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**Foreword**

The Journal of Policy and Leadership is published bi-annually (January and June) to advance the study and practice of leadership, policy and public management through publication of articles written by researchers and academicians well informed on the respected fields.

The main purpose of the journal is to bring together a compendium of papers that draw on the Tanzanian and larger African context to advance the science of leadership, policy and public management. By focusing on theory-guided research, we hope to not only stimulate a great integration of leadership, policy and public management but also to propose constructive alternatives and/or future research agendas to guide works in leadership and policy management in Tanzania and Africa.

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## **Human Resource for Health Retention Strategies for Public Hospitals in Tanzania**

*Hassanal Issaya and Josephat Stephen Itika*

### **Abstract**

*Availability of human resource for health in terms of the right numbers, quality and commitment is critical for the achievement of health care targets by 2025. It is to be noted that, although there has been persistent government initiatives to train and recruit large numbers of health staff, still there are serious shortages of doctors, clinical officers, laboratory technologists and nurses. One of the explanations for shortages is continuous exodus for greener pastures including those without direct link to medical and professional practice. Certainly, the government of Tanzania has been taking various interventions to enhance human resource retention. The paper examines such retention strategies and the extent to which they make a difference in redressing human resource turnover. Through various literature and cross sectional survey design where quantitative and qualitative data were analysed, the paper argues that the devised government strategies have substantial influence to determine retention management in public hospital in Tanzania. The paper concludes that these government retention strategies are effective to only few staff which suggests that they should be devised to cater for all HRH staff irrespective of position in order to bear the intended results. After the introduction, the first section of the paper reviews literature on retention, while the second section covers the methodology used. The third section presents the results and a discussion. The last section concludes the paper and shows the policy implication..*

**Key words:** Human Resources, Employee Retention. Health, Health care Targets

### **Introduction**

Retention of employees is one of the challenges facing many public and private organisations. In USA, organizations spend 200 Billion USD in recruiting and replacing lost health professional annually (Samwel, 2008). In UK, the turnover rate is estimated to reach 29% by 2020 (Sellgreen & Ekvall (2007:169). In Asia, the turnover rate is 14 to 16% per year (Samwel, 2008). More than 20,000 Human Resource for Health (HRH) are migrating every year to the UK and USA from African countries

(Sikika, 2014). Since 2000, about 16,000 nurses from African countries have registered to work in the UK alone (GCISM, 2010). This is expected to double by 2020 (Abuja, 2009). As a result 38 African countries do not meet the WHO standards of 20 physician and 100 nurses to attend 100,000 people in developing countries (WB, 2013). In less than 15 years, the proportion of human resource for health (HRH) has fallen by 75% (NHAR, 2009).

In Tanzania, an average of 300 HRH leave public hospitals annually (AHSR, 2010). Earlier studies have shown that leave of absence and study leave have been the best excuses of quitting public hospitals (WB 2006). However, for the purpose of improving HRH, Tanzania has subscribed to various international and regional agreements such as the WHO Health Workforce Decade (2006-2015), The Kampala and Chiang Mai Declarations (2008) all with a priority of retaining HRH. Also internally such measures as raising and reviewing of salaries, provision of special benefits, scholarships to medical staff, and hardship allowance schemes have been used with anticipation that more staff will be attracted and retained in hospitals. This article, therefore, examines the extent to which retention strategies have been effective in selected public hospitals. The article starts with the literature review followed by methodology, discussions, conclusion and policy implication.

## **Literature Review**

Management of human resources in any organization depends upon various factors defined in terms of strategies to ensure that their knowledge and skills are harnessed adequately (Pritchard, 2007). However, many organizations in developed or developing countries are facing problems in staff retention in public health sector (Panoch, 2001). Panoch (2001) believes that organizations today take great care in retaining its valuable employees and good employees who are increasingly becoming more difficult to find. Walker (2001) indicates that retaining promising employees is an important fundamental means for achieving competitive advantage among organizations. Thus there is a demand for management to keep the most vital and dynamic human resources motivated and dedicated (Cutler, 2001). But the consideration should not be on what the organization hires but what counts should be who are finally kept in the firm (Steel, Griffeth, and Hom, 2002). In such cases there is a need to adopt appropriate employees retention strategies

which should be implemented by organizations to encourage employees to remain and work for the successful achievement of organizational goals (Amadasu, 2003; Taplin *et al.*, 2003 and Gberevbie, 2008).

The literature provides factors that influence retention of employees (Osteraker, 1999; Walker, 2001 and Kehr, 2004). Social, mental and physical dimensions are the main retention factors for human resource in public sector (Osteraker, 1999). The mental dimension of retention consists of work characteristics, employees' flexible preference for working task where they can use their knowledge and see the results of their efforts in turn (Osteraker, 1999). The social dimension consists of the contacts that the employees have with other people, both internal and external (*ibid*). Walker (2001); Kehr (2004) and Hytter (2007) identified seven factors that can enhance employees retention, they include: compensation and appreciation of the performed work, provision of challenging work, chances to be promoted and to learn, invitational atmosphere within the organization and positive relations with colleagues. This may also include health balance between the professional and personal life also good communications among health workers within an organization.

Moreover there are a set of workplace norms and practices which are taken as the means for inviting employees' engagement. While Kehr (2004) divided the retention factors into three variables: power, achievement and affiliation, on his part, Hytter (2007) found that factors such as personal premises of loyalty, trust, commitment, identification and attachment with the organization have a direct influence on employees' retention.

Also retention has been reflected in what is realised by employees at work place. For example, issues of performance rewards, leadership style, career opportunities, training and development of skills, physical working conditions, and the balance between professional and personal life have indirect influence to health workers' retention (Pritchard, 2007). This view is also advanced by Kyndt *et al.*, (2009) who observe that personal factors like level of education, seniority, self-perceived leadership skills, learning attitude and organizational factors such as appreciation and stimulation, and pressure of work are of great relevance in employees' retention. Therefore, these factors from different scholars can be devised as strategies to improve retention in public hospitals in any country including Tanzania. In this regard, different countries have

devised different strategies to improve retention in public hospitals but the extent to which they are effective arouses attention. For example, the government of Tanzania has had different initiatives taken to ensure it retains highly trained health employees in public health facilities.

The Government has over time subscribed to different international treaties aimed at improving health services. These treaties include among others the one by the World Health Organization Health Workforce Decade (2006-2015) with a priority of retaining health workers; the Kampala Declaration (2008) and the Chiang Mai Declaration (2008) all emphasize on the importance of human resources for health retention. Moreover, in 2010 during the 63<sup>rd</sup> World Assembly, of which Tanzania is a member, adopted a new code of practice to stop international recruitment of health personnel without prior agreement with the countries of origin. Apart from subscribing to international treaties, the government has devised initiatives to sustain its human resources for health retention. They include, among others, raising and reviewing of salaries and other compensation benefits for government employees including health personnel. For example, in 2002, the Government adopted the accelerated salary enhancement (SASE) scheme in the Tanzanian public service. The objective of this scheme was to assess if the increased salary and other monetary benefits would help motivate and thus retain public health employees. Moreover, there is a special programme, Mkapa Foundation, which offers special benefits to health workers including free housing, air time and transportation. Such measures go hand in hand with the provision of health workers with extra work pay, workplace hazard allowance, on-call allowance, risk allowance, housing allowance and increased opportunity for self-development (Kauzya, 2009). All these strategies were taken deliberately to curb the inherent problem retention of HRH.

Despite all these strategies, evidence indicates that retention of human resource for health (HRH) in the health sector in Tanzania is still a challenge. For example, the report by NHAR (2009) indicates that for less than 15 years, the proportion of health workers to total Tanzanian population has fallen by 75%. This is also supported by AHSR (2010) report that, about 300 staff leaves the public health sector annually looking for alternative green pasture elsewhere. A report by Sikika (2014) indicates that 18% of pharmacists, 15% of medical doctors and 13% of assistant doctors left their duty stations few months after being employed.

Most doctors have been quitting the public health sector by just asking for leave of absence and study leave as their best excuse (The World Bank, 2014). These reports indicate that there is an alarming rate of employees' turnover in public hospitals in Tanzania. These reports are relevant to this study as they provide comprehensive data of turnover. However the extent to which the strategies to ensure retention have been effective has not been attended to, the gap this article addresses. Therefore, this study examined effectiveness of retention strategies for human resources for health in public hospitals in Tanzania.

## **Methodology**

### *Approach and Design*

The findings of this article were based on the qualitative and quantitative data (Jogulu and Pansiri, 2011, Miller, 2006; Morse (1991) cited in Kunkuta, 2011: 92; Walker and Robinson, 2004) drawn from cross sectional survey design. The choice of the design was influenced by the fact that the data could be collected from a large group of subjects on their attitudes, feeling and behaviours to answer the questions: “why”, “how”, and “what” happened (Miller, 2006; Yin, 2009).

