

POLITICS, LEADERSHIP, RESOURCES UTILIZATION AND ECONOMIC DEVELOPMENT IN TANZANIA FROM JULIUS KAMBARAGE NYERERE TO JAKAYA KIKWETE: Strengths and weaknesses

M. E. Mlambiti¹

Abstract

This is a review paper which aims at illustrating the effects of politics on appointments of national leaders in a given country who in turn affect the formulation of national policies which affect the extent of the country's resource utilization and hence its economic development. This relationship is demonstrated by applying the Tanzanian economic development model. Using the model the author states that there are two development paths which are dependent on the type of policies enacted by the leaders. Good policies result in having efficient utilization of natural resources and consequently positive development process while bad policies result in retarding economic development process. Thus the key issue in economic development is the challenge of how to get good political leaders.

Key words: Politics, leadership, resource utilization, socio-economic development, economic development, president's reign, strengths and weaknesses.

1.0 Introduction

1.1 General situation

Many developing countries in the world particularly those in Sub-Sahara Africa are unstable and weak economically and will continue to be so as long as they fail to create a conducive environment for economic development to take place. The creation of a conducive environment for economic development depends on the presence of good leadership i.e. good governance in the country.

1.2 Tanzania's economic structure

The nation's economic structure has a dual character. There is the traditional rural sector which is involved mainly in the production of most export items plus food and raw material for the local industries and the urban sector which is mostly involved in manufacturing and managing the service sector and produces goods for the domestic market and small portion for export. Since the agricultural sector contributes

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more than 45% of Gross National Product (GNP), the review on the status of the country's socio-economic development focuses on the performance of the this sector in the given period.

2.0 Defining the terms

2.1 Politics

According to Webster's new twentieth century dictionary (2nd edition unabridged) politics is defined as the conducting of or participation in political affairs, often as a profession whereas the term political refers to as of or concerned with government, the state or politics.

2.2 Leadership

According to the same dictionary, leadership refers to the position or guidance of a leader or the ability to lead whereas a leader is a person or thing that leads; directing, commanding, or guiding head, as of a group or activity

2.3 Resources

Resources are things that a country, a state, etc. has and can use to its advantage i.e. to produce goods and or services demanded by the society.

2.4 Economic development

Mellor (1966) defined economic development as a process by which a population increases the efficiency with which it provides the desired goods and services, thereby increasing per capita levels of living and general wellbeing. Thus, economic development is a dynamic process involving constant changes in the structure and procedures of the economy.

