watchdog – supervising national environmental legislation and

Environmental policy



taking legal action against institutions or companies infringing the law. The government adopted a National Environmental Policy only in 1997, which was translated into the Environmental Management Act passed by parliament in 2004. It also became part of the National Strategy for Growth and Reduction of Poverty (NSGRP) of 2005. The policy and act were both donor-driven; yet, little is known about the implementation of the regulations. Furthermore, Tanzania has ratified several multilateral environmental agreements, and put in place policies, strategies, legislation and agendas that address a wide range of environmental issues (e.g., water, energy, fishing and coastal environmental resource management issues). Facing a dramatic loss of natural forest, which covers between 30% and 40% of the nation's territory, as a result of degradation and deforestation, Tanzania passed a National Strategy and Action Plan on REDD+ in 2013. In 2018, the parliament formally endorsed the Paris Climate Change agreement.

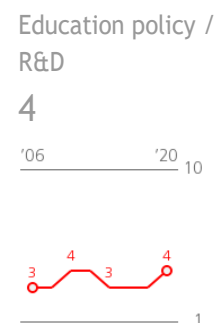
Whereas former governments had shown little commitment to implementing environmental policies, the Magufuli administration has at least indicated some willingness to enforce environmental regulations. Among other measures, several companies have been fined for violating environmental laws, and the ban on felling trees without planting new trees has been more seriously monitored and enforced. In January 2019, the government announced the establishment of a new forest reserve.

However, environmental concerns are frequently subordinated to economic growth efforts. The most notable example has been the government's decision to build the controversial 2,100 MW Stiegler's Gorge Hydroelectric Power Station, which will be located inside the Selous Game Reserve (UNESCO World Heritage Site), despite national and international concerns that the dam will have negative environmental and social effects.

With an Environmental Performance Index of 50.83, Tanzania ranks 119 out of 180 countries.

According to the World Development Indicators 2016, the primary education enrollment rate was at 86.8%, the enrollment rate for secondary education at 32.2% and the rate for tertiary education at 3.6%. The ratio of female to male enrollment was 103.2% (primary), 87.5% (secondary) and 54.7% (tertiary). In 2015, the literacy rate was at 77.9%. In the U.N. Education Index, Tanzania has hardly improved, with its score increasing from 0.390 in 2007 to 0.441 in 2017.

School fees were abolished in primary schools in 2001, and in 2016, the Magufuli administration abolished fees for lower secondary schools. This has increased enrolment in secondary schools, but has also resulted in a much higher student-teacher ratio. However, several other financial contributions (e.g., for tuition, books, uniforms, food and transport) remain a substantial burden for poor families and are a common cause of school dropout rates.



Dropout rates are very high (particularly for girls) due to economic hardship, early marriages, teenage pregnancy and gender-based violence at the schools. The president's directive of June 2017 not to allow pregnant schoolgirls and teenage mothers to return to public school after delivery caused an outcry inside and outside the country and led to the withdrawal of a \$300 million World Bank education sector loan. The president's standpoint contradicted his own party's election manifesto and the Ministry of Education's long-standing efforts to lift the re-entry ban on pregnant schoolgirls and teenage mothers.

The country's principal education challenges are low enrollment rates for secondary and tertiary education, and the very poor quality of education. This is due to poor learning and teaching environments, shortages of teaching and learning materials, overcrowded classrooms, overburdened students and teachers, poorly trained and motivated teachers, precarious living conditions for teachers and (female) students (especially in remote rural areas), and widespread poverty. The average student-teacher ratio is 49:1 (with major regional differences).

The number of universities and other higher learning institutions has drastically increased in recent years, bringing the total number to about 30 public and private universities. With very few exceptions, the quality of teaching and research is far below international standards. The government investment in R&D is very low (0.5% of GDP in 2013), according to the World Bank.

Governance

I. Level of Difficulty

Tanzania's very low level of economic and social development, weak basic market economic structures, poorly educated populace, poorly trained workforce, scant civic traditions, inefficient state administrative systems and only moderately established rule of law present extremely adverse conditions for a strong and committed transformation process. On the other hand, positive factors include the broad support accorded to the state, and an absence of serious ethnic and religious disparities (a degree of national identity and integration that is comparatively high for Africa) – at least in respect to the mainland.

