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ESSAYS

Return to Tanzania

I first visited Tanzania in 1964, volunteering for Nyerere's African socialism. It didn't work. In 2005 the country is still poor, but starting to grow. Is a dose of debt relief and more aid what it now needs?

By Jonathan Power July 22, 2005

I shook Tanzania's dust off my feet 20 years ago and looked back only in anguish. I first arrived in this former colony—a place the British never put their heart into—in 1964, just after independence. I was one of the first contingent of volunteers who lived out in the bush and happily did what we could for the new African socialism of Julius Nyerere. Later, I interviewed Nyerere many times, both for television documentaries and the International Herald Tribune. The last time I saw him in 1979, we had sat outside his house on the Indian ocean, both of us exhausted after a four-hour interview on Rhodesia and South Africa—he was playing an important role as an intermediary between the guerrillas and London and Washington. As the sun went down we sipped our wine and watched the dhows gliding in from a day's fishing or trading trip to Zanzibar.

headed down to the ocean and reflected on why I had stayed away so long. Again, it was evening time. The women were cleaning the fresh fish on the white sand. The dhows were flitting landward. Nothing had changed, but everything had changed. Nyerere had steered the country into an economic hole, as he himself recognised before his death in 1999. It seemed likely then that most Tanzanians would live on a dollar a day as far into the future as anyone could see. Now my hopes were recharged. Tanzania, during Mkapa's ten years of office, has become a relative success story, albeit from a low base. Although still one of the poorest countries in Africa, with a national income per head of $290 compared to the African average of $490, Tanzania has been growing at an annual rate of almost 6 per cent over the past five years, and inflation seems to have been conquered on Mkapa's watch. Tanzania was praised in the recent Africa Commission report; and Mkapa himself was one of the commissioners.

Mkapa will step down after the general election in October, but in an orderly, democratic transition. The opposition parties have a presence, but they are not strong and will not be able to stop the ruling Chama cha Mapinduzi (CCM) party's candidate, foreign minister Jakaya Kikwete, cruising to victory.

I first knew Mkapa when he was Nyerere's press secretary. When I asked him why he abandoned Nyerere's legacy to create a rather successful, if still budding, capitalist economy, he gave two reasons. First, he had watched Deng Xiaoping unleash capitalism in China and saw the country climb from rags to comparative riches. Second, it was the end of the cold war and the western aid donors, in particular the Americans, the British and even the Scandinavians, were no longer interested in propping up a declining country just because it was pro-western.

Joseph Mungai, Tanzania's minister for education, whom Mkapa rates as the most dynamic member of his cabinet (he has been struggling to transform education despite losing nearly 3,000 teachers to Aids every year), recalls a story about Nyerere that rings true. On becoming Tanzania's leader, Nyerere called on Mao Zedong. Mao told him: "I give you one piece of advice: don't create a middle class." And Nyerere never did. Indeed, when I asked what Nyerere would say to him if he returned to earth, Mkapa replied: "He'd say I'd given away too much of what was in public ownership. And he would be upset that I had built up such a prosperous capitalist class."

Since coming to power in 1995, Mkapa has left his reformist mark on everything from tax policy to privatisation, from the bureaucracy to human rights, from put it to me, as we sailed across to his birthplace in Zanzibar, "Nyerere was redistributing poverty… We are not anti-socialism. But before distributing wealth we must create it."

Nyerere was a Catholic idealist; never a Marxist. He aspired not just to replace white rule with black rule, but to build a society based on ujamaa, a Swahili word meaning "togetherness." Nyerere had a vision of village socialism, where tractors and fertilisers could be managed by village teams and used in communal fields, with the village selling and buying in from the outside world on a co-operative basis.

His ideas fell on deaf ears, for Tanzanian peasants were used to living on scattered family holdings and leading fairly independent lives. But Nyerere brushed aside opposition and tradition. He ordered the relocation of people whose families had farmed the same plots for hundreds of years. Some moved voluntarily, beguiled by Nyerere's rhetoric. Others had to be cajoled. Villagers were herded together and told: "This is your village site," yet often found no running water, decent land or roads. Later Nyerere admitted that even in his home village, Butiama, ujamaa had not taken hold, and it was gradually abandoned.