3.0 Conceptual framework

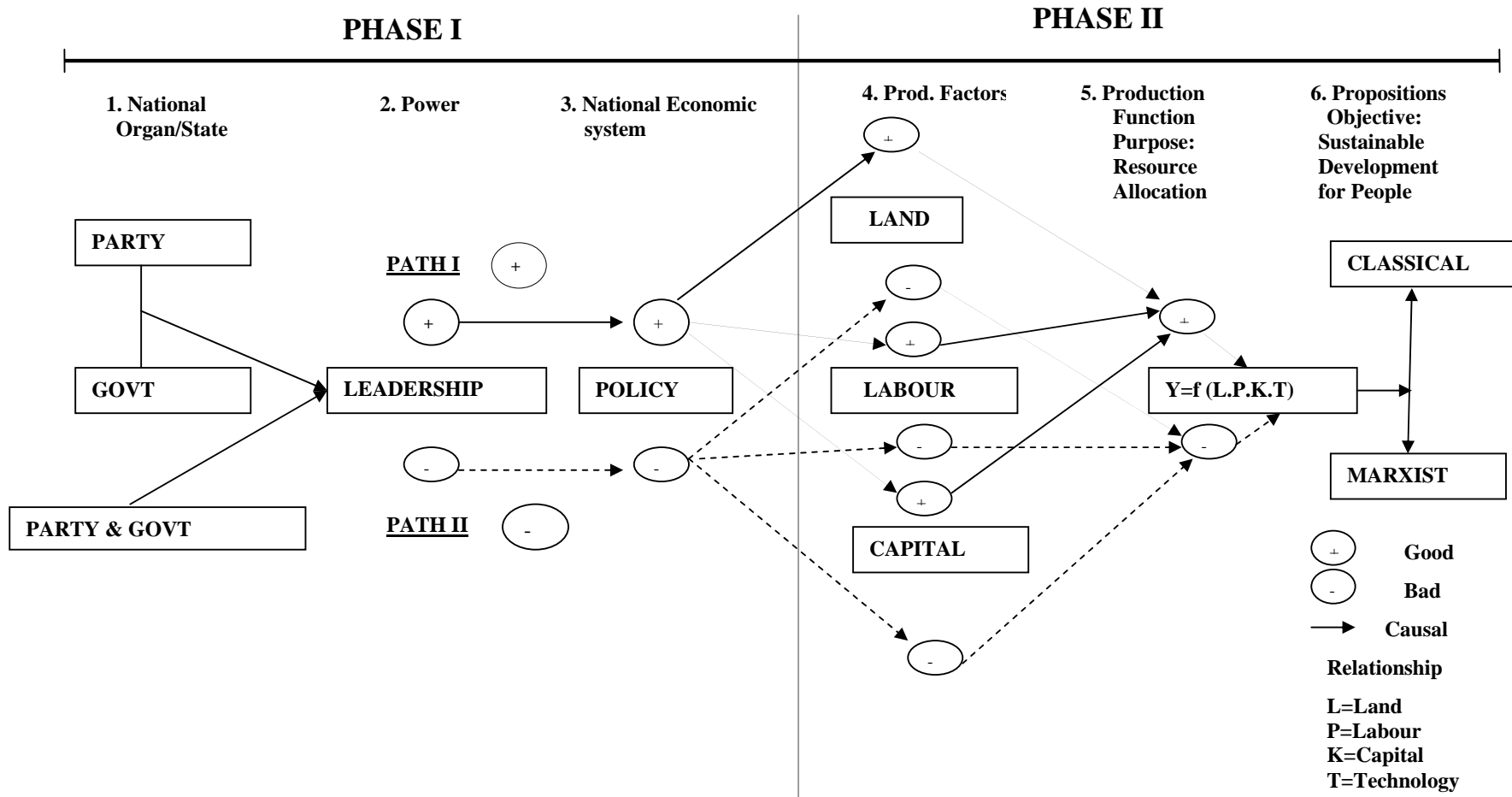
In analyzing the process of economic development in Tanzania, I assume that economic development depends on the county's political set up which itself affects the type of leaders that form the leadership which in turn affects the use of the country's resources. It is indeed how the nation uses her natural resources that differentiate between the rich and the poor nations in this world. This approach has lead me to construct the Tanzania's economic development model as shown in Figure 1

4.0 The Tanzania's economic development model

4.1 The model

The Tanzanian economic development model states that attainment of a desired socio-economic development depends very much on the type/form of the state (form/type of government or politics), leadership quality (power wielding form), national policies and the given factors of production. Figure 1 shows the organogram of the model and given here below are its propositions that show the causal relationship between the above stated factors .

Figure 1: Organogram of Tanzania's development model



Note: Leadership has a key role in determining pattern and pace of economic development. If the leadership is committed to development, it will adopt and implement a suitable economic policy hence offer a positive impact. If is not committed, development won't be achieved. The choice of leadership is therefore important in the development process.

PROPOSITIONS OF THE MODEL

1. $D = f(R)$
2. $R = f(P)$
3. $P = f(L)$
4. $L = f(C)$
5. $C = f(S)$

Where: D = Economic development

R = Rate of resource utilization

P = National policies

L = Leadership (power wielders or governance)

C = Societal involvement (state/degree of democracy)

S = The State (ruling party or politics)

5.0 Using the Tanzanian economic development model to identify the likely causes of socio-economic development problems: Phases and paths of development

As one reviews the Tanzanian socio-economic development trend, one learns that the government is far from its goals of achieving a sustainable economic development despite the adoption and implementation of the IMF supported SAP characterized by market lead economy. Why is it so? Is it because of adoption of a wrong IMF package?