### *Sample and Sampling Techniques*

The sample was estimated to be 384 but the actual number of respondents was narrowed to 278 from the three regions (Dar es Salaam, Lindi and Mbeya). Since the total number of the HRH in the Tanzania public service is not comprehensively known then, the sample size was calculated using a formula suggested by Kothari (2005) as follows:

$$n \geq \frac{Z^2_{\alpha/2} p(1-p)}{d^2}$$

Where,

$$Z_{\alpha/2} = Z_{0.025} = 1.96$$

, is the confidence level value obtained from normal distribution table

d = is the chosen margin of error (0.05) p=0.5, is the estimated value for the proportion of a sample which gives the optimal sample size in absence of known population.

The procedures/techniques used to collect the sample were both, probability and non-probability sampling. Probability sampling techniques were adopted for statistical inferences or generalization and to achieve a representative sample of the population (Kothari, 2005). Non probability sampling was used for selecting the sample that contained few respondents for interview. This approach was also suitable for selecting the sample where there were inability to use probability sampling due to lack of centralized database of human resource in health sector.

### *Data Collection Methods*

For primary data, structured interviews and questionnaires were used, while secondary data were obtained through documentary review (from journal articles, internet, and government documents and different reports). Using more than one data collection method helps to combine, complement and supplement data acquired through other methods (Yin, 2009; Kothari, 1990).

### *Data Processing and Analysis*

The data collected through questionnaires were analysed quantitatively by using Statistical Package for Social Science (SPSS Statistics Desktop version 20.0). The analysis used both descriptive and analytical statistics. Descriptive analysis was done so as to determine the percentages of the studied variables and for drawing frequency distribution tables. To complement the descriptive analysis, methodological triangulation was performed whereby some descriptive data were supported by interview responses. On the other hand qualitative data were prepared, organised and categorised into themes and finally conclusions were drawn through thematic content analysis.

## **Results**

### **Demographic and Other Characteristics of Respondents**

A total of 278 interviews were conducted to health workers who work in public health facilities and 22 interviews were conducted to health workers who had left the public health sector. The sample compositions were almost equally divided between sexes and people of different other characteristics as shown in Table 1.

Table 1: Demographic and Characteristics of Respondents in public hospitals (N:278)

<b>Item</b>	<b>Number</b>	<b>Percentage</b>
<i>Gender</i>		
Male	160	57.6
Female	118	42.4
<i>Age</i>		
18 – 25	18	6.5
26 – 35	80	28.8
36 – 45	82	29.5
46 – 55	81	29.1
56 above	17	6.1
<i>Education</i>		
Primary education	15	5.4
Secondary education	50	18.0
Diploma	126	45.3
First degree	65	23.4
Master's and above degree level	22	7.9
<i>Marital status</i>		
Married	198	71.2
Single	61	21.9
Window/Divorced	19	6.8
<i>Position/ cadre</i>		
Medical specialist	6	2.2
Medical officer	48	17.3
Clinical/Medical assistant	59	21.2
Dentist	6	2.2
Nurse officer	63	22.7
Assistant nurse	58	20.9
Other specialist/cadre	38	13.7
<i>Year of working experience</i>		
4 Years	65	23.4
5-15 years	103	37.1
16-25 years	61	21.9
26 years and above	49	17.6

*Source: Constructed from field data results 2014*

The demographic characteristics in terms of age indicate that six percent of the respondents were the youngest within the range of 18 to 25 years. While 28.8 percent of the respondents made the mid category. The other age structure in mid ages from 35 years and above were of more than 67.8

percent of respondents. That is, the respondents aged between 36 and 45 were 29.5% while 29.1% were of 46 to 55 years of age. Over the two thirds of this study's participants were married. In Table 1 above education levels of respondents from public health facilities were presented. It is noted that the majority of respondents from public hospitals had diploma and first degree. As per their training, the respondents were grouped as follows; 2.2% of respondents were medical specialists, 17.3% were medical officers, 21.2% were clinical medical assistants and 22.7% were nurses. The remaining 36.6% were of the lower cadre. This means public hospitals have few medical specialists.

From the respondents' returned questionnaire, health workers who left private hospitals were 22 out of this 54.5% were males while 45.5 % were females. Table 2 below shows that majority of the respondents were aged between 36 and 45, few respondents came from age groups of 18 to 25 also from 56 and above years. The respondents who left the public hospital had 5 to 15 years of working experience, these formed about 50%. 13.6% of respondents had four years of work experience. This implies that the majority of health workers from the private sector had a working experience of 5 to 15 years. This fact proves that public hospitals lose a significant number of experienced human resources for health sector.

## Government Employee's Retention Strategies in Public Health Facilities

The personal advancement and improvement of working conditions strategies in public hospitals are presented in Table 2.

*Table 2: Perception on personal advancement*

Employees retention strategy	Not Effective (%)	Slightly Effective (%)	Neutral (%)	Effective (%)	Very Effective (%)
<b>Personal advancement</b>					
Training & development opportunity	22(7.9)	81(29.1)	70(25.2)	81(29.1)	24(8.6)
Employee training and achievement	34(12.2)	69(24.8)	85(30.6)	74(26.6)	16(5.8)
Promotion based on performance & competency	50(18.0)	77(27.7)	83(29.9)	48(17.3)	20(7.2)
Human resource development plan	38(13.7)	60(21.6)	113(40.6)	50(18.0)	17(6.1)
Succession of leadership	46(16.5)	55(19.8)	105(37.8)	57(20.5)	15(5.4)
<b>Improvement of working condition</b>					
Up to date technology to perform	44(15.8)	76(27.3)	91(32.7)	48(17.3)	19(6.8)
Up to date working equipment	53(19.1)	78(28.1)	102(36.7)	27(9.7)	18(6.5)

*Source: Constructed from field data results 2014*

The government employee's retention in public health facilities was not very effective in the public health sector. On personal advancement, only 24.5% of respondents agreed that promotion based on performance and competitiveness was effective in public health sector. The indication is that 75.5% of employees were not satisfied with the promotion based on performance. Regarding succession leadership as a strategy, only 25.9% of respondents thought it was effective. This indicates that the majority which forms 74.1% of respondents were not satisfied with leadership succession as a best strategy. On good training and development opportunity as a strategy, only 37.7% of respondents thought it was effective. Invariably, the remaining percent of 62.3% of respondents thought it was not effective. This data is complemented by one of the interviewees who complained that:

*“At our place, it is the same people who are chosen for the same trainings, even more than five times. They are attending training for the sake of getting Per-diem not for capacity building. What is the value of training if the same people attend the same training every year? This is discouragement to health workers” (interview with a nurse carried on 10/07/2013 in Lindi Regional Hospital).*

Regarding improved working conditions as a strategy, data indicate that 24.1% of respondents were of the view that up to date technology was an effective strategy to improve retention which imply that 75.9% considered it as ineffective strategy. On the other hand, 16.2% of respondents regard working equipments an effective strategy which invariably suggest that a good number of respondents, that is 83.8% were not in favour of it. Thus, the majority of respondents were not satisfied with the state of equipment in public health sector as also observed by one of respondents that:

*It is difficult to attend emergency cases related to women labour at our dispensary because we do not have delivery equipment and special delivery room, but we usually take the risk of attending them, because we cannot let them die under pretext of not having equipment. (Interview carried on 20/01/2014 in Lindi Hospital)*

Further, on salary packaging, supervisory and leadership styles, the results shows different perceptions as indicated in Table 3 below:

*Table 3: Salary, supervision and leadership styles*

<b>Employees retention strategy</b>	<b>Not Effective(%)</b>	<b>Slightly Effective(%)</b>	<b>Neutral(%)</b>	<b>Effective(%)</b>	<b>Very Effective(%)</b>
<i>Salary packaging</i>					
Competitive salary package offered	54(19.4)	62(22.3)	109(39.2)	37(13.3)	16(5.8)
Equal pay for work of comparable value	69(24.8)	61(21.9)	107(38.5)	29(10.4)	12(4.3)
<i>Supervisory and leadership styles</i>					
Allows participation in decision making	59(21.2)	59(21.2)	78(28.1)	61(21.9)	21(7.6)
Objectivity of performance evaluation and feedback	41(14.7)	56(20.1)	103(37.1)	62(22.3)	16(5.8)

*Source: Constructed from field data results 2014*

Regarding salary, competitive salary package and equal pay of comparable value, the data indicate that 19.1% and 14.7% of respondents thought that they were effective strategies respectively. This indicates that the majority, 80.9% and 85.3% respectively, were not satisfied within the two categories of salary packaging. . Interview responses categorically supported the quantitative data where by one of the respondents from Mbeya in Vwawa district hospital desperately said that:

*Staying in this office doesn't mean that I am satisfied with the government salary. It is not enough to cater for my basic needs, to pay for my children school fees and help my relatives. To attain these requirements, I have to do other jobs not related to medical field to subsidize my income. For me I am engaged in maize and coffee agriculture. Therefore I spend most of my time doing my business rather than the work I was employed for (interview carried on 25/01/2014 in Mbeya.)*

Regarding supervisory and leadership style the data indicate that on participation in decision making, 28.5 of respondents thought the strategy was effective while 71.5% thought it was ineffective. This implies that the majority of respondents are not satisfied with participative decision making practices as a strategy in public health sector. Moreover, 28.1% of respondents believed that objectivity on performance evaluation was an effective strategy for retention. This data leaves the majority (71.9%) of respondents alarmed by the strategy.