All the while Nyerere kept most of his critics at bay. His manner was disarming. He was often the first to articulate what had gone wrong. Despite his own western education (at Edinburgh University) he believed Westminster democracy was alien to a people who had long sorted out their problems under the shade of a baobab tree. He brought in one-party government, although softened by competing candidates in each constituency. And he was tough with anyone he thought was blocking Tanzania's socialist path, unsettling Zanzibar or troubling the liberation movements like the ANC, with their bases in Tanzania. The jails filled up.

Nyerere was most compromised by his Zanzibar policy. Even today, that tail—of two small islands—can wag the mainland dog, as Mkapa has discovered. It is the one issue that could upset Tanzania's progress in attracting foreign investment ($260m last year).

In 1964, just after Tanganyika was granted independence, Zanzibar, also recently released from British rule, was caught up in an unexpected revolution. The African half of the population overthrew its Arab and Indian rulers. Nyerere, worried about their communist rhetoric, persuaded the revolutionaries to merge Zanzibar with the mainland. Tanzania was born.

It was a stormy marriage. The new Zanzibari leader, Sheik Abeid Karume, was a constant embarrassment. All attempts Nyerere made to moderate the regime failed.

and the Arabs are unhappy because they are no longer top dogs. The 1995 election was rigged. The election in 2000 was never fully completed. In early 2001 there was a serious uprising in Pemba, the smaller of Zanzibar's two islands.

Dar es Salaam is looking anxiously towards October—Zanzibar's presidential election will be held at the same time as the country's general election. Will Zanzibar, with its two evenly matched parties, blow up? The governing party is part of the mainland's governing CCM, but, as Mkapa says, "there are some militant people in my party." They don't want to lose power even if it means fiddling the vote. An explosion in Zanzibar would torpedo the most successful part of Tanzania's blossoming tourist industry—16 per cent of GDP—and reverberate in Dar es Salaam, where many Zanzibaris live.

For now, the Tanzanian economy continues on course. Emulating its neighbour Uganda, where the economy has been transformed over the last 19 years under the stern tutelage of Yoweri Museveni, Tanzania has many of the ingredients for take-off. Most impediments are man-made, as they were in Ivory Coast, which grew for decades at 7 per cent until its benign dictator, Félix Houphouët-Boigny, died in 1993. Then, because there was no deal on his successor, factionalism tore the country apart. The same could befall Uganda, where Museveni now seems intent on rewriting the constitution so that he can run for re-election a third time. Only the democracies with firm term limits look promising for the longer term: Senegal, Mali and Ghana, with their steady 5 per cent growth rates; Madagascar (6 per cent); Mozambique (7-9 per cent); Botswana (7-10 per cent—the world's fastest growing economy during the 1990s) and Tanzania. Tanzania's faster growth can almost be measured from the day that President Ali Hassan Mwinyi returned the country to multi-party rule, three years before Mkapa's election victory in 1995, and took the clamps off the media and parliamentary debate. Growth gradually picked up—averaging 4 per cent during 1995-99 and rising to an average of 5.8 per cent during 2000-04—and inflation slowed down.

When at university I studied tropical agriculture, the basic text was Pierre Gourou's Le Monde Tropical. It was a sympathetic account of the difficulties of tropical life—leached soils, uncontrollable disease for humans and animals, either too much forest as in the Congo or too little as in the Sahel. Moreover, Africa's rivers did not have the fertile flood plains of the big Asian rivers, hospitable to paddy. It was a tale of woe that I used to explain to anyone who would listen why Africa would have the devil's own job of ever making it. But the progress of the countries listed above—and there are another 17 in sub-Saharan Africa which attained 5 per cent growth in 2003—shows how inadequate this explanation is. For a start, growth does not depend solely on the land. These countries have shot ahead because, as in Tanzania, a course, has to come next—two thirds of Tanzanians still live on the land—if the growth rate is to reach 7 per cent or higher and stay there, but the signs I saw are propitious. Already, according to a recent IMF working paper—though some dispute it—there has been a steady reduction in poverty in Tanzania over the last five years.