The analysis of possible causes is based on Figure I which is an organogram of Tanzania's economic development model. The model has two phases of development process each is composed of three components. Components of phase I are the state (form of government), leadership (power wielders), and national policy (economic system) while those of phase II are factors of production, the production process and the propositions. Depending on the form of government adopted and the type of leaders selected by the ruling party, a country may have two development paths that could result into negative or positive development.

The state is formed by the ruling party which has the mandate to appoint the leadership that forms the government (power wielders). Thus, the way how the leadership is obtained determines/influences the development process because leadership is responsible for formulating national policies (economic systems) which affect the rate of utilization of factors of production according to the given/chosen production function designed to meet the set national objectives that are determined by the leadership (or the society in case of a democratic system). The leadership may

set policies for example on safe environment as well as on sustainable economic development by manipulating the various propositions of the model.

Therefore, the process of development can take positive or negative path depending very much on the policies enacted by the leadership in place and the way the policies are implemented (the governance). Good governance means having a positive path which results in effective use of the natural resources and consequently improved and sustainable development, while bad governance means having a negative path which results in poor use of the resources and hence retards the development process.

The factors in phase I are the principle determinants of the effective use of the factors of production (natural resources) in phase II. Most developing countries are in fact caught up in phase I. Unfortunately this is the phase that has been receiving the least attention and effort for known reasons (power mongers). Many people seek political position not for the sake of getting economic development rather than for personal gains. As long as the state (public) is unable to provide the needed conducive developmental environment in phase I, all efforts made in phase II will bear either temporary gains or none at all.

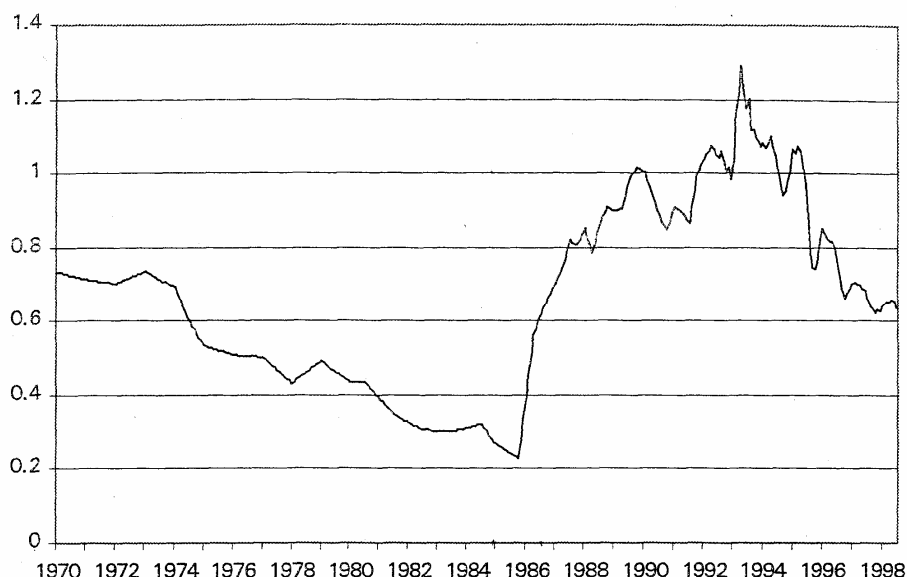
In most cases leadership has a paramount role to play in the development process because it is the leadership that formulates the policies which have a direct effect on the rate of resource utilization and hence on development and environment. Furthermore, it is the leadership that sets the objectives and is responsible for implementation and supervision of developmental programmes. However, selection of the leaders depends very much on the state (the ruling party)- hence emphasis on having democratic or good governance coupled with active participation of the society's elite is of paramount importance to all countries. If the ruling party (regime) has a good system of getting the right leaders, as is the case with most developed nations, then there is greater chance of attaining a fast and sustainable economic development. However, if it does not, as is the case with most developing countries, then there is greater chance of attaining slow and unsustainable economic development.