The country has lacks modern physical infrastructure (although infrastructure is rapidly expanding), which is stressed by heavy utilization and inadequate maintenance, meaning that renewed investment in existing facilities is necessary every few years.

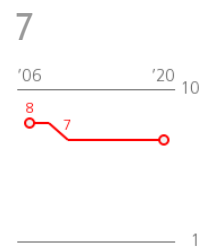
Several major infrastructure projects to improve ports, airports, railways, roads, and energy generation and distribution have been completed or are underway. This is a particular priority of the present government.

Despite fundamental structural difficulties, the government is pursuing a vigorous transformation and industrialization strategy, albeit frequently with inconsistent steps. In the economic arena, the government achieved some (albeit fragile) success through (still inadequate and sometimes contradictory) political reforms aimed at becoming a lower middle-income country by 2025.

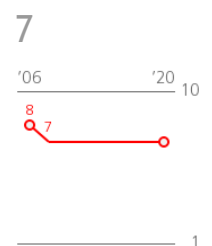
During the single-party era, public and civic engagement were monopolized by the ruling party. During the economic crisis years of the 1980s, local support groups emerged and were tolerated by the government. The political liberalization of the 1990s saw the mushrooming of all sorts of non-governmental organizations.

The vast majority of these organizations tends to directly support their members and refrain from political or civic engagement. The small number of professional CSOs, located mainly in the big cities, are highly dependent on foreign funding and generally lack solid social roots. They also have to negotiate between outright opposition to the government and constructive cooperation with the authorities.

Structural constraints



Civil society traditions



Under the previous government of President Kikwete (2005 – 2015), CSOs had gained a considerable degree of recognition. However, the current government has drastically limited the space for CSOs and for civic activity in general. Service delivery groups that align with the government and its policies are still welcomed by the authorities, whereas CSOs that are more critical of the government face increasing restrictions. Attacks by unknown perpetrators, police actions and threats from the authorities have sought to intimidate civil society. However, many CSO actors are not willing to succumb to the new limitations and to easily concede the civic space that they have only recently occupied. They are, nevertheless, increasingly afraid of the unpredictable consequences of their activities and the threat that someone in the state apparatus may arbitrarily decide that they have overstepped the line – which in any case is not clearly defined.

Conflict intensity is remarkably low. Violence as a means of political conflict is strongly rejected by the population, as well as by the political elite.

Violent conflicts have, however, increased during the past 20 years, mainly due to the introduction of tougher competition in economic and political spheres, as a result of growing income disparities and the combined effects of growing population numbers and increasing arable land degradation.

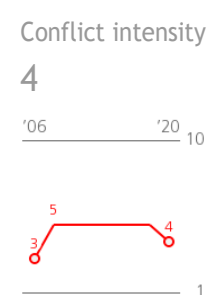
The various deep-rooted Zanzibar conflicts – the intertwined conflicts between Zanzibar and the mainland, between the two main islands, and between the authoritarian government and the marginalized opposition – constitute the most serious challenge to peaceful development. The authorities' handling of the 2015 elections and its aftermath have not contributed to a reduction in tensions.

The growing strength of the opposition on the mainland (as shown in the 2015 election results) and the government's authoritarian reaction have increased the risks of violent conflict, but without resulting in an escalation of violence so far. Limited incidences of violence are, however, likely to occur in the contexts of the next local elections (due in late 2019) as well as during the 2020 general elections.

Social exclusion is a major potential source of violence. The countless unemployed young men who lack good perspectives are easy potential targets for radicals, who are able to mobilize them and incite them to commit violent acts against other groups.

Another indirectly related problem are religious tensions between Muslims and Christians, which flare up from time to time. Although the general population lives peacefully in an interreligious context, there are radical groups that facilitate Islamic militants engaging in violent acts in Zanzibar and mainland Tanzania. Distrust between different faith-based groups, but also within the two major groups of Christians and Muslims, is increasing, but is generally peacefully managed.