Extensive privatisation of the large but moribund state sector has released commercial energy. For the most part it has been successful. There were a few cases of insiders getting control of productive assets at knockdown prices. And, as with the recent row over the privatisation of the household water supplies of Dar es Salaam, where a British and German-run company had its contract terminated by the government, it is difficult where necessities are concerned for public opinion to understand the needs of the capitalist to make a profit, or for the capitalist to understand the real needs of poor people.

I am returning to Iringa—eight hours by road from Dar es Salaam—where I worked 40 years ago. An hour or so before we arrive, the scenery begins to change from the endless, empty, dry savannah to the bold outcrops and massive boulders of outsize granite that characterise much of Tanzania's southern highlands. Seemingly wedged between the rocks are the small, brown, mud-built houses of what was, when I was last here, an impoverished peasant class. But now I can see that the green of the maize fields is broken up by a new crop, the waving, yellow heads of sunflowers, and the vendors beside the road are selling not just little heaps of vegetables, as in the past, but massive baskets of tomatoes. Finally the road winds up to Iringa, once a flourishing colonial outpost but now a bit tatty despite the fetching sight of purple jacaranda trees, a legacy, along with the rustic, stone-built local government buildings, from pre-first world war days when Germany was the ruling master. (Germany controlled Tanganyika and parts of Zanzibar in the late 19th century, and held on to the mainland until 1919. Both Tanganyika and Zanzibar were then ruled by Britain until the early 1960s.)

The state-run factories established by Nyerere are falling into ruin. But in the town's market new life is sprouting. Where before there were a few women selling a pile of potatoes or a handful of onions, there are now mountains of every vegetable and fruit: courgettes and guavas, cabbages and mangoes. There are beans and lentils, and fish from as far as lakes Tanganyika and Victoria. And everywhere those great baskets of tomatoes whose surplus pours into a new factory, making sauce. I found a new jam factory processing local fruit, and a cigarette factory using the tobacco that I used to encourage my dozen peasants to grow. What does it matter that the towering silos for corn are now empty? With their mobile phones—which cover 90 per cent of the villages in the district—and selling restrictions removed, traders are

If diet has been transformed, so has health. There are 40 new dispensaries scattered around the district, with a couple of nurses for each, and half a dozen health centres with a doctor in attendance. The dispensaries help with childbirth and inoculations (which are up all over Tanzania) and a free supply of condoms. The country folk in Tanzania are still wary of birth control, but attitudes are changing—fertility rates have begun a slow decline and the health clinic I visited had run out of its quota of condoms. If Tanzania can get its birth rate down, the fruits of its agricultural revolution in the making will begin to show. But in a country where sex begins for most in their early teens and virginity at marriage is a concept known to only a handful of tribes, progress is going to be slow, while Aids, already frighteningly prevalent, can only gather speed. Around 7 per cent of adults are infected with HIV, and this is expected to rise rapidly over the next few years. Still, neighbouring Uganda has turned the tide on Aids dramatically—why shouldn't Tanzania?

What is remarkable is that the Iringa peasants have done so much, so fast on their own initiative, mainly just because price controls were lifted and the market became their incentive. And in half a dozen other regional centres a similar story can be told. But Mkapa says he has neglected agriculture and that whoever takes over from him must make it a priority. As the economy grows, Tanzania has to feed its growing urban population. They will certainly have the buying power to give the farmers the incentives they need. But it is also a question of knowhow and services. The peasants need decent roads, a lighter tax burden for the agricultural sector, micro-credit and subsidised fertiliser (the IMF has at last allowed Tanzania to subsidise the transport of fertiliser). And they need improved seed—the sooner Europe withdraws its opposition to GM seeds, which makes it impossible for a country that wants to be a major agriculture exporter to start using them, the better.