## **Discussion**

The Government of United Republic of Tanzania has overtime been devising different strategies for retaining health workers in public hospitals. It is noted that the public health reform programmes of 2000 to present aimed at improving health provisions to achieve the Millennium Development Goals (URT, 2000). The government of Tanzania, among many strategies employed to improve health services, was to make sure that public hospitals have enough and qualified human resources. It entailed increasing and retaining adequate number of medical doctors, specialists and nurses. These interventions by the government were charted as a result of poor service delivery in public hospitals (URT, 2000). Under this strategy various measures were taken. They included

person advancement, improved working conditions, improved salary package, fringe benefit, improved management and leadership (URT, 1999).

However, the data presented above in this study generally indicate that the strategies are inadequately effective in ensuring retention of human resources for health in public hospitals in Tanzania. The findings indicate that less than 30% of respondents hailed the strategies as being effective leaving a good number of respondents above 70% dissatisfied with the strategies. For example, there were complaints of favoritism especially when it comes to opportunity for training. That, only few people and especially those in higher echelon were given priority and they would go for training more than five times in the year at the expenses of those from the lower carder. . As such it is thought as a way of getting per diem other than capacity building.

This observation rhymes with Sikika's (2013) observations that, training are not taken as a capacity building tool, rather it is taken for granted by those who are usually after per diem and allowances. The strategy is not properly implemented which result into discouragement and thus does not help to improve health service delivery in terms of capacity building for human resources for health sector. One may argue that training is not based on proper human resource development plans because the visited regions depended on ad-hoc trainings which benefit few members of staff without regard to performance requirements.

Regarding staff promotion in public service and particularly in public hospitals, the situation appear to be pathetic as less than 30% of respondents were satisfied with the practice implying that the majority (more than 70%) of respondents were dissatisfied with the strategy. This has inadvertently contradicted the Public Service Management and Employment Policy of 1998/99 which requires employers to promote their staff based on merit and performance. The possible explanation of this could be that most public hospitals have no proper and systematic system of performance management which would be linked to staff performance and promotion. This situation demotivates staff and in fact they do not feel like staying in the public service sector because there is no career advancement. In this situation, one would argue that if human resource development plan is not clearly stated, there will be no clear promotion lines, capacity development and indeed succession plan will be poor. These misalignments of plans discourage human resource for health

sector to remain in public hospitals because career growth in the organisation cannot be realised as suggested by Dockel (2003) and Ng'ethe, *et al.*, (2012).

With respect to working condition, issues like working equipment, improved technology, office space and housing facilities surfaced during the study in the three regions visited. Our findings indicate that more than half of respondents lack adequate working equipment. Unlike dispensaries and health centers, the research observation indicated that equipments are readily available at referral and district hospital only. This perception of insecurity due to lack of equipment may prompt staff to leave the organization as cautioned by Phillips and Connell (2003). This finding concurs with other studies in Tanzania which show lack of equipment in health facilities (Penfold *et al.*, 2013). Furthermore, delivery services have been found to be a problem in health facilities at the reception because of no delivery equipment (Penfold *et al.*, 2013, Dogba, 2009). Lack of equipment is very much involved and affects health worker performance. As a result, this situation affects service delivery, working environment and retention of human resource to health sector.

Regarding the salary and other financial rewards, the data reveal that more than 70% of respondents were of the view that salary is not a motivating factor. Salary as a strategy for enhancing retention has appeared to be effective among medical specialists as compared to other cadres in public hospitals. Therefore, it can be argued that performance in public hospitals in Tanzania has been affected by low salary and inadequate fringe benefits. Although some writers like Baghaei (2011) would argue that salary is not the only factor, he agrees that good pay plays a significant role in influencing job satisfaction, thus encourages retention. In due regard, the introduced strategy of using salary adjustment (SASE) has not helped to encourage HRH to stay in public hospitals. This can further be explained by lack of other fringe benefits like on call allowance, overtime allowance and extra-duty allowances, risk allowance. Furthermore, issues of equal pay for work of comparable value and fairness surfaced during the study. Doctors and nurses thought that there was no fairness in salary structures for people of different cadres in the government.

Other important strategy for enhancing retention in public hospitals was the instituted leadership. However, the data collected during

this study indicate the same trend as it was with other strategies. Less than 30% of respondents thought it was effective leaving the large part of respondents (more than 70%) dissatisfied with the strategy. It was observed that poor leadership was a stumbling block to enhance retention in public hospitals. Grievances regarding poor leadership dominated various encounters during data collection. The the implication is that poor leadership greatly discouraged employees and thus it was among the major factors for inadequate retention. In this regard, human resource for health who felt not valued have highest propensity to leave the organization (see also Raymond *et al*, 2009; Dockel, 2003 and Lyn, *et al.*, 2005). Participation of staff in decision making seems to be impracticable in public hospitals. This causes many members of staff in the public health sector to leaves their organizations. .

### **Concluding Remarks**

The paper examined the extent to which government retention strategies have been effective in selected public hospitals in Tanzania. Specifically, the paper examined the strategies related to personal advancement, improved working conditions, salary packaging and supervision also leadership styles. From the data obtained and the discussion that followed, the paper draws two major but complementing conclusions. First, effectiveness of these government strategies to retain HRH employees appear more effective to a few bunch of health workers which is less than 30%. This implies that these strategies work better especially to those who benefit from them. especially those at higher level. The sour part of the findings is that only few benefited from the strategies employed by the government. This reality is in line with empirical literature on effectiveness of strategies to enhance retention in public hospitals in Tanzania. The second conclusion, which is related to the first conclusion, is that, since the majority do not feel motivated by government strategies, they have resorted to a go slow tactics in the line of their duty. Thus workers are withdrawn from the service either physically or psychologically. This has the potential to demotivate those members of staff who are motivated by government strategies as they will feel overwhelmed by work because they do not get cooperation from those withdrawn. As such, the senior staff may be motivated by government strategies but again fail to get cooperation from junior staff who feels neglected. This has implication on retention of the senior staff too. The

paper contributes is experience to both empirical and theoretical literature on effectiveness of strategies to enhance retention in public hospitals in Tanzania.

### **Policy Implication**

The problem in retaining HRH staff in public hospitals in Tanzania affect health service provisions as it affect staff morale, inadequate health services and health worker's workload. Nevertheless, HRH staff have, despite of all odd, been providing health services in challenging environment. Addressing these challenges the government devised different strategies as an attempt to ensure there is retention of HRH in public hospitals in Tanzania. These strategies need to be devised in such a way that all cadres of health sector irrespective of the level of seniority benefit. Therefore, the government should develop and make a count-down policy and revolutionary strategies to retain employees who are highly demanded, such as doctors, without necessarily neglecting other staff like nurses and other lower cadre staff.

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## **Legal and Policy Environments in the Mining Sector after the Economic Reforms in Tanzania: An Examination of Some Key Issues**

*Mikidadi Muhanga*

### **Abstract**

*Tanzania has been experiencing acute economic hardships since the early 1980s. To overcome that, Tanzania and to improve the prospects for development, rigorous and wide-ranging reforms in almost all sectors of the economy, the mining sector inclusive, have been initiated. This paper examines legal and policy environments in the mining sector after the Economic Reforms in Tanzania, specifically by analysing the sector before the reforms and examining the Legal and Policy Responses after the Economic Reforms and how these policies and legislations have impacted the socio-economic and political aspects related to mining in Tanzania plus the lessons learnt from the reforms.*

**Key words:** Legal and Policy Environment, Mining Sector, Economic Reforms, Tanzania

### **Introduction**

The government of Tanzania embarked on economic reforms<sup>1</sup> in the 1980s following financial crisis that was facing the country (Muhanga and Nombo, 2010; Muhanga, 2012; Muhanga and Urassa, 2013; Gibbon 1993). The major reforms undertaken by the government of Tanzania included Tanzania's own structural adjustment programme; National Economic Survival Programme (NESP) in 1981 and the Structural Adjustment Programme (SAP) in 1983, followed by a donor-sponsored Economic Recovery Programme (ERP) in 1986. Tanzania signed an agreement with the World Bank and the IMF in 1986 to adopt SAPs. The various programmes included the Economic Recovery Programme One

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<sup>1</sup> *Economic reforms* in the context of this discussion connotes any change in the economy for the better as a result of correcting abuses in the economy, including but not limited to improving a system of law, regulations, procedures and policies, organizing and making changes to economic aspects of the society, so that it operates in a fairer or more effective way

(ERP I) in 1986, ERP II, Economic and Social Action Plan (ESAP) and the Priority Social Action Plan (PSAP) in 1989 (Lugalla, 1995).