Yet another area of conflict involves land allocation and land use. There have been flare-ups in tensions between government authorities and residents in rural as well as



urban areas over the reallocation of land for economic development. In a number of rural areas, tensions have mounted between agriculturalists and livestock herders, necessitating involvement from the state, human rights activists and political entrepreneurs.

II. Governance Performance

14 | Steering Capability

The government has over time laid out several development plans in close cooperation with the donor community and partly in consultation with representatives from CSOs, local research and higher education institutions, the private sector, and vulnerable groups, among others.

The key document is the Tanzania Development Vision 2025 (TDV 2025) of 1999, which sets the target of becoming a semi-industrialized, middle-income country by 2025. The Long-Term Perspective Plan (2011/12 – 2024/25) (LTPP) includes the Roadmap to a Middle-Income Country and provides the framework for the implementation of the TDV 2025. Three consecutive Five-Year Development Plans (FYDPs) set priorities and operationalize LTPP implementation. The FYDPs are operationalized by annual development plans.

Poverty Reduction Strategy Papers, known by their Swahili acronyms MKUKUTA and MKUZA, also aimed at implementing the TDV 2025. MKUKUTA I (2005/06 – 2009/10) and MKUKUTA II (2010/11 – 2014/15) were developed and monitored with a remarkable level of civil society participation, but also in line the IMF and World's prevailing policy advice at the time.

Several sector reform programs provide further tools for implementing the TDV 2025. In 2013, the Big Results Now Initiative was launched to bring fast and visible results in six priority areas. Tanzania was active in designing programs to implement the MDGs and Sustainable Development Goals (SDGs). The process for developing the domestic SDG agenda started in 2012, again involving various sectors of society.

Numerous development plans have in fact been created, but it has been unclear as to how much they were linked to each other in practical terms. It therefore remained questionable, whether they allowed for the necessary prioritization of goals and measures. The government has reacted to this challenge by integrating the frameworks of FYDP and MKUKUTA, as well as the SDGs, into one framework, that of the FYDP.

The current government has clearly set the achievement of the TDV 2025 goal (i.e., becoming a semi-industrialized, middle-income country dependent on its own

Question
Score

Prioritization

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'06 _____ '20 10



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resources) as its top policy priority. The government, however, has made clear that in the pursuit of its ambitious development goals, the broadening and deepening of democracy is regarded as a hindrance rather than a valuable priority. As such, previous democratic achievements are under threat.

There are no outspoken opponents to the government's long-term socioeconomic aims. Still, these aims are often undermined by different actors on various levels of the state who pursue their own interests. Opposition parties, CSOs, the international community and church leaders, however, strongly oppose the government's authoritarian leadership, which has sought to undermine civic spaces, but do not question the government's development goals in principle.

However, erratic, short-sighted decision-making by leading government representatives, particularly the president, may endanger the achievement of these long-term goals. Meanwhile, the existing implementation capacity is insufficient and the officially declared goals (e.g., budget targets for investments and capital projects) are never achieved.

The government has proven able to realize most of its macroeconomic objectives. Although annual GDP growth lags behind the envisaged 8% rate, Tanzania may with difficulty achieve the status of a lower middle-income country by 2025.

Most MDGs and SDGs have not been met in Tanzania. This applies particularly to the eradication of extreme poverty and hunger. The outcomes of the Big Results Now Initiative under the previous government were disappointing.

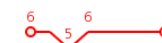
Serious implementation deficits are due to several factors: concessions toward influential players (entrepreneurs, leaders of the ruling party); an underpaid, unmotivated and frightened administration, particularly at the lower levels; a huge gap in knowledge and competences between higher and lower administrative levels; high personnel turnover in state administration; a top-down management culture of the state administration with increasing centralization of decision-making; unclear responsibility for specific tasks; insufficient funds for implementation; and corruption, theft, nepotism, embezzlement, negligence and impunity, which have been reduced under Magufuli, but have not disappeared. The budget targets for investment projects are regularly not met (at best only two thirds) due to the low implementation capacity of state institutions.

