

Civil Servants' Perceptions of Private Investment in Tanzania
Summary Report of Focus Groups with Civil Servants

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Executive Summary

To foster private enterprise in Tanzania, USAID has sponsored several studies to examine the "road blocks" to investment in Tanzania. One of these studies, *The Investor Roadmap of Tanzania*, identified several administrative barriers that place constraints on investment. The report also found that these administrative barriers are enhanced by the non-productive attitudes and behaviors of the mid-level civil servants who are charged with facilitating business investment requirements.

As part of USAID's effort to support private enterprise development in Tanzania, the mission contracted with Porter Novelli to design a social marketing program to promote change in civil servants' attitudes and behaviors. To develop appropriate messages for this program, five focus groups with mid-level civil servants were conducted between March 20 and March 26, 1998, in Dar es Salaam, Tanzania. Participants were selected from institutions that play key roles in facilitating investment procedures in Tanzania. The purpose of the study was to explore civil servants' attitudes toward private business, uncover motivations for and barriers to improving their behaviors, and gain reactions to preliminary message concepts.

The discussion below summarizes the key findings from the focus groups. These findings provide useful insights into civil servants' perceptions and motivations; however, they are not projectable to a larger audience.

Key Findings

Civil servants do not receive a lot of job satisfaction from their jobs. Many report being demoralized by the low pay, their lack of authority over department decisions, and the mistrust among the civil service. They often feel frustrated that politicians make decisions contrary to policies, and it is left to the civil servant to execute the decisions. In general, civil servants see the change in Leadership Code (allowing civil servants to own private businesses) as an example of the government's acceptance of the fact they do not pay civil servants sufficiently.

Civil servants generally have positive attitudes toward the growth of the private sector in Tanzania. They see private investment as the engine for Tanzania's future growth. They also have generally positive attitudes toward business people. While they hold some stereotypically negative attitudes toward business people (e.g., they are greedy, cunning, and tax evaders), civil servants also voiced positive opinions about this group. They noted that they are hardworking and willing to take risks.

However, civil servants believe that it is still government's role to "guide" business investment, as well as "enable" it. Many civil servants are concerned that foreign investment will grow at the expense of indigenous investment and that it will only be beneficial if its growth is carefully regulated. Few participants saw any benefits from foreign investment to the country currently. Civil servants feel it is important that the government focus on assisting local investors in raising capital and learning how to run a successful business.

1. INTRODUCTION

Background

Tanzania is entering the 21st century in a position that is the envy of many developing countries: a stable government, an educated population, and an abundance of natural resources. It is primed to become one of Africa's economic leaders. However, as USAID and the leaders of Tanzania have recognized, there are many stumbling blocks to reaching that goal.

One of the stumbling blocks is the "administrative barriers" that place constraints on investment in Tanzania. While these administrative barriers have many causes, one cause that has been identified by both the government's Civil Service Reform initiative and the USAID-sponsored *Investor Roadmap of Tanzania*, is the attitudes and behaviors of civil servants who are responsible for expediting investors' business requirements: The *Roadmap* described a cycle in which the current regulatory system demands that business people pay bribes to expedite the procedures to a reasonable time frame, leading civil servants to perceive business people as corrupt. This perception leads to civil servants' feeling that they need to be even more stringent in insuring that investors are meeting all their requirements, and the cycle continues.

As part of USAID's effort to support private enterprise development in Tanzania, the Tanzania mission contracted with Porter Novelli, a social marketing and communications company, to develop a communication program based on the tenets of social marketing, to promote change in civil servants' attitudes and behaviors.

As a first step, Porter Novelli staff met with USAID staff and Tanzania business, academic, and government leaders to better understand the historical, cultural, economic and structural factors that influence civil servants' perceptions and behaviors. From this situation analysis, it was hypothesized, that there are three key reasons for civil servants' "reluctance" in assisting private business people get through regulatory procedures quickly and efficiently:

- Socialist beliefs are still prevalent among civil servants who have been working for the government since Nyerere's presidency,
- Civil servants are not well-paid and therefore depend upon supplemental income through corruption, and
- Civil servants view their role as one of protecting the interests of the country from the greed of business people.

To test this hypothesis and to begin to develop program messages to address these non-productive attitudes and behaviors of civil servants, Porter Novelli conducted focus groups with mid-level civil servants in Tanzania, in collaboration with the Economic and Social Research Foundation. The purpose of the focus groups was to:

- Explore underlying attitudes of mid-level civil servants toward private business in Tanzania
- Uncover motivations behind current behaviors and barriers to improving behaviors
- Explore possible motivations for improving attitudes and behavior
- Gain reactions to preliminary message concepts related to the importance of cooperation between public and private sectors

2. METHODOLOGY

A series of five focus groups was conducted March 20-26, 1998, in Dar es Salaam, Tanzania. The groups were composed of mid-level civil servants (commissioners, directors and principal officers) from government ministries that play important roles in encouraging investment in Tanzania: the Ministry of Lands, Ministry of Labour and Youth Development, Ministry of Home Affairs, Ministry of Industry and Trade, the Tax Revenue Authority, the Dar es Salaam City Commission, and the Tanzania Investment Center.

Participants were recruited through a request from the Principal Secretary of the Civil Service to the Principal Secretaries of the above listed institutes. The principal secretaries submitted lists of appropriate civil servants to an in-country research firm, which then contacted the employees and asked them to participate in the focus groups.