The aims of these programmes were to achieve sustainable growth in real income and output, better pricing of crop production, improved product and input marketing, an increase in government outlays for agriculture and an increase in industrial capacity utilization by liberalizing raw material imports. The reforms also aimed at decreasing the balance of payments deficit through devaluation, export incentive schemes, and foreign exchange liberalization, and better control of the budget deficit and money supply. These were thought to be key ingredients necessary to economic recovery. In 1989, the ERP programme was modified to create the Economic and Social Action Programme (ESAP). The goal of the new programme was to restore the physical infrastructure and ease social impacts (Reed, 1996; Muganda, 2004).

As any other sector of the economy in Tanzania, the mining sector has not escaped reforms undertaken by the government both in the economic and other sectors from the mid-1980s. It is evident that the economic reforms in Tanzania through trade liberalization and privatization, had created impact on various sectors including the mining sector, for example the increase of Foreign Direct Investment (FDIs) in the mining sector. It can also be noted that the turn of the century has witnessed the mining sector becoming one of the most important economic activities in a growing number of low-income and middle income countries partly due to rise in price of minerals in 2000s plus having a number of reform programmes working successfully in some countries. The economic reforms in Tanzania went hand in hand with changes (amendment) in legal framework and supportive policies to fit in the new context after the reforms.

Mining sector reforms, among others, involved reforming mining legislations (mine code, implementing regulations, investment agreements), reforming mining taxation to internationally comparable standards, strengthening institutions through re-organizing government agencies responsible for supervision of the sector, strengthening environmental protection legislation and government departments, improving the technical, environmental and social conditions of small

scale miners, privatizing state owned enterprises, just to mention a few (McMahon, 2010).

It is on the above basis that this paper intends to examine some key legal and policy issues reflected on mining and related activities after economic reforms in Tanzania. Of interest to this discussion are the Mineral Policy of Tanzania (1997), the Mineral Act of 1998 and the Mining Act of 2010, New Investment Policy and the Tanzania Investment Act No. 26 of 1997, the Mining (Environmental Management and Protection) Regulations of 1999 and how these policies and legislations have impacted the socio-economic and political aspects related to mining in Tanzania plus the lessons learnt from the reforms.

### **Mining Sector in Tanzania before the Reforms: An Overview**

The earliest recognized mineral prospecting and mining in Tanzania took place during the German colonial period, beginning with gold discoveries in the Lake Victoria region around 1894 (Nilsen, 1980)<sup>2</sup>. Tanzania is the fourth country with richness of mineral resources in Africa, apart from South Africa, Democratic Republic of Congo, and Nigeria. However, the minerals in Tanzania remained untapped and underutilized prior to the reforms. Nonetheless, gold production was substantial and increased steadily until 1966 when Geita Gold Mine (GGM) closed. By 1967, the gold industry had declined to insignificant level due to the closure of the mines, whereas all major means of investment were controlled by the government, and production was mostly from artisanal mining. During this period there was no existence of foreign investment as foreign investments were perceived as capitalistic and exploitative, following the adoption of Tanzania's ideology of "Ujamaa na Kujitegemea"<sup>3</sup> in 1967 (Muhanga and Urassa, 2013).

It is reported by Maliyamkono and Mason (2006:296) that during the 1970s to 1980s the mineral sector development operations were largely state owned and run by government enterprises known as National Development Corporation (NDC), and later the State Mining Corporation

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<sup>2</sup> As cited in [www.seabgem.com/Mining%20Industry.html](http://www.seabgem.com/Mining%20Industry.html)

<sup>3</sup>

(STAMICO) in 1974. The mining activities were not allowed without the state participation. However, from the late 1980s to 1995 artisanal and small-scale mining activities started to boom<sup>4</sup>. This period (late 1980s to 1995) was generally characterized by a gold rush whereby many people from both local communities and urban centres started to get heavily involved with gold mining. Among others, Lake Victoria Goldfields, Mpanda Mineral Field, and Lupa Goldfields became very popular. Prior to privatization in the mid-1990s, exploitation of these resources was limited, but the 1998 Mining Act aimed to incentivize private investment into mining. However, these people were only able to use poor/local and/or low levels technology in exploiting mines. Nonetheless, the official gold production figures displayed an increase in gold production between 1985 and 1992 to about 4 tones in 1992 due to gold buying programme which was initiated to buy all the gold from the small scale and artisanal miners who were freely selling the mines obtained to people from Kenya at negotiated prices. This small scale mining employed a huge number of people in gold mining and trade activities, employing around 500,000 people (Maliyamkono, 2006: 297). The mining provided the personnel income and revenue to government, despite the wide spread of environment degradation and disturbances of natural habitats.

Artisanal mining was a common feature of the mining sector in Tanzania despite being illegal, with the miners having no formal property rights (Zamora, 1999; Peake, 2000). Generally, it is accepted that artisanal mining was adopted as a last resort subsistence activity in the face of extreme poverty, lack of other employment opportunities and in some cases food shortages (Labonne and Gilman, 1999).

### **What was the reform expected to accomplish?**

For over 20 years the World Bank was influential in providing technical assistance (TA) to countries in Latin America, Africa, and Eastern Europe, East Asia and the Pacific, and Central Asia to help reform mining sectors (McMahon, 2010; World Bank, 2010; World Bank, 2005a; World Bank, 2005b; World Bank, 1996a; World Bank, 1996b; World Bank, 2002; World Bank, 1992).

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<sup>4</sup> During the second phase government under the Presidency of Mzee Ali Hassan Mwinyi

According to World Bank (2010:1) the evolution from an emphasis on increasing investment to promoting sustainable development is illustrated by the extractive industries value chain, whereby countries pass through five stages or links in the transformation of their mineral abundance: (i) the mineral legislation is sufficiently attractive to induce investment in the sector; (ii) the regulatory framework is clear and comprehensive and there is adequate capacity for monitoring and enforcement; (iii) collection of taxes and royalties is done in a transparent and efficient manner; (iv) governments are able and willing to manage and allocate fiscal revenues efficiently; and (v) the mineral sector is contributing to the sustainable socio-economic development of the country, whether as an engine of growth or a generator of large amounts of fiscal revenues. Success in this final stage signifies that the mining sector is having an important impact directly and indirectly on poverty reduction and broad-based, sustainable socio-economic development.

Tanzania, with assistance from the World Bank, embarked on these initiatives in the context of reforming the mining sector. This paper examines some key issues in connection to these initiatives in the context of legal and policy environment plus its Socio-politicomics implications.

### **Mining Sector's Legal and Policy Responses to the Economic Reforms**

The government of Tanzania, by the mid-1980s, realized that the past development policies and strategies were not adequately responding to changing market and technological conditions in the regional and world economy and were also not adapting to changes in the domestic socio-economic conditions (Muhanga, 2012). To that effect, a number of legal and policy responses to the economic reforms were put in place in the mining sector. This subsection discusses key issues reflected in those legal and policy responses.

#### *The Mineral Act of 1998*

The Mining Act 1998, among other features, provided right to trade in mineral rights, simplification and consolidation of past statutes on mining and mineral trading and improving security of tenure through removal of most past ministerial discretionary powers. The act also introduced a mining advisory committee responsible of advising the Minister on

decisions to make; enhancing clarity and transparency; putting in place fair, streamlined and non-discriminatory licensing procedure, and, Environmental management (URT, 1998). The Tanzania's mining Act also aimed to deter information hoarding on new discoveries, freezing of exploration acreage for speculative purposes, transfer pricing and tax evasion. The Mining Act 1998 also provides a number of fiscal incentives to exploration and mining activities including the following among others: exemption of import duty and Value Added tax (VAT) on equipment and essential materials up to the anniversary of start of production, thereafter 5 per cent seal applies; depreciation allowances of 100 per cent; repatriation of capital and profit directly related to mining, and non-mandatory government participation.

*The Mineral Policy of Tanzania (1997)*

The Mineral Policy of Tanzania (1997) stresses on private sector led mineral development while the major roles of the government are regulating, promoting and facilitating. The public roles consist of, inter alia: policy formulation to accommodate the overall and sectoral government policy framework. Achievement of the above is through advising on legislation, regulation and fiscal matters related to the sector, revenue collection through royalties and annual rents. Others are on prospecting rights and licenses, monitoring of mining activities, collection and maintenance of geo-technical data for promotional purposes, provision of extension services to small scale miners, Administration and inspection of mining activities, and carrying out research on minerals (URT, 1997).

According to URT (1997), the mineral policy objectives are: to stimulate exploration and mining activities, to regulate and improve artisanal mining, and to ensure that wealth generated from mining supports sustainable economic and social development. All the above aim at minimising or eliminating adverse social and environmental impact of mining activities, to promote and facilitate mineral and mineral based products' marketing arrangement, to alleviate poverty especially for artisan and small scale miners, and to promote and develop Tanzania as the gemstone centre of Africa.