The current government is working hard to tackle obstacles to the successful implementation of its development programs. Visible improvements have been made in respect to physical infrastructure (particularly roads), equipment of schools and hospitals, reliability of electricity, better management of public resources, and the efficiency and work discipline of the state administration. According to the president, more than 3,000 new industries have been established since he took office in 2015.

Implementation

6

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The current government demonstrates very limited willingness for policy learning. The power of decision-making has become centralized under the Magufuli presidency, with Magufuli (nicknamed “the bulldozer”) having a reputation for being immune to advice. Many policies are rigidly enforced despite concerns expressed from inside and outside the country. However, the government has in some cases adjusted measures after obvious failings. Due to the intense political confrontation between the CCM government and all opposition parties, there is very limited space and willingness for open dialogue even on supposedly non-political issues of development. The government is shy of accepting even professional criticism (e.g., from the auditor general) and tends to act in an authoritative fashion without listening to dissenting voices.

The government’s rigid course can partly be explained as a reaction to the many previous policy failures and implementation deficits, but this approach does not augur well for better performance in the future or greater willingness to learn from mistakes.

15 | Resource Efficiency

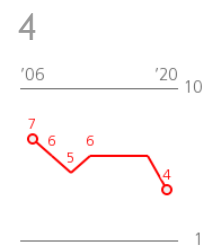
In its vigorously pursued drive to stop theft, embezzlement and the waste of public funds, the government has introduced strict measures to reduce expenses and has in this way made funds available for development purposes. Nevertheless, the recurrent expenditure part of the budget still far outweighs expenditures for capital spending, and the number of civil service staff is excessively high and has not been reduced. In recent years, significant results have been achieved in increasing domestic revenue through improvements in tax collection. Meanwhile, combating corruption has gained momentum.

It is, however, not clear whether structural causes of inefficiency can really be tackled, and to what extent spontaneous political decisions do in fact thwart the efficient use of resources.

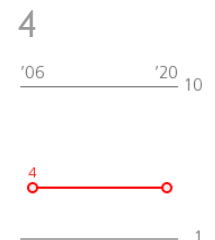
The country’s human and organizational resources are by and large not efficiently used. The state administration has been weakened by the ongoing centralization of decision-making with the president, who has proved to be prone to unpredictable actions. The constant threat against politicians and civil servants of being fired if the president becomes dissatisfied with their performance has paralyzed decision-making and efficiency in public administration.

Despite several reform programs to strengthen the administration’s competence, efficiency and transparency, many (if not most) civil servants are still insufficiently competent, poorly trained and lack motivation, particularly at the regional, district and local levels. As a result of nationwide audits in 2017 and 2018, more than 10,000 civil servants, including teachers, were fired, because they had allegedly gained

Policy learning



Efficient use of assets



employment using fake certificates. However, roughly 7,000 civil servants were re-employed, because the accusations against them proved wrong.

According to the 2017 IMF Debt Sustainability Analysis, Tanzania's public debt and publicly guaranteed debt to GDP ratio has steadily increased by more than 15 percentage points from 2006/07, reaching 36.2% of GDP by the end of 2015/16.

Generally, the government has structures and mechanisms in place to coordinate policies and conflicting objectives. Interministerial cooperation is, nevertheless, rather poorly institutionalized and leaves considerable room for improvement. The State House (President's Office) and the Treasury serve, albeit inadequately, as centers to coordinate between conflicting interests. The existing coordinating structures and mechanisms are currently somewhat blocked as a result of the strong and dominating President Magufuli.

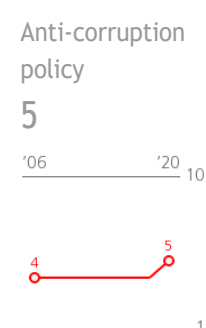
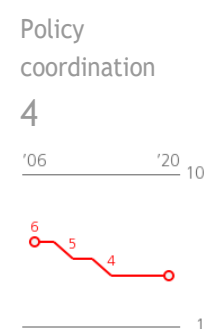
The design of policies usually involves the ministries and departments concerned, at least at the highest levels of the national government. There is also supposed to be regular policy coordination between the national, and regional, district and local levels, but this is highly deficient and frequently undermined by local self-interests. Such self-interests are hard to monitor and control from the center. The sheer size of the country means that making improving policy cohesion throughout the territory is difficult.