6.0 Tanzania's socio economic development trend from JK to JK

6.1 Introduction

Figure 2 and Tables 1 – 3 give a general economic development trend for the period 1970 to 1998. Figure 2 is an index of Tanzania's real exchange rate which is a reflection of the country's productivity. An increase in the index corresponds to the extent of depreciation of the country's shilling which implies less production as there is more money searching for few goods and/services. According to Figure 2 the shilling had the highest level of depreciation between 1992/94 and lowest in 1986.

Figure 2.. Index of Tanzania Real Exchange Rate



Note: An increase in the index corresponds to depreciation of the Tanzanian Shilling. Calculated as $NOER \times (MUV/NCPI)$ where NOER is the nominal official exchange rate, MUV is the World Bank manufacturing unit value, and NCPI is the Tanzania national consumer price index. The NOER is interpolated from annual figures before 1985 and quarterly figures between 1985 and 1992. After 1992 the NOER is from monthly figures. The NCPI is interpolated from annual figures before 1988 and quarterly figures between 1988 and 1994. After 1994 the NCPI is from monthly figures. The MUV is interpolated from annual figures in all years.

Source: Bank of Tanzania (various); World Bank (1999b).

Using this indicator one can say that during Nyerere's reign the shilling was strongest and was weakest during Mwinyi's period.

6.2 Agricultural gross domestic product (AGDP) and budget allocation

Table 1 shows agricultural GDP using ASU/MAC production data and at 1992 prices. According to the table statistics, the AGDP growth rates for the periods 1985-90, 1990-93 are 3.5% and 3.3% respectively with an overall average growth rate of 3.3% for 1985 – 1998. The annual growth rates fluctuated from -7% to 15%.

During Mr. Mwinyi's reign (1985/6-1994/5) agriculture had an average growth rate of 3% while during that of Mr. Mkapa agriculture grew at an average of 5.2. However, the real budget allocation to agriculture for the period between 1990/91–1997/98 shows a declining trend being highest in 1990/91 and lowest 1997/98 (Table 2).

Table 1 : Agricultural GDP Using ASU/MAC Production Data and 1992 Prices

Gross value of agricultural output															Growth rates		
Crops	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1988	1985-90	1990-93	1985-98
[Millions of shillings at 1992 prices]															[Percent per year]		
Main food crops	224,844	285,850	242,549	288,438	292,484	277,236	267,716	258,848	300,848	281,274	314,465	323,093	269,890	350,267	4.3	3	3.5
Other food crops	99,544	102,732	106,020	109,420	112,478	115,665	118,864	122,196	125,617	129,138	132,751	136,465	140,286	144,212	3	2.8	2.9
Export crops	39,139	43,572	41,878	41,926	41,907	42,740	51,619	56,068	60,261	45,962	52,564	67,236	64,180	77,422	1.8	7.7	5.4
Livestock	70,137	72,074	74,760	76,832	78,893	81,261	83,487	85,773	88,122	89,343	91,789	94,307	96,820	98,680	3	2.5	2.7
Forestry & hunting	33,891	34,891	35,750	36,720	37,710	38,758	39,820	40,909	42,077	43,223	44,404	45,615	46,846	47,429	2.7	2.6	2.6
Fishing	28,572	29,441	30,336	31,257	32,217	33,141	34,108	35,119	36,668	38,106	39,633	41,240	42,764	44,262	3	3.7	3.4
Agricultural GDP	498,112	570,468	533,280	586,581	597,678	590,790	597,605	600,906	655,585	629,040	677,600	709,952	662,782	764,270	3.5	3.3	3.3
GDP % change		15	-7	10	2	-1	1	1	9	-4	8	5	-7	15			

Source: World Bank [2000] Table 5.16 GDP is calculated as 96 percent of the gross value of crop output