Forty-three civil servants from the seven institutions participated in the groups. Each focus group was composed of civil servants from a number of the institutes. The following chart indicates the number of participants in each group:

Group 1: March 20, 1998	7 participants
Group 2: March 23, 1998	9 participants
Group 3: March 24, 1998	10 participants
Group 4: March 25, 1998	7 participants
Group 5: March 26, 1998	10 participants

Topics Explored in the Focus Groups

In consultation with USAID Tanzania, a discussion guide (Appendix A) was developed. The guide addressed the following topics:

- Perceptions of career
- Perceptions of Tanzanian government and your institute's role
- Perceptions of Tanzania's future
- Attitudes toward the private sector
- Perceptions of business people
- Knowledge of the obstacles to starting a business
- Perceptions of the role of bureaucracy and corruption as barriers
- Reactions to message concepts

It should be noted that focus groups are a qualitative research technique. Although they provide useful insights for understanding the target audience's perceptions and motivation, the findings reported here are not projectable to a larger audience.

3. DETAILED FINDINGS

The following provides a summary of the findings of the focus groups. To ensure open and candid discussions in the focus groups, the groups were not audiotaped. Instead, three researchers took copious notes and tried to capture verbatim the comments of the participants¹. The verbatim comments provided in this report might not always be exactly as they were stated in the focus groups; however, all capture the essence of the participants' comments.

3.1 Perceptions of Career

Most of the focus group participants felt they had not "chosen" a career in the civil service, so much as they had been "placed" in the government. Because the government was the primary employer of college graduates in the 1970s and 1980s, most of the participants were "placed" in their jobs through the Manpower Allocation program. As one participant said, "the employment sector was the civil service." Many of the participants were quite happy with their career choice in that it fit well with their university degree. On the contrary, a few indicated that they wished that they had had other options open to them.

"I was posted to seminary by my family. They wanted a priest in the family. But then I joined the university and studied economics. As an economist, there was only one employer – the government. At the time government was heavily investing in industry."

"I didn't even know what immigration was. I wanted to be an extension officer, because there was one in my village and I admired him. And I wanted to help my fellow villagers."

"My father was a doctor who worked with the government. I liked the discipline of the civil service."

"Now I can't think of leaving the civil service. I have no capital and no one would pick me as a consultant at this age."

The participants from the Tanzania Revenue Authority and the Tanzania Investment Centre often pointed out that they differed from other civil servants in that they had applied for their positions in these newly created agencies.

"My position was advertised, and I applied for it. I am in a position that I wanted."

¹ The three researchers were Ms. Katharine Dusenbury (Porter Novelli, USA), Mr. Kweka, JP (Assistant Research fellow at ESRF), Mr. Kappella, RT (Consultant with ESRF).

When asked what they liked about their jobs, many participants indicated that they liked the security provided by the pay and guaranteed promotion of the civil service. However, they acknowledged that these two rewards are not as secure as they had been in the past. Other aspects mentioned as important "rewards" they receive from their jobs included the status of their position, the satisfaction of seeing the results of their work, and getting to use their education. Some civil servants also mentioned that in their job they are able to enjoy various fringe benefits such as free transport, medical care and housing.

"I get paid for it."

"As a woman, I liked the security of employment and the working conditions... I could still handle my domestic affairs."

"You were assured of promotion automatically."

"There used to be a sense of security. We never dreamt of retrenchment."

"You have some authority. You are considered an expert and asked to attend workshops in other countries, which is a good income that is not taxable."

"I get satisfaction in helping others achieving something."

"I like it because [TIC] is a new area and it is important to the future of Tanzania."

"I have been trained for it, so I get to use my education."

"Planning is my area. I have no alternative to [working for the government]; it is a dying profession, really."

"There are little benefits in what you earn vis-a-vis your salary."

Low pay was the most commonly disliked aspect of being a civil servant. Many participants also felt over-worked, in part because of retrenchment. One participant pointed out that there was little incentive to be efficient and do your job well because the more you accomplished the more you were asked to do.

"Remuneration is a negative."

"If you work in the government, you are overworked... you have to attend to requests from top and bottom brass... And if you are good at your job, even more work is thrown on you."

"I'm working for the nation, they should take care of me."

Participants also mentioned a wide range of other aspects to their jobs that they did not like. Many did not like that decisions were imposed on them from the top down, often in conflict with their department's regulations. Similarly, they did not like that often the projects or decisions that they advocated were not implemented by their superiors. A few mentioned that they did not like that the public viewed them as corrupt individuals. Similarly, some felt frustrated that while their titles sounded "powerful," they really had little power to influence decisions and made little money.

"Political pressures are sometimes in conflict with our policies."

"Politicians make decisions contrary to policies so as to gain political good will."

"[I don't like] management by crisis."

"Leaders don't use available data (from the civil service) to make decisions.... They just decide from nowhere."

"Lots of our plans are just shelved, which is frustrating."

"[I dislike] the wrong perception that it requires an unkind-hearted person to be a taxman."

"I don't like being called by a "big boss" name, because people expect a lot from you, but you can't always assist them."

Few felt that the changes that have occurred in the government had improved their situation, and many pointed out that additional changes need to occur. A number of participants pointed out that the laws and regulations are not keeping up with philosophical changes happening at the highest levels of government.

"Even with downsizing, we are not seeing increases in salaries, and we are having to do more work."

"I have my job (in the TRA) as a result of the changes."

"Some of these changes need to be translated into laws."

"Many of the changes are coming from external forces, and the government has not sifted through the external ideas. They are just embracing them wholeheartedly regardless of the local situation and adequate preparations."

"There are hardly any change-makers from within the institutions [instead all the financial resources, ideas, and change-makers come from outside]."

"We need to reorganize the land department. With privatization, there has been an increase in demand for land, meaning an increase in demand of our services."

3.2 Attitudes toward Government

Most participants felt that the principle role of the current government is to maintain law and order. Other roles that were commonly mentioned included guiding national economic and social development, developing policies, and providing infrastructure. A few mentioned that while the government's role should be that of "best employer," they were in fact the worst employers, with poor management, conflicting policies, and low pay. A number of participants said that they did not like that Ministers were also parliament members, so that often their interests lay with satisfying their constituents rather than effectively running their ministry.