### *The Mining Act of 2010*

The legislation imposes higher royalties, requires companies to list in the country and gives the state a stake in future projects. The new royalties include an increase from 3% to 4% for precious and base metals, 5% to 6% for diamonds and gemstones, and 7% for uranium. The changes only brought the country's royalty rates in line with other African mining nations. The Act is more restrictive than its predecessor and is consistent with other recent legislation which seeks to concentrate a greater interest in the hands of Tanzanian nationals with increased regulation in key sectors whilst continuing to encourage inward investment. The Act is insisting on reservation of mineral rights and licenses for dealing in minerals to Tanzanian and corporate bodies under the exclusive control of Tanzanian citizens. However, the Act does materially increase the levels of royalty payable to the Government of Tanzania (GOT) and places restrictions on non-Tanzanian participation in small-scale mining, dealing in minerals and gemstone operations. There are concerns within the industry that the restrictions will have a negative impact on the Tanzanian mining industry both in terms of its competitiveness and as a magnet for foreign investment.

### *Key provisions of the Mining Act of 2010*

The Act introduces significant changes to mining policy, in particular the following:

(a) Mineral rights and licenses for dealing in minerals will be reserved exclusively to Tanzanian citizens and corporate bodies under the exclusive control of Tanzanian citizens. It has been said that agreements/licences currently in force with non-Tanzanian controlled mining companies remain unchanged, but there is no clear "grandfathering" provision on this. The main point to note, however, is that the amendments significantly mitigated the Tanzanian control issue in respect of general mining licenses, and the restrictions will apply only to "primary mining licenses", which are licenses with respect to small-scale mining operations involving capital expenditure of less than \$100,000 (Section 8 and Section 73).

(b) Licenses to mine for gemstones should only granted to Tanzanians, regardless of the size of the operation, except where the Minister determines that the development is most likely to require

specialized skills, technology or a high level of investment. In such a case, the license can be granted to an applicant so long as the non- Tanzanian participation element is no more than 50% (Section 8(4)).

(c) The Act gives the Minister power to prescribe a standard model form Mining Development Agreement for all projects exceeding US \$100m. However (As far as we are aware), no standard form has been prescribed yet (Section 8(4)).

(d) The Act gives the Minister power to make regulations authorizing the GOT to participate in the conduct and financing of mining operations and give the GOT a free carried interest, the level of which is not set by statute but rather by negotiation between the GOT and the relevant mineral rights holder (Section 10).

(e) It amends the method by which GOT royalties are calculated to allow future levies on the gross value of minerals, rather than the present method of calculation, which refers to the net value (Section 87).

(f) It increases the rates of royalties levied by the GOT on the gross value of minerals as follows:

(i) Uranium - 5%; (ii) gemstone and diamond - 5%; (iii) metallic minerals (copper, gold, silver, and platinum group) - 4%; (iv) gem - 1%; and (v) in the case of other minerals, including building materials, salt, all minerals within the industrial minerals group - 3% (Section 87).

(g) The Act requires a greater degree of disclosure by the holders of mineral rights in respect of reports, records and general information (Section 100 and Second Schedule).

### **New Investment Policy and the Tanzania Investment Act No. 26 of 1997**

In 1996 the Tanzanian government issued a New Investment Policy, which was followed by the Tanzania Investment Act No. 26 of 1997. The main aims were to increase the transparency of the legal framework, deregulate the investment process, create a one stop investment agency and provide for transferability of capital and profits. This aspect was

responsible for creation of conducive environment for the investors in the mining sector in Tanzania. These changes in the investment laws are associated with an increase in FDIs flows.

*The Mining (Environmental Management and Protection) Regulations of 1999*

This is an important policy that was meant to take care of the environment in the context of mining. The 1998 Mining Act together with the Mining (Environmental Management and Protection) Regulations of 1999 require commissioning of independent consultants of international standing selected by the project proponent and approved by the Government to carry out Environmental Impact Assessment (EIA) on the proposed mining operations. The project proponent must produce an Environmental Management Plan acceptable to the Government. Approval of a project involves screening, scoping, EIA and EMP evaluation by government experts. In addition, relevant Regional Administration, Local Government Authorities and the public are consulted and their opinions taken into account during the approval process. The approved EMP is subject to a first review by the government after two years, and thereafter every five years (Ngonyani, 2000).

*The Socio-Politicomics of the Economic Reforms in the Mining Sector*

The government of Tanzania, by the mid-1980s, realized that the past development policies and strategies were not adequately responding to changing market and technological conditions in the regional and world economy and were also not adapting to changes in the domestic socio-economic conditions. The socio-economic reforms which continue to be implemented to date by the Government from 1980s recorded a number of impacts in various sectors of the economy.

According to Sawyer (1988:11), as cited in Mutahaba et al. (1993: 35), “structural adjustment measures recently under taken by sub – Saharan countries are similar in all essentials, their essence is the reduction of direct state intervention on the productivity and distribution sectors of the economy, restricting the state to the creation, mainly through the manipulation of fiscal and monetary instruments, of an institutional and policy framework conducive to the mobilization of private enterprise and initiative”. Of great interest with respect to the

SAPs on various sectors of the economy mining inclusive are its principles such as trade liberalization, creation of conducive environment for foreign investments, privatization of parastatals and advocating of minimal role of the state in the economy. These principles have affected the Tanzanian economy both positively and negatively, the mining sector inclusive.

Through the economic reforms, a number of issues and aspects that have been introduced to the mining sector that influenced Tanzania's mining sub sector. Tanzania's mining sector has had both high and low times bringing forth a number of lessons to learn since independence to the post reforms period.

#### *Are the concerns resolved by the reforms?*

Mining sector reforms in a number of ways were a response to a concern and outcries that the country and the people were not benefiting from the mining sector to the expected level (Curtis and Lissu, 2008; Lange, 2007; Kitula, 2006, Rugumamu, 2005). According to Magai and Márquez-Velázquez (2011), despite the fact that the sector accounts for nearly half of the country's exports and places it among Africa's largest exporters, yet, ordinary Tanzanians have seen little benefit from their country's exports boom. This is partly because the government has enacted tax laws that are overly favourable to multinational mining companies, and partially due to the business practices of the companies themselves. The situation is further exacerbated by these companies avoiding taxes altogether by claiming losses. Contradicting arguments are existing on how many Tanzanians have benefited from the mining reforms (McMahon, 2010). The reforms have however brought forth a number of socio-political and economic impacts to Tanzania.

#### *Attracting investors*

Adoption of significant liberalization led to increased FDIs inflow into Tanzania's resource rich mining sector (UNCTAD, 2005). Tanzania has been praised by UNCTAD for having good mining incentives, which have been making the country attractive to mining companies, which in the end made it possible to experience a boom in FDIs, particularly in gold industries (UNCTAD, 2005). UNCTAD data place Tanzania in the upper-middle ranking of African countries in terms of FDI, with its FDI stock

rising from US\$2.78 billion in 2000 to US\$5.94 billion in 2007 (UNCTAD, 2008). Much as Roe and Essex (2009: 16) argue, Tanzania would have appeared at the bottom of this ranking in the early 1990s. With the exception of South Africa, all of the African countries that received more FDI than Tanzania in 2007 were oil and gas exporters (Roe and Essex, 2009: 16). This signifies achievement of one of the objectives of the 1997 mineral policy, which, among other things, stresses on stimulating exploration, and mining activities stressing on private sector led mineral development (URT, 1997). With changes in Tanzania's macro-economic policy to adopt free market economic policies since 1985, many private foreign and local investors have showed interest and subsequently invested in the mineral sector. In 1992, there were 10 Prospecting Licenses and nine Mining Licenses granted to private investors. The number has increased to over 5,900 Prospecting Licenses and 220 Mining Licenses in 2008, including six special mining licenses for gold.

Annual gold production from these mines is about 50 tones, putting Tanzania as the third leading gold producing country in Africa. Poor technology, lack of skilled personnel and absence of capital have been considered to be the major obstacles facing the Tanzania government towards full exploitation of mineral resources. It is against this background that the Tanzania government decided to reform its policies towards mining hence, attracting FDIs with expectation that the country would benefit. Nevertheless, it is obvious that the principal beneficiaries of the mineral wealth have largely remained the transnational companies (Fraser and Lungu, 2006; Darimani, 2005). Mining remained the leading sector in terms of investment occupying 23% between 1995-2004 (Maliyamkono and Mason, 2006: 151).

#### *Promotion of large scale mining*

Through reforms large scale mining was promoted in Tanzania as it was apparent that the mining sector in Tanzania before reforms was characterized by the artisanal and small-scale mining activities (Maliyamkono and Mason, 2006:296). The late 1980s to 1995 was generally characterized by a gold rush involving many people from local communities and urban centres.

*Mining sector's contribution to government revenue*

Despite the shortfalls that were brought in by the reforms in the mining sectors in Tanzania, the mining sector continues to be one of the biggest contributor to the country's revenue through the payment of mineral royalties, employee income taxes and corporate taxes (URT, 2006). However, there are a number of resentments on what the government is receiving from the large scale mining scales (LSMCs) versus the value of what is produced and exported (Fisher, 2007). According to Lange (2006), the mining sector's contribution to Tanzania's Gross Domestic Product (GDP) of Tanzania at the time of independence was in the region of 3% to 4% but, by the 1980s, this had dropped to only around 1%.