Tanzania has an elaborate legislative and institutional framework to combat corruption. Several laws include clauses that aim to prevent corruption. In 2017, the government launched Phase III of the National Anti-Corruption Strategy and Action Plan (NASCAP III) 2017 to 2022, after Phase II had ended in 2011 with very limited success. However, NASCAP established several anti-graft institutions, such as the National Steering Committee, the National Anti-Corruption Forum and various integrity committees at all administrative level.

The Prevention and Combat of Corruption Bureau (PCCB), established in 2007 as the main agency for preventing and fighting corruption, is tasked with providing anti-corruption training and education, investigating allegations of corruption, and prosecuting offenders. Despite the agency's increased budget, the PCCB is constrained by poor investigative capacities. Several prominent scandals have not been investigated. In September 2018, President Magufuli, dissatisfied with the PCCB's performance, removed its director general whom he had appointed three years before.

In 2016, the government established the Economic, Corruption and Organised Crime Department at the High Court with specifically trained judges.

Immediately upon assuming office, President Magufuli started pursuing his anti-corruption agenda and made it a key priority of his presidency. Several hundred officials, including heads of important state authorities, were sacked or transferred



due to allegations of corruption, theft, incompetence or poor work ethic. More than 500 cases were brought before courts, among them cases involving high-profile civil servants and politicians. Although several of the accused were sentenced by the courts, the total number of convictions has remained low.

16 | Consensus-Building

The major political actors disagree to a considerable extent on the practical pursuit of the country's political transformation, but not necessarily on the basic acceptance of a democratic system of governance. The current government, allegedly in the interests of furthering a development agenda, has pursued an autocratic form of transformation, imposing drastic limitations on the political and civic space, and demonstrating only a limited appreciation for human rights. This authoritarian streak is strongly rejected by the opposition parties, civil society organizations and sections of the general population. While there exist some dissenting voices in the ruling CCM party, critics of the authoritarian transformation have largely remained silent.

Since 2016, the government has introduced five restrictive laws, which have greatly undermined standard democratic rights, and which were strongly rejected by opposition parties and civil society organizations.

Particularly civil society actors have demonstrated their commitment to fundamental aspects of democracy and the rule of law.

Political parties, however, seem to perceive democracy primarily as an instrument for gaining or maintaining political power, rather than as a value in itself.

The ruling CCM party in particular uses its dominant history and position in the political system to undermine democratic values and procedures. Since 2016, state organs, which are deeply interwoven with the CCM party that has ruled the country since independence, have banned or violently dispersed opposition rallies and meetings, harassed and arrested opposition party members and leaders, and restricted press freedom and the right to information.

The CCM's commitment to democracy is particularly low in Zanzibar, where a strong opposition movement challenges its claim to power. The last elections in 2015 were annulled by the Zanzibar Election Commission chairman on dubious grounds. Apart from the elections, all other dimensions of democracy are seriously restrained under the authoritarian Zanzibar regime.

But opposition parties have shown that they have just as limited a commitment to genuine democratic values, especially when it comes to internal procedures for filling leadership positions or handling intra-party conflicts.



The decisive actors generally agree on the goal of transforming the country into a semi-industrialized, middle-income country. There is, however, disagreement about the road to achieving this goal and dissenting opinion about the government's economic course, with its authoritarian, sometimes nationalist, anti-entrepreneurial and erratic decisions.

Currently, the main anti-democratic actors are within the government and the ruling party. Under previous governments (until 2015), the ruling CCM party had been a powerful and independent player, which was able to influence policies and limit the government's executive power. However, the current president, who is also the CCM chairman, has been able to re-arrange the party and bring it largely under his control. There are still some dissenting party leaders, but they don't criticize the government openly. The key party organs have come to fully fall in line with President Magufuli. Opposition parties and civil society organizations have hardly any possibilities or opportunities to effectively challenge the authoritarian transformation of the state.