"[The government] maintains peace and order."

"It is working to improve the country by inviting investment, but it didn't prepare itself. The laws have not caught up."

"[The role of the government] is to guide national development—to guide what is done by others, but not to actually do it."

"It should put in place an infrastructure so that individuals can go about their legitimate affairs."

"It should have the role of best employer, but it is the worst. It squeezes everything out of you."

"Ministers want to satisfy constituents, and then they hand off to the technocrats—often they ask us to do impossible things. Instead they should be asking us how to do something."

"Ministers should cease to be politicians."

Participants had strong opinions about the qualities required of a good government. In general, the participants expected that a good government would be an honest government with clear laws. They also described a government that "enables" both citizens and private business to prosper, by providing the infrastructure necessary to these endeavors. A few also indicated that a good government needs to maintain a fair distribution of wealth and be able to raise revenue responsibly.

"Good government is responsible government, it is sensitive to its citizens."

"Governs strictly by adhering to law."

"A government that tells the truth. When the government realizes that it is in a situation that it can't handle (like Dodoma) it is like the man who realizes he doesn't have enough potatoes to feed all his guests. He puts rocks in the fire with the potatoes, and while everyone is waiting for these "potatoes" to cook they fall asleep with hunger."

"Clear policy guidelines for functioning of activities of all sectors of society."

"Reviews laws as needed to ensure that they are practically enforceable."

"Create an enabling environment for working of economic investors."

"Sustains physical infrastructure."

"To guide what is done by others but not actually do it."

"Establishes fair distribution of national wealth."

"A government that can raise revenue and be accountable for it."

"[A good government] has a vision and is committed to pursuing that vision."

"It is only recently that the government has started talking and preparing the vision [Vision 2025]."

Most participants had clear ideas about the role their institute plays related to private sector investment. Generally, participants described their functions as being there to help the investor, to facilitate rather than control the process. However, several participants acknowledged that their role was to make sure investors followed government policies.

"[It is the responsibility of Lands to make sure] land is available to the people of Tanzania and [for the use of] other developers who come to our country."

"[It is the role of Labor to ensure] industrial harmony on the part of labor, in work and in being paid accordingly."

"[The role of TRA] is the collection of revenue to provide the government with funds it needs to put up the country's infrastructure."

"Our role [at TIC] is to ensure that only bankable investments find their way to Tanzania."

"Our role [at the Dar City Commission] is to facilitate investment, but there are lots of constraints on us."

"The responsibility of Trade is to support endeavors of private sector to do business. Our responsibility is not to support private sector but to support rightful endeavors through appropriate trade policies."

"The role of Home Affairs [Immigration Department] is to ensure that only genuine investors are allowed to stay and work in the country."

Few participants said that their departments had established methods of gauging their success in accomplishing their roles. While TRA and TIC employees had target numbers they needed to meet, civil servants in other institutions do not appear to have formal ways of measuring their accomplishments. A few of the informal methods used included hearing complaints or compliments from their customers, reading news stories in the media about their ministry, and assessing the number of files on one's desk. None mentioned that they had a formal review system established with their managers.

"At TRA, your work is measured by reaching targets set by the government."

"[We can tell how well we are doing by] the response from the public, from the newspaper."

"[I can measure my success] by how well I am getting through files on my desk."

"The customers, how they talk about you or [my institution] in general."

"I don't think land development is done well. We are constrained by resources."

"Sometimes you are told that you are "harassing investors" by your superiors, but you are just trying to work within conflicting laws."

3.3 Attitudes toward Future

Many of the participants had pessimistic attitudes regarding the future of Tanzania. Many said that in 25 years Tanzania would be poorer and more disorganized than now. A number of the civil servants felt that investors are not focusing on building industrial capacity, which is needed to enable long-term economic growth. They pointed out that much of the investment done today is related to "trading" rather than production. In general, the participants believed that Tanzania's future would be bright only if certain conditions of economic and social development were met, such as improved domestic investment and education.

"They will be poorer than now."

"It will be more disorganized."

"We are concentrating on trading, not producing, so we are only helping foreign economies."

"We need to focus on internal development, not just (foreign) investment."

"We need a more literate youth, but with cost sharing we might have a less educated and less healthy population."

"In next 25 years, the country should be in a better position related to the GDP, but, if there is no improvement in education and financial systems, Tanzanians may have a desperate future."

"The 'global village' is true, but we must have our own capacity to compete with local neighbors."

A few participants mentioned that to improve Tanzania's future, a new "attitude" or culture must be fostered. A number of participants said that, for many reasons, many Tanzanians have attitudes that are not productive for the country. They specifically mentioned that workers do not feel they need to be proactive, the public does not realize that government services are not free and the government has become overly dependent on donors.

"The Tanzanian people have a history of stretching their arms to the government and the government then stretches its arms to the donors."

"We also need to change attitudes toward work. Only in Swahili do you have an expression where you say to someone 'you are sorry you are working.'"

"We need to educate African businessmen that a business is not a place to stay – like a tribal home – it's a place to produce money."

"[There also needs to be a change in] attitudes toward public ethics: as long as it's not against the law, it's ok."

"People think government services are free, but need to be told 'You are taxpayers; you are paying for these services!'"

"Tanzanian workers are like robots... it shouldn't just be if you are present, you should use your head, think of what is needed, how to improve your situation."

"Tanzania has become too donor dependent for grants and loans whose utilization is not fully accounted for."

"Some of the technical assistance funds go back to the country of origin in the form of salaries and consultancy fees, while local capacity for such consultancy work is available."

Some participants felt that the government needed to communicate a stronger “vision” of how economic development will occur in Tanzania. Some of the specific areas mentioned as needing improvement were encouraging indigenous involvement in investment (allowing Africans to catch up with Asians) and training local businessmen.

“Our investors know where they are going, but we are not so clear.”