*Table 1: Benefits flows reported by companies in the TEITI (in US\$ million for 2008-2009)*

<b>Operation</b>	<b>US\$ m</b>
Bulyanhulu	25.14
GGM (Geita Gold Mines)	19.12
North Mara Gold Mine	16.98
Buzwagi and Tulawaka	13.03
Resolute Tanzania Ltd	7.12
Tanzania Petroleum Development Cooperation -gas field	6.77
Mwadui Diamonds Mine	5.78
Artumas Group and Partners Ltd	2.22
Tanzanite One Mining Ltd	1.89
Pan African Energy Ltd (gas field)	1.22
El Hillal Minerals Ltd	0.18
<b>Total</b>	<b>99.46</b>

*Source: Hart Group (2011)*

The mining sector, although small, in 2004 contributed about 3.2% Tanzania's GDP (TIC, 2001) and is an important earner of foreign exchange. Recent investments, particularly in gold mining and

exploration have led to the rapid expansion of the sector, and Tanzania is now on target to become an important producer in the African context. As from 2003 and 2004, the Tanzania's mining industry continued to grow with gold mining exploration and gold production, gem stones mining and trading, as well as small and artisanal mining activities experiencing a considerable increase. In 2004 the mining sector's contribution to GDP rose to 3.2% from 3% in 2003, and the value of mineral exports rose to 17% in 2004 to US\$ 672, 5 million from US\$ 554, and 1 million in 2003. As is stands, minerals make up over 52% of the country's exports, of which a large part comes from gold. Other mineral resources include diamonds, coloured gemstones, coal, salt and limestone (EIU, 1997).

#### *Public Private Partnership in the mining sector in Tanzania*

The government of Tanzania has managed to establish the Public-Private Partnership in the mining sector in Tanzania as the mining industry has been opened up to the private sector. This is in line with the Mineral Policy of Tanzania (1997) which stresses on private sector led mineral development while the major roles of the government are regulating, promoting and facilitating, despite the fact that a lot of debates exist on whether the government has been able to effectively respond to its roles. It is reported (Darimani, 2005; Rugumamu, 2005) that the current process of extensive economic liberalization has contributed to further deepening the imbalance in the distribution of the benefits of mining in favour of transnational foreign mining companies. African governments deregulate and privatize their mining sectors offering further incentives and protection for the corporate investments which heighten environmental degradation and community concerns. As a result of these incentives, Africa has been the prime destination of multinational mining corporations. FDI flows were non-existent in the early 1990s, but changes in the investment laws have led to an increase from US\$ 12 million in 1992 to US\$ 183.4 million in 1999.

#### *Changes in royalty rates in Mining Act (2010)*

Another important success incidence from the reform is on the changes brought about by the Mining Act (2010) in royalty rates as indicated in Table 2. Despite the fact that the changes have not been very significant as evidenced in Table 2, but such changes have had some economic implications on the government's revenue.

*Table 2: Changes in royalty rates in Mining Act (2010)*

Mineral item	Royalty rates	
	Mining Act 1998	Mining Act 2010
Diamonds	5%	5%
Uranium	3%	5%
Gemstones	3%	5%
Metallic minerals (copper, gold, silver, platinum)	3%	4%
Other	3%	3%

According to Curtis & Lissu (2008: 31), despite Tanzania's mineral resource royalty rates being reviewed, it is obvious they are still low by both African and global standards. Tanzania's relative governance weakness is attributed to this in comparison to some other African countries with respect to royalty rates is then compared with Ghana (sliding between 3 and 12%), Mozambique (between 3 and 8%), and Botswana (royalty on gold production at 5%).

### **Failure to achieve and support sustainable economic and social development**

The reforms in the mining sector are associated with failure of achieving the central goal of the national mineral policy of ensuring that wealth generated from the mining supports sustainable economic and social development and minimizes adverse social and environmental impacts of mining activities. This is an important aspect of discussion on the reforms. The government has been blamed for doing too little to ensure that the people also benefit equally from the mineral wealth (Lange, 2007; Kitula, 2006, Rugumamu, 2005). Evidence exists on the existence of the negative effects of mining with adverse effects to rural livelihoods that did not exist before the mining sector reforms. Reforms in the mining sector in Tanzania have brought a number of public outcries, partly due to the fact that the public is well aware that the government receives as little 5% of the value of exports from the Large Scale Mining Companies (LSMCs) (UNCTAD, 2005). This developed the feeling that the reforms have failed

to include the aspect of serving the purpose of development –as advocated by the founding father of the nation Mwalimu Julius Kambarage Nyerere who argued that the purpose of development is the people (Nyerere, 1974).

### *Rise of Conflicts in the Mining Sector*

Tanzania's mining sector reforms have encouraged large scale mining activities with the expectations that development will be induced in previous underdeveloped areas and contribute positively to the socio-economic development of the rural areas where mining activities take place. There were a number of expectations that people around the minerals rich areas had on the LSMCs operation around their places of residence including the availability of employment and training opportunities, support in health services, water supply, education facilities, improving infrastructures and expansion of the market for the local population to be the key direct benefits to the local communities from the LSMCs. This has not been effected to the most peoples expectations. Evidence exists (Kitula, 2006, Chachage, 1995) on the prevalence of a wide range of conflicts in the mining centre involving the local communities and the LSMCs. The outstanding incidences include those at North Mara, Buzwagi, and Mererani, just to mention few. Liberalization of the mining sector also resulted into displacement and sidelining of artisanal miners, including the cases of forcefully evicting small scale miners and peasants from Bulyanhulu. In the course of eviction, it was alleged that about 54 small scale miners were buried alive when the bulldozers filled in the pits of small scale miners (Lange, 2008; Wanzala, 2007; LEAT, 2003). Conflicts between the mining companies and local communities /villagers is an evidence of negative aspects connected to the reforms in Tanzania. Such incidences, among others include raiding Barrick North Mara Gold Mine at North Mara, Mara Region in 2008, death and injuries of villagers as a result of confrontation with police officers and mining companies' security guards (Saunders, 2008). This situation later compelled the Tanzanian government to review all mining contracts following accusations that the contracts favor the LSMCs at the expense of the local community.

### *Technology*

Poor technology, lack of skilled personnel and absence of capital have been considered to be the major obstacles faced by the Tanzania government towards full exploitation of minerals resources. It is against this background that Tanzania government decided to reform its policies towards mining hence attract FDI's with expectation that the country would benefit. It is obvious that the principal beneficiaries of the mineral wealth have largely remained the transnational companies ( Fraser and Lungu, 2006; Darimani, 2005). The reforms have not to a larger extent made it possible for the technology to be transferred into the hands of the local communities or the state rather.

### *Poverty and the mining*

It was from the word go from the reforms that mining could contribute to poverty reduction in a number of ways, mostly through generating income and through creation of opportunities for growth for lateral or downstream businesses. This has been partially realized due to weak governance, hence failing to control multinational corporations which invested in mining. It is reported (Kitula, 2006; Mwalyosi, 2004) that there has been an increase in the levels of poverty contrary to people's expectations and the objectives of the Mineral Policy of 1997.

### *Environmental effects and health hazards of the mining activities*

The Mineral Policy of 1997, among other objectives, was meant to minimize or eliminate adverse social and environmental impact of mining activities to the surrounding local communities (Chachage, 1995). Tambwe (2008) reports that thousands of villagers in Geita around mining operations are exposed to serious health hazards emanating from the mining activities.

### **Lessons learnt**

Lessons are numerous that can be learnt from the mining sector reforms in Tanzania, including but not limited to, the need for Institutional capacity and resources governance enhancement, weaknesses in the policy formulation process, and failure to oversee Corporate Social Responsibilities (CSRs), just to mention few lessons. The lessons are hereunder discussed.

*The need for institutional capacity enhancement*

Based on what has been discussed, there seems to exist a gap in relation to Tanzania's both institutional and legal frameworks to manage the sector. The lesson here is that either the capacity of institutions responsible for the daily execution of such procedures are very low or there is a lack of seriousness and patriotism from the side of those charged with the responsibility of overseeing the sector. Therefore, there is a need for a strong institutional mechanism for accountability to sanction government's performance, donor behaviour and investors' commitment and transparency with regard to their undertakings.

*Policy formulation process and the local communities' involvement*

Communities have been the least regarded and historically neglected in policy and other discussions related to mineral sector development. As a result, negotiations and discussions have been primarily between governments and mining companies and have not involved those whose lives and livelihoods are impacted directly and usually adversely by mining operations. It is high time now the government put the modalities for local communities' involvement in the policy formulation process. The Mineral Policy of 1997, despite insisting on the communities' involvement, but the modalities are now not very clear. Involvement of the communities will not only give them an opportunity to air their concerns but would also avoid future conflicts.