At the same time, Tanzania must continue its policy of attracting expatriate, professional farmers. There used to be small colonies of these—in the southern highlands and in the north around Arusha. Over the years, many gave up because the socialist tax and marketing policies hemmed them in. Now those that remained are getting a second wind—like the big dairy farmer near Iringa and the coffee farmer who is selling speciality coffee to Starbucks. Tanzania should, like Nigeria, welcome white Zimbabwean farmers. Land is still plentiful. Why not encourage European, Australian and American farmers to set up businesses, as long as they establish outlying subsidiaries among local peasant farmers?

What else does Tanzania have to do? Historically, its political stability led to it receiving more aid than most other African countries—$16.6bn from 1970-96. Its debt burden was effectively halved in 2001 under the so-called "enhanced highly became one of the 18 countries to benefit from the G7 finance ministers' agreement to completely write off multilateral debt—saving the country over $100m in repayments a year. Does the country need a lot more aid? Has the debt relief removed a millstone from its neck? Is the much talked-about corruption really as bad as outsiders say? I posed these questions to Dar es Salaam's elite—to the dazzling but shrewd German woman who represents the IMF, to the well-informed Kenyan adviser to the World Bank, to discreet diplomats, to ebullient Tanzanian economists, careful bankers, proud businessmen and reflective ministry of finance officials. Along the way I had a number of opportunities to bounce questions off an undefensive president and Joseph Mungai, minister of education, who once attended an evening class on current affairs I taught in Iringa. There was a strong consensus in the replies, even though the Tanzanians, flushed with their success so far, perhaps make the mistake of thinking that progress will get easier, not harder.

The future, in part, has to be more of the same—continuing macroeconomic discipline, more mining and more upmarket tourism. Tanzania is one of the most beautiful countries in the world, with wildlife parks, some in the south rarely visited, the 18,000- year-old rock paintings of Kondoa-Irangi, thousands of miles of safe Indian ocean coastline and, on its coast and in Zanzibar, a rich historical legacy including the remains of Kilwa Kisiwani, an African city of the 9th century and various Arab settlements from the 10th century onwards including the mosques and forts of the Omani colonisation in the 18th century. Dar es Salaam itself, despite some ugly skyscrapers, is full of tree-lined streets and pretty old German-era colonial buildings, and the mayor recently announced a plan to restrict traffic in the city centre. In tourism it should go for style and taste and, in a country where Muslims dominate the coast and Zanzibar, decorous behaviour. That, instead of mass market tourism, is the way to maximise long-term revenues.

Tanzania is belatedly giving priority to secondary and tertiary education so that its woefully undereducated workforce can be prepared for the challenges ahead. Its policy of a primary school in every village and better trained teachers has already produced results: the primary school-leavers' national exams have a pass rate of 49 per cent against the previous 20 per cent. The country could move twice as fast if secondary education had not been neglected for so long and if Aids were not killing so many teachers.

And then there is corruption. Ten years ago Mkapa made corruption a central issue in his election platform. The diplomats still complain about it. The Americans refuse to give Tanzania aid under their millennium challenge account because they say there is too much corruption. But this can be exaggerated. While corruption should not be excused, it needs, especially in Tanzania, to be put into perspective.

presidents have been clean and the country is relatively homogenous (it is made up of a number of different tribes, but, unlike neighbouring Kenya, none is big enough to dominate). Second, when one presses a diplomat to name names, the offences do not seem that serious—a minister fiddling with wildlife hunting licences here and, despite a modest salary, buying an expensive farm there. Third, tax reform and more vigorous monitoring has done away with a lot of evasion, and tax revenues have increased fourfold over the last eight years. At local level, freeing markets and improving social services has helped. No longer does one have to bribe to get a child into school or a licence to sell something. Still, corruption remains a problem in the bureaucracy and, despite all the promises, there have been no successful prosecutions. Even more disturbing, parliament has failed to discuss audited government budgets for several years now. Is the shadow of the majority CCM party too overbearing after 40 years in power?