“Need to promote ‘Private Sector is Savior of Nation.’ We need banners like in Nyerere’s time. He had cadres singing the praises of socialism; we need new cadres!”

“The vision needs to come from a leader. It needs to be owned and pursued on a day to day basis.”

“Need to allow local Tanzanians to grow at equal pace with Asians. One group has a lot of training and the other doesn’t.”

A few participants felt that Tanzania is moving in the right direction. They pointed out that the government is improving the country’s macro-finances, education is being improved (through cost sharing and private schools), and government is getting out of production and industry.

“I see a bright future. There are lots of changes coming... the government will no longer run businesses, and the macro-finance economic outlook is looking better.”

“I think if we maintain peace and the policies that we are pursuing now... we will be on the right track. The GDP should increase if there is no inflation.”

When asked what they would like Tanzania to be in 25 years, a number of participants said they would like to see Tanzania to be similar to the “middle” economies of the Far East (Singapore, South Korea, and Indonesia were mentioned). Others said that they would like a government that is committed to benevolent leadership, not based on crisis reactions. Several criticized the government’s dependence on foreign assistance and stressed the importance of economic self-sufficiency. Many also mentioned that they would like to see Tanzania have a sound infrastructure (particularly roads) by then.

“[Ideal situation would be] to look for manpower within the country and put every person in right position of competence.”

“Priorities need to be toward the people themselves.”

“I would like to see jobs increased, exports increased, an increased GDP growth rate. There also needs to be a change in attitudes. Government can’t participate in private sector, can only oversee it. ”

"We need to get away from relying on assistance from the outside. We get lots of consultancy and technical assistance for things we have the competence to do ourselves."

"We need viable plans that can pay back loans."

"[We need to] open new roads so that we can open the rest of the country to development."

"The question of land needs to be addressed."

"In 20 years time, I would like to see indigenous business people dominate the trade activities. Currently they dominate poverty."

3.4 Attitudes toward Private Business

Overall, the civil servants' attitudes toward private enterprise were quite positive. They see it as the engine for Tanzania's future growth. None appeared to have hostile attitudes toward the basic concept of a free market economy. However, there were concerns about how private business growth would be managed.

"I see private sector as the main engine of a developing country."

"[Private sector has a role] because we don't have a choice! It's not like we can put in place the public sector, that already failed."

"Human beings are basically capitalist."

"Private business has a future, but the way it is sponsored may not be right."

Many were concerned that foreign private investment would grow at the expense of indigenous investment, and most felt the government should ensure that indigenous investment was allowed to develop. Investment by Tanzania-born Indians was generally considered to be "foreign" investment, because the participants believed that most profit is sent back to family members in India. A number of participants were concerned that foreign investors do not employ enough Tanzanians.

"Don't open up [Tanzanian investment opportunities] if you're not making them available to local citizens. Tanzania will just be an appendage to systems of other countries."

"Indigenous Tanzanians are not running businesses, 95% of big businesses are owned by aliens."

"Asians run [business in Tanzania]. They got kicked out of Uganda and now Ugandans have opportunity to develop their own business sector."

"Most itinerant traders are sponsored by Asian business people as a way for the business owners to evade taxes."

"Foreign investors should be required to use professional Tanzanians."

"Until local personnel are raised to the standards, [employment of foreigners] is likely to persist."

Most participants believed foreign investment would only be beneficial to the country if it was carefully regulated. However, a few participants countered that investment was valuable regardless of its origin. Generally, these participants felt that foreign investment was needed to "jump start" indigenous investment.

"You get results [from foreign investment] if a regulatory framework is in place."

"There is no need to instill a lot of restrictions on [foreign investors]. Instead let us maximize the surplus from them."

"It is not important for business to be indigenous. We want businesses that create wealth, pay taxes, and employ people.... Whether money comes from Indians, foreigners, or who ever, it doesn't matter."

"Foreign investment plays a significant role when you don't have local investment."

Both informal and formal businesses were seen to be important to Tanzania's future. Many felt that many of tomorrow's formal companies would spring from today's informal businesses.

"Both formal and informal are important; business is business."

"Informal is the breeding ground for tomorrow's entrepreneurs."

A few felt that informal businesses are not as valuable to the economy as formal. Generally, informal businesses were believed to be less successful, because they were not managed appropriately and often did not know whether they were making a profit or not. Nonetheless, participants thought the informal sector was growing faster than the formal sector.

"We should be more realistic and think about what do we need? The informal sector will not move Tanzania ahead."

“Informal private entrepreneurs don't have enough know how. They open a grocery or salon and they don't know what it will bring. They don't know that it is losing money.”

“The over-capacity of the public sector is creating a large, informal private sector, that is running from public regulation.”

A few participants voiced frustration with the fact that, historically, civil servants were the best educated in the country in how to run a business, but were not allowed to, and those who started businesses were not well trained to do so.

“There was a cadre [of civil servants] trained to run government businesses, but they were not allowed to run private enterprises. The rest were not trained but could run private enterprises, so they set up informal businesses.”

Surprisingly, many civil servants were not very supportive of the change in the Leadership Code that allows civil servants to be involved in private enterprise. They found it objectionable on two levels. Firstly, by telling civil servants that they can run businesses, some felt that the government is admitting that they are not paying civil servants enough to live on. Secondly, many felt that a second job created conflicts of interest for the civil servant, and that many use government resources and time to look after their private enterprises.

“Allowing this is ‘governance myopia’...a government that accepts that they are not paying enough is not worthy of its name.”

“The essence of being a civil servant is to serve your country – you are on duty 24 hours a day. It takes away from the civil servant's job.”

“Better to improve the conditions of being a civil servant than focus on making him a business person.”

“We need to study how many public resources are being used to support private businesses by civil servants.”

Many participants indicated that the change in Code had no effect on their lives, since they did not have enough capital to start a private business.