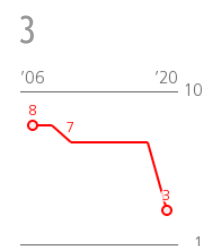
The judiciary still has formal powers to challenge the authoritarian transformation and it continues to exercise this function to some important extent. Other potential veto powers (e.g., the military or civil service) have either remained silent or are supportive of the government. Independent media outlets still exist, but have become more cautious due to examples of threats against some media outlets that were regarded as being too critical by the authorities.

Under present circumstances, there are no clearly identifiable pro-democracy forces that are in an effective position to push for renewed democratic reforms. At best, they can try to defend the status quo.

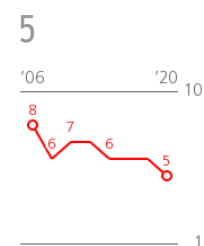
There are no politically significant deep-rooted ethnic, religious or separatist cleavages in Tanzania – with the exception of Zanzibar. Moderating conflict and integrating different interests have long been characteristics of politics in Tanzania – sometimes at the expense of more substantial reform policies.

Increasing threats to the ruling CCM party's dominant position have, however, significantly reduced the leadership's willingness to moderate conflict. The current government acts more aggressively and divisively toward conflict and shows very little willingness to acknowledge the valid interests of opponents. This applies to conflicts with civil society representatives and opposition parties regarding democracy, human rights and diverging policy issues; to conflicts with the business community regarding economic policies; and to the sensitive Zanzibar conflicts. The current leadership displays a confrontational and destructive understanding of conflict and tends to suppress conflict by force.

Anti-democratic actors



Cleavage / conflict management



Whereas the previous Zanzibar Government of National Unity (2010 – 2015) had reduced tensions between the two major parties and their supporters, the present political leadership allowed the situation to escalate again after the 2015 vote.

Almost the same situation applies to the handling of the constitutional review process, which – after a phase of cooperation between 2011 and 2015 – turned into a deadlock, and further increased conflict between the CCM and the opposition. This situation has persisted since the 2015 elections.

In the decade of Kikwete’s presidency (2005–2015), the political space for civil society participation grew considerably. CSOs were increasingly accepted by the political leadership as important and legitimate contributors to the country’s development. They were able to initiate new legislation, consulted by parliament and involved in the formulation of new laws or policies. This, however, only applied to some of those CSOs professionally working in Dar es Salaam. In several other cases (e.g., the formulation of media laws), however, CSOs demands for participation were ignored.

The new Magufuli administration (since the end of 2015) has shown a rather negative attitude toward CSO participation in the political process. The president has displayed a distrust of and aversion to CSOs. He and other high-ranking government officials have repeatedly intimidated and threatened CSOs and their personnel.

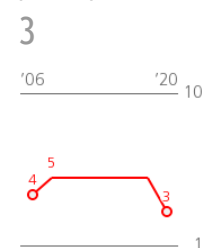
Despite the leadership’s hostile attitudes toward CSOs and the increased risks under which CSOs operate, civil society still has some room to participate in the political process. This applies mainly to cases in which CSOs work along common lines of interest with government policies. Senior political leaders explicitly expect CSOs to support the government in implementing its policies.

Depending on the topic and the respective personnel in the concerned governmental authority, CSOs are still invited to critically, but constructively contribute to policy-making, monitoring and implementation.

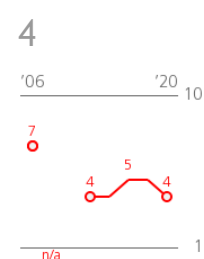
In the conventional sense, mainland Tanzania does not have a history of acts of injustice resulting in victims and perpetrators and forcing the political leadership to bring about reconciliation.