It is important that the reform process is locally driven. It increases the public's sense of ownership and ensures commitment to implementation and sustainability. Public acknowledgement of policy failure by political leadership sends a powerful message to the public. It is a necessary and important step towards initiating change in policy regime. In addition, a participatory approach helps bring a wide range of stakeholders on board—the open dialogue, and the various “home-grown” programmes through which the reform process evolved, creates broad ownership and allows the government to formulate a reform programme that will not only be acceptable at home, but also acceptable to development partners and the ‘would- be- investors’.

*Corporate Social Responsibilities (CSRs)*

With regard to Corporate Social Responsibilities (CSRs) the lesson learnt is that most of the LSMCs have only done the minimum. Most of the

CSRs in existence now are only helping but not developing. The argument is that the LSMCs need to have CSRs that will affect the well-being of the local communities hence guaranteeing social licensing for mining companies, which will in turn put off the conflicts, which are now on increase.

### **Conclusion**

The article has tried to offer a review of Tanzania's mining sector whereby it has been shown that many efforts have been undertaken by the government so as to increase the sector's contribution to GDP. Based on the review, it can be concluded that, reforms undertaken in the country's mining sector have led to some positive gains. For example, some of the success stories that are reported in the Tanzania's mining sector are increase in Foreign Direct Investment (FDI), rise of exports from mining and a varying mining sector contribution to government revenues. The sector's growth has also led to creation of job opportunities both within the sector and outside it in terms of services offered by their companies. However, it is also concluded that the reforms undertaken have not led to achievement of all expectations and in some situations conflicts have been the outcome. Some of the conflicts and the actual investment have led to displacement of local communities and destruction of livelihoods around the resource rich areas. This is to say that the current policy and legal environment in the mining sector following the economic reforms have not been able to fully create environment in which maximum benefits can be realized towards socio-economic development in the country.

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## **Collective Action Institutions in Water Allocation between Improved and Semi-improved Irrigation Schemes in Tanzania**

*Saida Fundi and Gimbage Mbeyale*

### **Abstract**

*Recently, several studies have indicated the efficacy of collective action in water management. Using empirical data from a study on management of water allocation processes this paper intends to show the state of collective action in small scale irrigation schemes in Tanzania. The paper conclude that existence of positive community values and effective nesting of water users groups with higher level organs are essential for improvement of collective action in water allocation processes in small scale irrigation schemes in Tanzania. These conditions however depend on existence of effective technological investments in irrigation infrastructures.*

**Key words:** Collective action, property rights, water allocation, small scale irrigation schemes, improved irrigation scheme, semi-improved irrigation scheme

### **Introduction**

The term collective action is defined in different ways but generally, it refers to the joint action by the group conducted either directly or indirectly in order to achieve a common good (s) (Vanni, 2014). According to Meinzen-Dick et al. (2004) cited in Vanni, (2014) collective action is defined by three major features; the involvement of a group of people, shared interests and common and voluntary actions to pursue such interests. For shared interests and voluntary actions to exist some sort of assurance is needed to make the members believe that they will benefit from what they contribute toward a common good.

The early literature for example, Olson, (1965) and Hardin (1968) show pessimism on the possibility to attain common good through collective action. In such literature, it is contended that the users always face dilemmas when it comes to their choices either to cooperate or defect from the rules. Such dilemma is experienced because the users do not understand what others will do if they cooperate. According to Wade (1987) individuals are faced with four types of options when it comes to a

common good: (i) To enjoy unlimited access while everyone else follows the rule that restrict their access, (then they become free riders) (ii) All follow the rules (iii) All defect and (iv) Individual follows the rules while everyone else defect then he/she becomes a sucker. To avoid becoming a sucker, each individual will go for the third option (Wade, 1987). The second option is desirable for attaining collective action but it is not a stable equilibrium because the incentives to cheat and go back to the first option (free riding) is high among the individuals. All individuals feel that it is better if they will all defect than being suckered for following the rules which everyone else violate. As it has been argued by the early scholars, in the situation where people do not have trust on each other, the desire to maximise private gains is high and the possibility of voluntary compliance is low; therefore, some external forces must be injected to make the participants commit to the common good.

Generally, the views above seem to relate mostly with the rational actor perspective in which actors are considered to act within closed arenas where only their individualistic preferences and formal regulative structures exist (March and Olsen, 1995). The New Institutional Economists however, have disapproved the idea that users are incapable of collective action in resource management. As pointed out by Ostrom (1990), successful collective action is possible as long as some principles are observed in devising the collective action institutions. These are:

- Establishment of clear boundary rules. The boundary rules are crucial for specifying those who are eligible to use the resources and the accrued benefits and those who are not eligible. These rules also define the geographical boundaries of the resource so as to enhance administrative activities geared to manage it.
- Matching the appropriation and provision rules with the local conditions where the rules are applied.
- Participation of the affected individuals in making and changing of the rules.
- Selection of monitors who will be accountable to the users or are themselves users of the concerned resources.
- Administration of graduated sanctions to those who break the rules.
- The need to establish simple, rapid and low cost arenas for conflicts resolutions.

- Minimal recognition of the right to organise.
- Establishment of the nested enterprises.

According to Ostrom, (1990) these seven principles relate with small and simple resource governance systems. The principle number eight relates mostly with the large and complex resource systems in which several layers of nested enterprises act toward the resource. In water resource arenas resource management normally starts with grassroots levels in which different water users groups (WUGs) are found. These are nested within the Water Users Associations WUAs, nested within district, region and finally national levels. While nesting of water enterprises is advocated, in practice it has been difficult due to institutional over-lap and ambiguities existing at sub-catchment levels, or what Mehta (1999) in Komakech et al. (2012) calls the ‘messy-middle’. Generally, there is currently a common understanding supporting the role of collective action in CPR management (Ostrom, 1998, van Koppen et al., 2007, Meinzen-Dick and Nkonya, 2007).

### **Concept of Property Rights**

As it has already been said, analysis of water allocation in this paper is framed within the concept of property rights, therefore at the outset it is important to know what this concept mean and how it is generally practiced. According to Kiflemariam (2001), property right “is a claim to a benefit stream that the state will agree to protect through the assignment of duty to others who may covet or somehow interfere with the benefit stream” (pp 46). Specifically, as Komakech et al. (2012) contend, “property rights define individuals’ rights, privileges and associated duties for a specific resource use” (pg 116). Their essence is to grant the water users the authority over one or more of the five major rights in water allocation: access, withdrawal, management, exclusion and alienation rights (Schlager and Ostrom, 1992).

According to Schlager and Ostrom (1992), access rights allow only entrance to the resource premise but not abstraction of any unit. The participants having such rights are called authorized entrants. The good examples are those with the rights to hike, canoe, sit in the garden and the like. Withdrawal rights allow the users to obtain some units or products from the resource systems; for example, the rights to harvest timber from

the forest or divert water from the river. These rights are granted to the authorized users. Management rights enable the users to regulate different aspects of access and utilisation of the resource so as to improve it. The exclusion rights allow elimination of those who are not eligible from accessing and using the resource and finally, the alienation rights are those allowing the holders to sell or lease their rights to exclude others, manage or withdrawal the resource. The management and exclusion in addition to the access and withdrawal rights are normally granted to the full owners and proprietors of the resource while the alienation together with all other rights are possessed only by the full owners of the resource.

The essence of different property right rules is to impose systematic allocation of the resource to different users. For those holding a skeptical view, property rights provide a basis not for collective action but sanctioning those who do not what to contribute to production and provision of the resource and rewarding those who comply. But for those who advocate collective action, property rights are tools for organizing resource allocation. Both views could be possible depending on the circumstances in which the resource is allocated.

Different circumstantial factors seem to have influence on collective action; one of them is community attributes and in particular, community heterogeneity. Literature does not provide any straight answer on how community heterogeneity affects development of collective action towards the CPR management and especially property rights enforcement. Some find heterogeneity as an obstacle to collective CPR management while others see it as an advantage. For example, evolution of trust, reciprocity and positive emotions as core components of successful property right system may not be possible in a situation where people have unequal power endowments. To others heterogeneity can give rise to interdependencies which in turn can facilitate collective action (Komakech et al. 2012). Similarly, Cleaver (2002) sees cultural heterogeneity as an opportunity for the resource users from different ethnic backgrounds to learn new values through leakage of meanings from different cultural systems. Such opportunity however, is difficult to exist in the environment where extreme cultural differences exist (van Koppen et al., 2007).

Another important issue in analysing communities' attributes is whether they have common values and beliefs about the policy strategies and outcomes or not (Polak and Ostrom, 1999). Common values and beliefs are crucial for creating mutual commitments towards the common property (Ostrom, 1998, Ostrom, 2000). If members of the community jointly believe that attainment of the common good is important they will devote their energy and resources towards it than when they do not perceive any value in attaining such good (Polak and Ostrom, 1999). Furthermore, According to Ostrom (1999a, 2000a) in Acheson (2011), the communities which are small, rich in social capital, having mutual trust, capable of changing the rules, are dependent on the resource and have a low discount rate (i.e. willingness to sacrifice current payoffs for higher payoffs in the future) have greater possibility of devising effective collective action norms than those without such attributes.