“It is difficult for us to start a new business. If you seem to succeed you would be considered ‘corrupt.’ Where did you get capital?”

“It hasn't changed anything. Civil servants are underpaid so they can't raise capital for large scale business.”

A few participants believed that the change in code was a good one. Some of the benefits mentioned were that it encouraged civil servants to think as business people, to

save and to erase the firm line drawn between businessman and bureaucrat. They also felt it was necessary so that civil servants have a way to provide for their family while making so little money as a civil servant.

"By preventing [civil servants from owning businesses] they were drawing a line between the two sectors. It was antagonizing."

"It has opened up civil servants' talents more. It builds up the entrepreneurial culture."

"It's a motivator. With a sideline income, the temptation to steal is out of the question."

"[The change in the code] allows civil servants to make a smooth transition into retirement based on a reasonable income in addition to the pension benefits."

"Most of the informal businesses belong to civil servants, which has helped them continue working as civil servants."

The civil servants in these groups seemed well aware of the many difficulties entrepreneurs face when trying to start a business. Some of the difficulties commonly mentioned were lack of capital, lengthy procedures and requirements, having to pay tax before starting business, difficulty of obtaining utilities and premises, and corruption. (However, corruption was usually mentioned only after exhausting all other possible barriers.)

"It is difficult to raise capital."

"You have to pay taxes up front, before you have earned any money!"

"Informal is easy. You don't need a license; you only need a small amount of capital. But formal is more difficult; there are a long chain of procedures."

"[The process] looks easy on paper, but to do it, you need to go through the bush."

"Besides the long process, there is a lack of communication between the departments so [the businessman] has to repeat lots of procedures."

"Lack of awareness of investment opportunities and market data make it difficult."

"Facilities are deficient and inadequate."

"Attitudes make it difficult too. There is a non-positive attitude by civil servants toward businessmen."

3.5 Attitudes toward Business People

Civil servants indicated that their interactions with professional business people were generally limited to the “regulatory interaction” that they have with them on the job. These interactions do not appear to be lengthy, and civil servants generally had little to say in way of describing them. The lack of social interaction may be due to class differences. Civil servants said that businessmen see civil servants as poor, and one civil servant said he couldn’t afford to go out and buy rounds of drinks with business people.

“Our interaction with them is simply informing them of the rules.”

“[The businessman] sees the interaction as ‘involuntary.’”

“The interaction is forced by law.”

“When a civil servant is seen moving around with a businessman, he is assumed to be corrupt.”

A few participants pointed out that their interactions with business people have changed. Especially participants from TRA and TIC felt that their interaction with business people was now one more of facilitation rather than control.

“Our role is one of facilitation. We help the investor acquire their license in time.”

“It used to be “them and us” now we treat them as a customer.”

One group indicated that often their interaction with business people is mitigated through the professional associations.

“The national boards (associations) are between the interactions between the civil servant and the investor.”

Perceptions of Businesspeople and Civil Servants

In all but the first focus group, participants were asked to list adjectives that describe the “typical” businessman and that describe the “typical” civil servant. They were then asked to describe how businesspeople would describe themselves and how businesspeople would describe civil servants.

Civil servants’ descriptions of business people were generally a mixture of critical and complimentary comments. Most often participants described typical investors as “risk takers,” “hardworking,” “tax evaders,” and “producers of profit.” They acknowledged that business people were smart at organizing themselves and their resources to make profit, and they seemed to admire that business people work hard and

earn profit. On the other hand, they were critical of the fact that business people are guided only by profiteering, often corrupt and not as patriotic as civil servants.

The participants tended to describe civil servants as earnest, over-worked, low-paid, patriotic workers. Civil servants see themselves as primarily “facilitators” and “enablers,” while acknowledging that they also have duties as “regulators.” Similarly, they described themselves as systematic and disciplined service providers. A number of participants pointed out that civil servants are not as willing as business people to take risks.

Civil servants tended to think that business people had very bad opinions of civil servants. They generally thought that business people would describe the typical civil servant as “poor,” “corrupt,” “inefficient,” “bureaucratic,” “unmotivated,” and “time-insensitive.” A number of participants indicated that business people generally see civil servants as unnecessary impediments to their business.

Civil servants assumed that businessmen have very high opinions of themselves. Participants thought that business people would most likely describe themselves as “rich,” “smart,” “efficient,” and “taxpayers.” A few participants noted that ~~businesspeople tend to feel that they are always right, and that they feel frustrated by the red tape of government.~~

3.6 Attitudes toward Bureaucracy and Corruption

Participants pointed to a number of reasons for the bureaucracy in the Tanzanian government. A number of participants pointed to the lack of supplies, facilities, and technology that inhibits civil servants' efficiency. Several also suggested that many of today's laws were established during the socialist era when the government's intent was to control business rather than facilitate it. A few participants indicated that it was the lack of trust across levels of government that leads to redundancy in procedures and requirements.

“Red tape is due to a lack of technology. Doing things manually is inefficient.”

“Some regulations are good, but we still have the same hangover of ‘getting through the bureaucracy’ as a form of control.”

“We have not changed laws to have less control. They think they still need to control business.”

“The long chain of controls is due to a lack of trust. If you have staff that you trust, you don't have to have the commissioner check everything.”

“[In some institutions] there are no clearly defined job assignments apart from the existing regulations and standing orders.”

Almost all participants acknowledged that there was corruption within the civil service, although there was some debate as to its causes and its extent. The most common reasons given for corruption were low pay for the civil servants, lack of sufficient facilities and materials, and the complicated, lengthy procedures a businessman has to wade through.

"Corruption is due to need... You didn't hear of it in 1968. It was a rare case when we were properly paid."

"To survive a civil servant needs to get extra income 'from his desk' or have another job outside."