Table 2 : Real budget allocation to agriculture 1990/91 - 1997/98

Year	1990/91	1991/2	1992/3	1993/4	1994/5	1995/6	1996/7	1997/8	1998/9	1999/00
Total vote [Millions Tsh.] (Ag)	57,293.00	644,432.00	71,001.00	62,696.00	63,252.00	40,161.00	26,420.00	21,420.00	37,047.00	44,421.00
% of total national budget	5.1	4.3	3.6	3.6	4.3	3.6	2.7	2.1	4.1	3.8
% of Crop development (Ag)	4	47	39	44	47	55	49	48	34	3.6
% of Livestock development (Ag)	33	12	12	12	9	13	16	4	15	13
% of research development (Ag)	29	25	34	22	30	18	10	15	15	12

A 1990/91 distribution by sector includes only recurrent expenditure because development expenditure figures are not allocated by Sector.

Source: Tables 2.2 and 2.3 World Bank [2000]

6.3 Agriculture contribution to GDP and employment

Contribution of the agricultural sector to the overall GDP fluctuated but depicting an increasing trend with the period 1997/98 contributing 50% of the GDP while its share to net export declined from 90% in 1980-82 to 51% in 1997/98 (Table 3). It is also interesting to note that agriculture share of labour force similarly declined from 90% in 1970 to 82% in 1997/98. However, that notwithstanding, agriculture remained the largest employer in the national economy.

Table 3: Agriculture's contribution to the national economy (percent) 1970-1998.

parameter	1970	1975	1980-82	1985-87	1990-92	1997-98
Agriculture share of net exports by value	n/a	n/a	90	85	67	51
Agricultural share of GDP	49	45	49	46	45	50
Agriculture share of impots : Fertilizer						
Food.....	n/a	n/a	2	4	4	1
	n/a	n/a	13	10	3	4
Agriculture share of labor force employment	90	88	86	85	84	82
Population in rural areas	93	90	85	82	79	75

n/a indicates figure not available

Note: Agricultural exports are taken as the six main crop exports : cashew, coffee, cotton, sisal, tea and tobacco. World Bank COD (1999) estimates that including exports of fish, live animals, horticulture and other non traditional exports would raise the share of agricultural exports in 1997-98 to 73 % of total merchandise exports.

Source: World Bank (2000) Table 1.1

7.0 Comparison of strengths and weaknesses of the reigns of Tanzania presidents from Nyerere to Kikwete

In Table 4, I try to compare strengths and weaknesses of the reigns of the four presidents according to selected socio-economic indicators that I think have strong influence on resource utilization and consequently on the socio-economic development of the country. These indicators include:-mission and vision, institutional structure, policy formulation and implementation, judiciary and news media independence, police respect to the public, sense of nationalism, accountability, people's participation in public issues, people's freedom of speech, resource utilization, and private sector participation in production, employment system, and resultant economic growth.

From the table one can see that President Nyerere was strong in Mission, vision, policy formulation and implementation, judiciary independence, establishing sense of nationalism, and police respect to the public. Mr. Mwinyi, however, was strong in mission and vision (he exploited failure of Mr. Nyerere's mission and vision), judiciary and news media independence, people's freedom of speech, resource allocation and private sector participation. The reign of Mr. Mkapa was weak in almost all aspects except in policy implementation, resource allocation, private sector participation and economic growth while that of Mr. Kikwete though not yet through with the first reign seems to be weak in decision making, enforcing accountability and supporting judiciary and news media independence.

Table 4: Tanzania. Comparison of Strengths and Weaknesses of 1961- 2006 Presidents.