The historical disparity in educational opportunities between Muslim and Christian communities has never reached crisis proportions, although it has been an ongoing concern for a long. Consecutive governments, however, addressed this issue through a secular public education system. Many private schools, which in general provide better education and hence better job prospects than public schools, are faith-based (mainly Christian) institutions. Although most Christian schools are also open to non-Christian students, many Muslims hesitate to send their kids there. This reinforces an historical disparity, which Muslim leaders often complain about.

Civil society participation



Reconciliation



The situation is different in Zanzibar. Memories of the “1964 Revolution” – in which the Sultan’s government was toppled, between 5,000 and 15,000 people were killed, and thousands were exiled and expropriated – have up to now been manipulated by the victorious societal group, which has held power since then. There have been no attempts to reconcile the various victims, or to allow an interpretation of these violent events that differs from the official narrative. Furthermore, mainly during election campaigns, the ruling CCM party manipulates history to agitate against the main opposition party (CUF), which it accuses of planning to re-introduce the pre-revolutionary order.

Meanwhile, no efforts have been made to reconcile various post-revolution injustices, such as repressions during the autocratic rule of the first Zanzibar president Abeid Karume (assassinated in 1972), or more recent human rights violations against members and supporters of the opposition (such as killings in 2001).

17 | International Cooperation

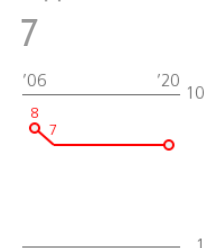
With the Tanzania Development Vision 2025 (TDV 2025), the government has a clear vision for the country’s economic and social development. Medium- and long-term implementation strategies have been developed, as have several sector reform programs, plans, policies and strategies.

Consecutive governments have for many years cooperated constructively with a wide range of bilateral and multilateral donors to promote Tanzania’s transformation to democracy and a market economy. In this, governments have made the most use of international aid and cooperation and seem to have undergone a substantial learning process. This also applies to South-South cooperation, for example, when the government sought expertise from Malaysia to formulate its “Big Results Now Initiative” in 2012, which however achieved only limited results.

The current government has occasionally expressed skepticism regarding the value of international cooperation and its implicit consequences on domestic issues. Despite stressing his willingness (an unavoidable necessity) for continued close cooperation with Tanzania’s international partners, the president has on several occasions made it clear that he considers international criticism an undesired political interference and that he intends to reduce foreign influence. Tanzania continues, however, to be heavily dependent on very substantial aid flows and investments from abroad.

Key ODA donors include the IMF, the World Bank, the United States, Japan, the AfDB, the United Kingdom, several other European countries and the European Union. The dependency of the national budget on ODA has over the years been reduced to about 15% from about 40% a decade ago.

Effective use of support



For many years, Tanzania's international partners had a reliable and largely predictable view of the government. Bilateral and multilateral development partners tended to view Tanzania positively, which is why Tanzania is among the top 10 ODA recipients.

When President Magufuli assumed office in October 2015, his strong stance against corruption, waste of public resources and related problems initially restored donor confidence in the government's credibility.

But this confidence has since severely deteriorated. Key donors question the government's commitment to democratic principles and to an inclusive development agenda. They have expressed clear concern about the ongoing authoritarian transformation with constant violations of democratic principles, human rights and the rule of law. In November 2018, the World Bank withdrew a \$300 million loan for the education sector due to Magufuli's controversial decision to deny pregnant schoolgirls and teenage mothers the right re-enroll in a public school after giving birth. The Danish government announced that it would withhold \$10 million in aid because of human rights abuses and homophobic comments from high-ranking government officials. The European Union expressed concern about the political developments and decided to comprehensively review its policies toward Tanzania. Tanzanian authorities had forced the European Union to recall its ambassador. In 2017, the government expelled the head of the UNDP mission.

In addition, the government's unclear, erratic, anti-entrepreneurial and nationalist economic decisions have also alienated Tanzania's international partners. Chinese investors complained about unclear policies, and tight immigration and labor laws. Several international investors are said to be reconsidering their investments in Tanzania.