"It is a sly use of language. Someone says 'we don't have any file covers.' Then the businessman gives them money to buy the file covers."

"There are too many steps. Too many people have the opportunity to be corrupt."

"Businessmen don't understand the process they have to go through, so they want to go around it."

Other reasons corruption were mentioned by a few participants:

- Ministers using authority to allow businesses to sidestep procedures;
- Inadequate staffing (the laws have not changed, but there are more businesses and fewer staff);
- Lack of defined and exclusive roles for individuals and institutions; and
- Lack of technology (civil servants do everything manually, which is inefficient and allows opportunity for bribes).

A number of participants also mentioned that cultural history plays a role in today's corruption. From the mid-1980s until the early-1990s, corruption became an accepted norm of life. It has been accommodated for so long that it is accepted practice. Most agreed that a new attitude toward the acceptance of this behavior needs to be encouraged.

"If you don't steal, people think you are stupid."

Many participants were anxious to point out that corruption takes two players, and that the business community plays a role in the causes of corruption, as well. A number of participants acknowledged that, commonly, the reason business people are corrupt is because the system is inefficient and non-transparent. Since they often do not know how long an approval will take nor how many more steps are needed to complete the procedure, business people are motivated to "go around" the procedures. Others pointed out that since bribery has long been a part of the "system," many business people offer bribes because they assume it is necessary.

"They used to simply bribe rather than pay taxes, but now they might pay less in tax than in bribes, but they might still do it (bribe) because they can save time."

"It is the assumption of our customers. They offer [bribes] just because they think they have to."

Participants had several recommendations for reducing corruption. Many said that the government needs to increase pay, to reduce the incentive to corrupt. However, many also pointed out that there is corruption even among the well-paid, higher levels of the civil service, so an increase in pay alone might not have a large effect. Another common recommendation was to improve laws and procedures to make the entire process simple and transparent. Similarly, they pointed out that record-keeping needs to be improved, and proper facilities need to be provided. Finally, they felt that attitudes needed to change across the board (among civil servants, politicians and business people) regarding the acceptability of corruption.

"Need to bring in the right people who are then well looked after."

"Become transparent."

"Improve record keeping."

"Post 'don't accept bribes' everywhere. It is a cheap way [to fight corruption]."

"Integrity of the system is critical. Even technology can be corrupted; you need to make sure integrity is brought into the civil service."

3.7 Reactions to Message Concepts

Participants were asked to read four "message concepts" about the importance of the private sector and the civil servants' role in encouraging it. They were asked to discuss each message, and at the end of the discussion they were asked to rank the four messages from the one they liked the most to the one they liked the least.

A. Private investment can mean better lives for all.

Increased private investment in Tanzania will create jobs, increase income and improve the economy. As investment increases the production of goods, consumers benefit from increased competition and lower prices. By generating more jobs and greater tax revenue, which can be used to build infrastructure and improve health and education, private enterprise will enhance the safety and security of all Tanzanians. I can help improve the lives of my countrymen by encouraging private investment in Tanzania.

There was generally mixed reaction to this message concept in the groups. Six of the participants liked it best (with modifications) whereas seven participants liked it the least of any of the messages. Almost all groups mentioned that private investment will not

help *all* Tanzanians, and that the opportunities are only hypothetically for all. A few participants pointed out that “greater tax revenue” would come from consumer taxes on more goods, rather than from corporate income tax, since so many tax breaks are given to investors. Participants also added the caveat that the statement is true only if the private investment process is “effectively monitored or regulated.” In general, participants appeared to want this statement to be true, but were concerned that without the proper policies, it would not be.

“It is true that an increase in private investment will create jobs, etc.”

“This is too general to be true. It depends on the type of investor.”

“This is unrealistic. You might see improvement initially by taxing people and giving money back to the public through subsidies, but this is not efficient.”

“The greater tax revenue won't come from income tax but from consumption tax. There are so many investment incentives; the investors themselves don't increase tax revenues.”

“Add to the end of the statement ‘provided that laws or proper policies are observed.’”

A number of participants criticized the statement in this message that private investment creates jobs. They pointed out that often investment does not lead to significant employment of Tanzanians, at least in the higher level jobs. A few suggested that government regulation was needed in this area.

“Employment in big companies is not necessarily for Tanzanians; the good positions are secured from abroad.”

“‘Will create jobs’ should be changed to ‘can create jobs.’”

“Tanzanians are not the beneficiaries from employment in the higher sectors.”

“Need to set a certain percentage that investors can recruit from outside the country. We need to set regulations; you can't blame the investor.”

B. Government and business need to work together to advance Tanzania.

When government and business work together, both sectors can advance the economy for the benefit of all Tanzanians. By ensuring that business applications are handled quickly and efficiently, my staff and I can contribute to the growth of the economy and thereby to our national well being.

This statement was the favorite among more than half (23) of the participants, and only four ranked it last. Almost all participants were very receptive to the idea that the

civil service and business should work together to advance Tanzania. Many felt that the statement should be broadened beyond “business applications” to include all business requirements. One participant also pointed out that the message should specify “civil servants rather” than “government” in general. A few cautioned that civil servants and business should not be seen working too closely together, since one is the regulator and the other is the regulated.

“This is short and clear.”

“All along there has been an element that things are being imposed [on businesspeople]. We need to work together to make things better.”

“This is to the point. When the government visits other countries to discuss business, they usually leave the businessmen behind.”

“It should say ‘business requirements, including applications;’ the entire process has to be handled effectively.”

“It is too one-sided. It mentions only the handling of applications, which is the obligation of the government, but there are obligations of business, too... they both have obligations.”

“But government has business too; you need to define business as ‘private business.’”

“It should be ‘civil service’ rather than ‘government.’”

“I have no problem with the statement, but it should be remembered that the government is carrying out a regulator role. The two parties’ interests are not always the same.”