And what is the role of the outside world? The argument about western agricultural subsidies raging in the columns of the Financial Times and the Economist, and more recently in the Africa Commission report, is too esoteric. Any deal made during this Doha round of trade talks in which poor nations make concessions on agricultural access in exchange for cuts in European, American and Japanese tariffs and subsidies would probably help, but would also be weighted in favour of the richer world. A better idea would be for Tanzania and like-minded countries to call the bluff of western countries and demand an absolutely level playing field, in which both sides dismantle all subsidies and tariffs over the next decade or so. Such an approach, cutting through the labyrinthine complexities of Doha, would radically shorten the time frame of negotiations. It would also open up internal African trade, currently frozen by protectionism. In the last 40 years, Tanzania has weathered the demolition of its sisal industry as artificial fibres replaced its principal export crop. Like all developing countries, it has also survived 40 years of declining prices for agricultural commodities. If trade barriers to agricultural produce were removed, it could do even better.

Tanzanian farmers, under-resourced though they are, have managed to feed a population that has grown from 12m to 37m in the last 38 years. Rarely in recent years has the country needed to import food. If farmers had access to an unsubsidised world marketplace, they could start to meet its demands too, especially in the age of mobile phones. And the same goes for most food-importing countries: show me a peaceful African country with functioning markets that cannot meet its own food needs most years. Of course, famine does strike when the rains fail, as happens from time to time in Tanzania. But, as in Tanzania, if there is reasonable transport and the markets are unrestricted, food will go from areas of surplus to those suffering.

Jeffrey Sachs suggest? There is no doubt that aid works. The proof of that can be seen in both Tanzania and Uganda from the times when they were given little or no aid. Nothing moved. Look at both countries now and you can see aid projects delivering. Even the Asian tigers, with their undemocratic but capable "development" states, could not have got going without aid—the Americans put South Korea and Taiwan on the road to success.

But aid only works if the macroeconomic conditions are right and governance and management are effective. A good example is the TanZam railway built in the 1970s by the Chinese—their most ambitious foreign aid project ever. At a time when the war in white-ruled Rhodesia had cut off Zambia's lifelines to the south, this aid project was a godsend, giving Zambia access to an Indian ocean port. But look at it now: decrepit engines, ill-maintained rolling stock, it takes three days to travel what used to take one. Now the Tanzanians are trying to do what they should have done decades ago: letting railway routes out on a long lease. Only with sophisticated management of the sort Tanzania does not yet possess can they be made to work as they did. Yet so far there have been no takers.

Aid today is arriving at healthy levels—around $1bn a year. The British are giving the most and no longer demand it to be earmarked for specific projects. Instead, most money goes straight to the treasury, so that the government itself has the responsibility of making sure it works. The Nordic donors, the third largest, are doing the same, but the Americans, the second largest, still insist on direct project lending.

The recent announcement on debt forgiveness will be a boon to a country that was struggling under the burden of repayments. Back in April, the permanent secretary at the ministry of finance told me that if the country had 100 per cent debt relief from all its creditors, it would not need more aid. But Tanzania is not being held back by lack of aid or debt relief. What it needs is not lots more aid (although some could be well spent on infrastructure) but more surety of aid. I have seen too many aid projects in Africa that start well but then collapse after a few years when the donor pulls out, leaving the maintenance costs to be paid by the country itself, which has neither the money nor the management skills to keep it going. Gordon Brown's idea of borrowing from future aid budgets for a big bang of aid now seems the wrong emphasis.

And, more than aid, Tanzania needs more foreign investment for industry, agricultural processing and infrastructure. Investment is increasing at a steady rate—up from $151m in 1995 to $260m now—although limited to mining and tourism. Diplomats claim that corruption is a deterrent, but businessmen dismiss the growth that the country's planners pray for. The door is wide open.

If Tanzania can get past the October elections without too much trouble in Zanzibar, if the next president can be as dynamic as Ben Mkapa, if aid donors hold steady, if rich countries open up their agricultural markets and, of course, if the world economy continues to grow, then Tanzania has a reasonably bright future. This generation of Tanzanians has learnt from the mistakes of Julius Nyerere (and his accomplices in the World Bank, the Swedish international development agency, the British ministry of overseas development and journalists like myself). I think the Tanzanians now know how to keep their ship pointing forward. If I were Tony Blair, preparing to lead an international debate on Africa at the G8 summit, I would cross Tanzania off my worry list.

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