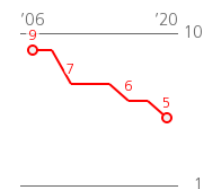
Tanzania maintains good relations with all its neighbors and is a member of various international political and economic organizations in Southern and Eastern Africa, most importantly the EAC and SADC. However, the 2018 African Regional Integration Index sees Tanzania as a low performer in both blocs.

President Magufuli's administration displays a much more active and pragmatic approach toward the EAC integration process than his predecessor and focuses more on business cooperation and joint infrastructure projects than on political issues. The country's formerly strained relations with Rwanda have significantly improved.

However, relations with Kenya have cooled under Magufuli's presidency due to business competition, recurring trade disputes, mutual allegations of business harassment, Tanzania's rejection of the EPA between the European Union and the EAC (which Kenya had already signed), protectionist and nationalist economic decisions, and competition in the construction of important regional infrastructure

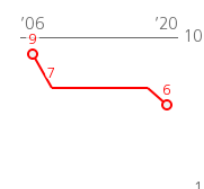
Credibility

5



Regional cooperation

6



projects. However, both governments repeatedly reaffirm their commitment to further strengthening the historically close ties.

Tanzania has on several occasions tried to mediate in major conflicts in the East African region (Burundi, South Sudan, DRC), albeit with very limited success.

During the review period, no progress was made to resolve the simmering border dispute with Malawi.

Strategic Outlook

President Magufuli and his administration have demonstrated their commitment to the country's economic development. Furthermore, President Magufuli's administration has attempted to address some of Tanzania's major problems by tackling corruption, theft, waste and the embezzlement of public funds, as well as inefficiencies and low productivity in the public sector. To sustain these efforts – at present mainly pursued by the application of pressure and the creation of an atmosphere of fear – it will be necessary to implement genuine structural reforms in a far more participatory societal climate. The current authoritarian strategies, which concentrate responsibility in one strongman (President Magufuli) and his close aides, may at best be effective in the short run. Efforts should, however, be made to strengthen democratic governance structures and procedures, and state institutions instead of undermining them through the current trend toward highly centralized decision-making.

International partners (and providers of development assistance) should insist that the violation of human rights, the rule of law, and democratic norms, principles and procedures is not tolerated. The current government, however, displays a remarkable degree of immunity to advice and rejects any criticism as undesired interference in its internal affairs. Although it is obvious that the government's repression of political opposition, civil society representatives, media and ordinary citizens are counterproductive both in the short and the long run, it will be difficult to impress upon the president the need to soften his heavy-handed approach. It should, however, be the responsibility of development partners to robustly remind the government of its need to respect human rights. The same applies to the authoritarian handling of the Zanzibar election crisis and the abandoned constitutional review process. Both issues ought to be better treated by establishing a dialogue among competing factions, based on honest and credible offers made to opponents, which rejects the current winner-takes-all mentality. This could involve an open debate of both existing drafts in the case of the stalled constitutional review process. Any solution to the deep-rooted Zanzibar crisis appears much more difficult to achieve due to the opposition's extensive experience with the ruling party's practice of undermining any concluded agreements.

Concerning economic issues, Tanzania is by and large on the right track. The rolling Five-Year Development Plans are suitable guidelines, although it is highly unlikely that the goal of transforming Tanzania into a semi-industrialized, lower middle-income country by 2025 will be achieved. More consistent and predictable business-friendly economic policies need to be formulated, since the present practice of spontaneous, erratic and contradictory decisions has unintended negative effects, and causes uncertainties among potential investors and the business community. Although the emphasis on tax discipline and a reduction of unnecessary public expenditures is commendable, the measures should not threaten the existence of many small businesses. Small and medium enterprises need to be actively supported to create much needed jobs, especially in rural areas. The high level of (youth) unemployment poses a latent threat not only to the economic, but also to the peaceful political development of the country. Much greater

emphasis needs to be given to the development and modernization of the huge, but neglected agricultural sector. Supporting small-scale farmers could be an alternative to large agro-industrial investments. A major challenge involves improving the quality of education at all levels and strengthening learning and teaching environments. The same applies to vocational training. Without an extensive broad-based improvement in the educational attainment of the population, no significant rise in Tanzania's overall development standard will be possible.