serial	Trait	Nyerere	Mwinyi	Mkapa	Kikwete
1	Mission	He had a clear mission as to what its government is about and why it existed	No clear vision but new that economic situation was bad	Had neither clear mission nor clear direction	Has no clear mission though he talks of better life for everybody.
2	Vision	He had a vision of the most desired state to be attained by his government:- egalitarian society.	To ease the conditions set by Arusha Declaration	To continue with Arusha Declaration but encouraged private sector participation.	He has no vision. Adopts a wait and see vision.
3	Policy formulation	Formulated the policy of Ujamaa and self-reliance.	Adopted policy of Ruksa- do what you can	Adopted policy of privatization of public assets	Continued with policy of privatization.
4	Policy implementation	Instituted a villagisation programme but failed	No specific programmes or guidelines	No specific programmes/ guideline except selected sectoral programme	No specific guidelines set and programmes formulated
5	Judiciary Fairly independence	Very fairly independence	Fairly independence	Biased towards the rich	Being encouraged to be independent
6	News media independence	Very restricted and controlled	Independent with limited control	Independent but frequent government interventions	Independent and but no strong government support.
7	Police respect to the public	Very high got high support	High and got people's support	Minimum and created enmity with the public	Growing high with fairly good public support
8	Sense of nationalism	Very high and proud to be a nationalist, eliminated chiefdoms, Kiswahili national language	High but ethnic conflicts emerged	Very low and never considered as an issue, stressed on party existence	Still very low but needs to be revived
9	Accountability	Assumed self-discipline backed by nationalism	Not considered though demanded	Not considered though public demanded	Taken very seriously in words but not in action

Table 4 continues

10	People's participation in public issues	Through collective participation only	Private sector informally involved	Private sector formally recognized	Private sector formally recognized yet to be taken seriously
11	Peoples freedom of speed	Restricted to Vikao, not as individuals or news media	Openly accepted and encouraged	Somehow restricted regarded as supporters of opposition	Openly accepted and supported.
12	Resource allocation	Though groups/company/jointly with government	According to un-organized market forces	According to unorganized market forces disregard public interest	According to market forces with careful interventions
13	Institutional structure	Very rigid and limited latitude of operation	Informally eased no strict demand of collective operations	Relaxed with no demand or concern of collective operations	Liberalized but with no serious stress on performance
14	Private sector participation	Had no role to play and regarded as a poison	Started to participate and encouraged	Supported ad lib without considering the majority poor.	Supported ad lib but considering the majority poor reluctantly
15	Employment system	Based on know who and resulted in having protected capitalism	Partly on know who and partly on performance	Know who prevailed though performance considered	Partly know who and partly know how with some stress on know how
16	Economic growth	Free fall between 1980-85 with 50% inflation rate and 3% growth rate. Scarcity if commodities	Started to recover Agric. Grew by 4%	Grew at 6.7% though shilling depreciation highest	Still growing at 6.7% and depreciation is high, inflation increasing

The necessary and sufficient condition for a successful and sustainable socio-economic development and growth

Although many development economists view economic development as purely a technical matter, experience gained in Tanzania in the past three and current presidential reigns show that there is more than merely the input-output relationship in the production process. The existence of good, committed, unselfish and popularly supported political leadership (good governance) that encourages and supports mass empowerment sets an environment that is necessary and sufficient for having effective and sustainable economic development to take place. A good leader recognizes the importance of the mass and makes a deliberate and concerted effort to empower them by formation of their own institutions so as to boost their bargaining power. This helps appointment of leaders that are responsive to people's problems and at the same time instill accountability in the society.

5.0 Conclusion

The discussion presented above shows that the government of Tanzania has rightly identified the country's focal point for sustainable development as depending on investing in the rural sector where the majority of its people live and whose agricultural production is in turn heavily dependent on the traditional farming system. Furthermore, the discussion also tries to show that failure of any chosen development strategy is not necessarily determined by the national policy or national programs adopted: but rather by the summation of many other factors that influence the growth of the economy as a whole.

However, the discussion demonstrates convincingly that for any program to be successful in accelerating the pace of sustainable development, a country must have a political leadership that is committed to attaining national goals/objectives of economic development that have been set up democratically (participatory approach). The leadership must also adopt an outward-oriented development policy guided by good governance evidenced by true and unclaimed transparency and accountability. Consequently, good leadership is a key ingredient for having a successful socio-economic development program. The major cause of underdevelopment experienced in Tanzania is due to having disguised/claimed democracy which results into electing/appointing poor and uncommitted leaders into government positions. Unless we change the system, we shall take a long time to realize our potential.

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