Participants were generally supportive of the idea that the government must serve the interests of the business sector. However, there was debate as to whether the government currently serves business’ interests.

“It is true. There is no way that government can divorce itself from the business people. Government laws need to represent business people, too.”

“This is a false statement. The government is there to serve the interests of the public... They are already supporting businessmen and farmers.”

C. Foreign investment means more jobs for all Tanzanians.

Foreign investment in Tanzania brings in new capital and new opportunities for all Tanzanians. It provides a greater tax base so that government can provide necessary services, such as education, civil protection, health services and transportation systems. My institution can contribute to the future of our country by supporting foreign investment in Tanzania.

This statement was the least favored of the four statements; 16 participants ranked it last, and 15 ranked it second to last. Only three of the 43 participants indicated that they liked this statement the most. There was general agreement that foreign investment does not aid Tanzania as much as it might. Many believed that foreign investors were not bringing "value-adding" industries or capital to Tanzania and were often only involved in "trading." Others thought that foreign investors did not improve the tax base, since many are given tax exemptions.

"The statement is correct, but it depends on the use of the funds... whether they provide social services from the funds."

"It is correct, but what use is it? It is theoretical. Foreign investment can bring, not necessarily will bring."

"You need qualifications on this statement. You need to make sure they pay taxes, and that taxes go to infrastructure, and then it works."

"It should say 'demand-driven foreign investment.' We don't need a lot of this investment."

"As I said before, there is no tax base increase from foreign investment. The increase comes from greater consumption tax."

Again, the participants said that they thought that foreign investors employ Tanzanians in only the lowest positions and take all their profits back to their home countries through the banking system, thereby depleting national reserves. The idea that foreign investment will help ALL Tanzanians was not credible with any of the participants.

"There won't be employment for all Tanzanians. There will only be 'opportunity' for all Tanzanians."

"Foreign investment doesn't mean employment for all Tanzanians. It is only for some Tanzanians, but how can you define who is not included?"

"This is false. There is no way foreign investment will create jobs for everyone; take 'all' out of the statement."

"If it said 'direct investment' that would be right, but with 'foreign investment' it has to say 'opportunity for all,' not jobs for all."

D. Corruption is harmful to all Tanzanians.

Corruption in the government consumes public funds, discourages honest investors and robs the country of jobs that could have been created. Civil servants serve as the protectors of the Nation's economy. I can help move our country's economy forward by helping the government run efficiently and honestly.

There was mixed reaction to this message; some felt it was very important, but most felt that it was secondary to either Message A or B. Seven participants ranked this message first, while 12 ranked it last. There were substantive clarifications on this statement; most hinged on the root causes and complex solutions of corruption. Many criticized that this message puts the blame for corruption only on the civil servants. They would like to see a statement that also includes the role that businessmen play in encouraging corruption. But others countered that corruption would not start if the bureaucracy did not slow down the process. Those who said they liked this message the best said that this message was needed to change the current climate to foster good investment.

"This assumes that only civil servants are involved in corruption."

"This is not fair to civil servants as it stands. Corruption is at all levels, not just in the government."

"Often it is due to the lack of qualification or conformity [to the rules and regulations] of their application that businessmen will be corrupt. It is not solely due to inefficiency."

"Corruption takes two. This message is talking about only the government. Isn't business just as guilty?"

"But bureaucracy is the cause of the businessman's bribes."

A number of participants mentioned that the "root causes" of corruption should be highlighted, in order that solutions can be reached. There was some debate as to whether low pay caused corruption or if the practice is simply engrained in the system regardless of pay. Many of the participants felt the last sentence was overly ambitious, and indicated they could only do what was within their "ability and knowledge."

"You need to take care of the causation [of the corruption] first; otherwise, it reads beautifully, but it can't be implemented in practice."

"Government should look at how to motivate civil servants so they are not corrupted."

"[After the 1970s,] the virus of corruption grew slowly, for economic and political reasons. It started not necessarily because of [low] pay.

"'If I'm well paid' must be added to the end of the statement."

"The last line should read 'with improved environment, I can help.'"

"Last sentence is a very ambitious statement... as an individual, I can't do it. It's to my ability and knowledge."

Participants also suggested additional messages that would be effective in changing bureaucrats' attitudes toward private investment in Tanzania. Most suggestions related to including the "root causes" of corruption into any message about corruption. A few civil servants also suggested including a message about Tanzania's need for greater self-reliance to promote internal capacity building.

"[A message should include a statement about] directing meager resources to individuals capable of developing own investments."

"We should direct resources to local entrepreneurs."

3.8 Information Sources

Participants indicated that they expected to hear these types of messages in government-sponsored workshops and conferences, in their offices, and in the media, especially newspapers. Some mentioned that they had already begun to hear discussion of these issues in department meetings and in circulars. A few mentioned that they would expect these messages to come from business people or from the donor community. A couple of civil servants suggested that the president needed to promote these kinds of messages to encourage support for his policies.

"Some of these statements have been promoted via circulars and in speeches by the [Principal Secretary]."

"I'd expect to hear this from advocates of the free market economy."

"[I would expect these messages] in IMF reports on Tanzania."

"TIC needs to enable this [kind of message], but the government needs to give it."

"It should come from the government. They need a campaign to popularize the free market like they did for socialism."

Participants indicated that they got their news from a wide variety of sources, primarily newspapers, television and radio. Many participants also mentioned non-mass-media sources, including circulars from the office, friends and family, colleagues at work, and community clubs.

There was little consensus in what sources of news the civil servants trust most. Some mentioned that they only trust what they hear from personal sources. Others said that they trust different types of media sources for different types of information. Some indicated that they were more likely to believe government sources about government business. Most said that they need to hear something from several sources before they are sure that it is true.

"I trust what I hear from my Club, where you meet people from your own class."

"You need to read between the lines and then figure out whether you believe it."

"If it is related to the government sector, you need to read one of the seasoned government papers. Look in Uhruru to see the authenticity of the statement."

"I trust Radio Tanzania. It is just news; it's not business-making. News should just be reported [not sold for advertising]."

"I wouldn't trust the private papers (Dar Leo, Guardian) on whether a government statement was said or not."

"You can look at any of them for general news."

"You also need to read sources from outside; you miss a lot if you only look in Tanzania."

"You might trust what you see on TV, but you don't know to doubt it unless you look it up yourself."

CONCLUSIONS AND IMPLICATIONS

4.1 Conclusions

It appears that civil servants are generally in favor of private enterprise development within Tanzania, but want to be sure that it includes the indigenous private sector. They are not very motivated to help foreign investors invest in the country. One reason for this may be that they do not have a clear understanding of how foreign investment can help the economy and the population, both directly and indirectly. Many felt that Tanzania's future depended on the willingness of the government to "guide" investment so that it facilitates internal development of the country.

Civil servants seem to be particularly interested in encouraging entrepreneurship and business activities by indigenous Tanzanians. To change civil servants' attitudes toward foreign investment, the benefits of foreign investment to indigenous citizens must be illustrated. The benefits that civil servants would most like to see are employment and revenue for social services, infrastructure and micro-financing of indigenous business.

Civil servants say they are interested in working with the private sector to help the economy move forward. They perceive themselves as having knowledge and skills that could be valuable to entrepreneurs (especially indigenous entrepreneurs) because many civil servants have been educated as economists, planners, etc. They would like to be perceived as facilitators and resources to business people, rather than as "expenses" for the businessman's time and money. In general, they felt that business people have a poor opinion of civil servants, but they tended to view business people with both admiration and suspicion.

Civil servants appear to have mixed feelings toward their jobs. They are to be proud of being well-educated, prestigious leaders in their community. A number of them mentioned that they joined the civil service because they wanted to help their fellow Tanzanians and be able to use their education. However, some felt they had little choice about what career path they followed. A few seemed resentful that they joined the civil service because it was the biggest employer, and now have few options for other careers. Most of all, the general sentiment among the participants was that they were under-appreciated by the government, by the public and certainly by business people.

To improve the attitudes of civil servants toward their jobs, many changes will need to occur within the government. In general, the civil servants seemed frustrated by the fact that they are asked to uphold laws and regulations that are outdated, conflicting, complex, inefficient, and not enforced. They also are frustrated by the lack of adequate facilities to do their jobs. All groups mentioned that, in part, their inefficiency was due to lack of materials, antiquated filing systems, and lack of record keeping. Most also felt that increased pay is the most important change needed.

Participants also suggested that changes in attitudes toward corruption need to occur at all levels of government. Many believed politicians often make decisions that are in direct

conflict with the regulations that they are asked to implement. They suggested that these conflicting rules often lead to bureaucracy and even corruption, as civil servants develop ways to carry them out. They also felt that a clearer delineation of roles and responsibilities in government is needed so that trust can flourish within the civil service.

4.2 Implications for a Communication Program

The findings from this focus group study have a number of implications for a communication program designed to improve the attitudes of civil servants. The communication program will need to incorporate several elements:

- Coordination with the business community to open communication with the middle level of the civil service.
- Education of civil servants on the indirect benefits to Tanzania of investment of all kinds, including foreign investment.
- Acknowledgement of the many causes of corruption within the civil service and realistic reasons for changing the behavior regardless of those causes.
- A motivation to improve the level of pride and self-satisfaction civil servants feel in the accomplishment of their jobs.
- Mobilization of civil servants to contribute to the implementation of the national Vision 2025 in the Civil Service Reform program.

Messages developed for the program will need to:

- **Reinforce civil servants' self-image of being educated, disciplined, patriotic workers and recognize that they feel overworked and underpaid.** Participants were proud of the level of education and prestige they had achieved in their lives, but did not feel that they reaped many rewards from it. They had a sense that they were working for the benefit of their country, but that the country did not necessarily respect the role that they play.
- **Encourage civil servants' interaction and communication with business people on the job, in professional organizations and socially.** The lack of communication between business people and civil servants, professionally and socially, appears to be a key barrier to civil servants' understanding the demands and challenges a business person faces when trying to establish a private enterprise in Tanzania. More direct communication may reduce the negative attitudes each group has of the other.
- **Address "core causes" of corruption and bureaucracy, including low pay, lack of adequate supplies and facilities, historical patterns, and confusing laws and regulations, as well as the behaviors and attitudes of civil servants and business**

people. A message that focuses solely on the civil servant's role will not be credible with this audience.

- **Address civil servants' negative perceptions of certain "types" of private investment.** While civil servants have positive attitudes about private investment in general, there is a negative attitude toward most foreign investment. The negative aspects of foreign investment must be acknowledged, and the positive aspects (including infusion of revenue and infrastructure) need to be promoted.
- **Be communicated through credible, respected channels, including government-sponsored sources, newspapers, and community sources, over a significant period of time.** Most participants felt that messages that promoted civil servants' role in encouraging investment would come from the government: at conferences and workshops, in circulars, in speeches by officials. It will be important that the campaign be seen as a promotion of the "vision" of the government rather than a program from an outside donor. Most reported getting their news from mass media, such as newspapers and radio. Participants varied in the amount of trust they placed in the sources for news in Tanzania. Many said they trusted community sources (friends, local clubs, etc.) and only believed mass media messages that they heard from more than one source. This indicates that it will be necessary to use a variety of sources repeated over time to effectively convey our messages.

Finally, the communication program will also need to ensure that its messages and tactics are suitable to the local situation. It is recommended that an in-country communication company be responsible for developing and/or testing all communication materials in coordination with USAID staff or contractors. This will help to ensure that the program and its messages are relevant, appropriate, and comprehensible.