Apart from the communities attributes, technological resources are also important in execution of the property rights on water. Ostrom et al. (2014) and Polak and Ostrom (1999) highlight the need to analyse the type of technology used in storage and transportation of the resource. In the context of irrigation management such technologies play a central role because they enable availability of adequate supplies of water for irrigation. Generally technological resources determine the capacity to exercise one's right to access, withdraw, utilize the resource and exclude others who are not eligible. Without effective technology it is difficult for such property rights to be enforced. Furthermore, the extent to which the people have participated in establishment of the organisations governing the rights is also important. As it has been argued by Ostrom (1990) collective action among other things is enhanced when the local people are given the right to organise and decide on their fates than when everything is decided at the higher levels. Establishment of the water users groups (WUGs) and associations (WUAs) reflect this principle.

### **Study Area and Methods**

The data was collected in December 2014 in Mkindo and Kiroka irrigation schemes in Wami-Ruvu Basin in Tanzania. The data was collected through the in-depth face to face interviews with the officials in Wami Ruvu Basin Office and the two district councils in which the schemes are located namely Mvomero and Morogoro District Councils.

Others who were interviewed are the chairmen for Mkindo and Kiroka Villages, the chairman for Mkindo Irrigation Scheme and chairperson for Kiroka Irrigation scheme. Furthermore, five villagers irrigating inside the schemes and the other five irrigating outside the schemes from each village were interviewed to understand their experiences in accessing and utilizing water.

The data was also collected through documentary reviews. The documents that have been reviewed include the National Water Policy (NAWAPO) (2002), National Irrigation Master Plan (NIMP) (2002) National Irrigation Policy (NIP) (2010), the Water Resource Management Act No. 11 of 2009, Water Sector Development Programme (WSDP) (2005-2025), National Water Sector Development Strategy (NWSDS) (2006-2015) and District Agricultural Development Program (DADP) guidelines (2010). Others are JICA report for the Study on Water Resources Management and Development in Wami-Ruvu Basin (2013), irrigation schemes inception and progress reports for Kiroka and Mkindo irrigation schemes, the constitutions for Mkindo Farmers Irrigation Scheme (MFIS) group and Mkindo WUA and meeting resolutions for the Umoja Wa Umwagiliaji Kiroka (UWAUKI) group.

Qualitative content analysis (Hsieh and Shannon, 2014) was used to analyse the qualitative data which included mainly the data on participation of the farmers in irrigated farming before and after formalisation of the traditional irrigation systems in their villages. It was also used to analyse the formal allocation rules and the farmers' experiences with such rules.

## **Results**

### *Development of Formal Water Rights in Tanzania*

The history of collective action towards water resource management in Tanzania dates back to pre-colonial period. During such period the local communities governed through the traditional chiefdom system managed to establish some mechanisms for managing access and utilization of the water resource. Enough evidence exists showing how the pre-colonial societies in different areas in Tanzania, for example Kilimanjaro in Pangani Basin, managed to successfully control access and utilisation of the water resource through traditional institutions and mechanism.

Collective action efforts started to decline following marginalisation of the rural poor farmers through different formal processes introduced during the colonial and post colonial administration. Such dates back to 1900s when the colonial administration imposed the formal rules in control of access and utilisation of the water resources in the place of the customary rights used by the people in various local areas. In such efforts priority was given to the areas where intensified water use existed, for instance Kilimanjaro (Van Koppen et al., 2004, Komakech et al., 2012).

The essence of the formalisation efforts was to improve supply of the water resource to the settlers and restrict access to the native farmers. To enhance the formal water right system, series of legislations were adopted and amended between 1923 and 1959 (Komakech et al., 2011). Initially the British colonial rule introduced the formal water rights for those who wanted to use the water for economic purposes through the 1923 Water Ordinance. The customary water rights were given a limited recognition by this law. Adoption of the 1948 Water Ordinance accelerated erosion of the customary water resource systems in the country. Although through this law the colonial government still recognised some customary water management systems their application was conditional only by few dully recognised representatives (Van Koppen et al., 2004). The 1959 Water Ordinance extended the requirement for formal registration to all types of users including those who had customary rights. Adoption of this law meant that only formally registered rights were legally entitled for water allocations. This decision affected the local water users who for long period of time were used to traditional ways of accessing water. Generally the colonial Water Ordinances denied majority of the small scale indigenous water users their rights to access and control the water resources by rejecting the legitimacy of their customary rights. Adoption of the Water Utilisation (Control and Regulation) Act No. 42 in 1974 to replace the colonial laws did not bring any significant change with respect to the role of customary institutions in water governance. This Act made a requirement for the formal water use rights mandatory to all users who intended to “divert, dam, store abstract and use” water for different economic purposes (Van Koppen et al., 2004). The law made it clear that only formally registered users’ rights were legitimate. The state monopoly in water management was further enhanced by the 1991 National Water Policy.

Although the formal water rights system has existed since the period of colonial rule, its operation started in 1990s when some legal reforms were undertaken to improve the allocation processes and enhance resource sustainability. The beginning of all such measures is the 1994 amendments on Act No. 42. Currently the use of water right system has been epitomized by adoption of the National Water Policy (NAWAPO) and Water Resource Management Act (WRMA) No. 11 of 2009. These institutions prohibit access and utilisation of the resource for economic purposes without formal water users permit (URT, 2009).

The changes in institutional arrangements on water resource allocation have gone hand in hand with some structural changes. The major structural changes took place when the regional water offices were replaced by the river basin offices as the next tiers below the ministry responsible for water. Such changes took place through the 1981 amendments in the Water Utilisation (Control and Regulation) Act No. 42 of 1974. At the beginning only two basin offices were established namely Pangani and Rufiji. Later on more basin offices were created including the Wami-Ruvu Basin which was established in 2002. Currently there are nine water basin offices that manage the water resource in the country. According to NAWAPO and WRMA, these water basin offices have exclusive authority to allocate the water permits to different users. The national water law and policy have categorically prohibited allocation of the water use permits through other government institutions, private organisations. The recent institutional reforms have devolved the power to make decisions over different water resource affairs to the community levels. The communities are expected to participate through the Water Users Associations (WUAs). Generally, the institutional reforms since independence have come up with mixed results regarding the collective action capabilities of the people.

#### *The State of Collective Action in Mkindo Irrigation Scheme (MIS)*

The Mkindo Irrigation Scheme (MIS) was formed in 1985 through the centralised irrigation management system operated under the National Village Irrigation Development Program (NVIDP). The farmers in Mkindo Irrigation Schemes abstract water through the lined main canal distributing water to 120 ha of land divided in phase one and two.

Irrigated rice farming is the main economic activity in Mkindo; the village where the scheme is located followed by pet business. The most common business is buying and selling of rice, which has expanded following improvement in market access due to presence of a road from Morogoro Municipality to the area, passable throughout the year. Other crops are cultivated just as a supplement to rice and these are maize and vegetables. Livestock keeping is mainly conducted by the Maasai immigrants residing in the nearby Kambala village. Generally, the scheme is surrounded by heterogeneous ethnic groups with different livelihoods strategies which largely depend on water from River Mkindo. Membership to the scheme is open to any farmer having a plot in the area and who agree to be a member of Mkindo Farmer Irrigation Scheme (MFIS) group. For those who hire the plots they need to apply for their membership instead of getting it automatically. The applicant becomes a member (only temporarily) after his/her application is discussed and approved by the farmers in the general meeting. Finally, membership to the scheme can be acquired through transfer or inheritance of the land located in the scheme area.

#### *Technology and Collective Action in MIS*

Basing on classification by the Tanzania's National Irrigation Master Plan (NIMP) of 2002, Mkindo is one of the improved irrigation canals. According to NIMP, improved irrigation schemes are the schemes "which have been initiated and operated by semi-subsistence farmers themselves and on which there has subsequently been some intervention by an external agency in the form of construction of a new diversion structure" (pp 5-3). By having effectively constructed intake facility and lined main canal, the farmers in MIS have been able to efficiently transport water from the sources to the abstraction points. In addition to having effective water conveyance technology, the MIS also get adequate water due to availability of abundant supplies throughout the year. Due to presence of effective water conveyance structures the scheme members have been getting high farm yields compared to their colleagues irrigating out of the scheme where the canals are still earthen although they have enough water in the sources. Interviews with the farmers revealed enthusiasm toward irrigated rice farming among the members of Mkindo Irrigation Scheme (MIS). Most farmers in this scheme feel that improvement of the

intake facility and a conveyance canal is the most important step the government has ever taken for promotion of productivity in their farms.

According to the scheme chairperson, farmers' enthusiasm has led to development of voluntary compliance towards the property right rules conferring to the users the rights to access and withdraw water for irrigation. Apart from assuring adequate supplies of water, presence of effectively lined canal has helped the farmers to exclude the Maasai pastoralists who normally send their cattle into the farms in search of water and pasture. The interviews revealed that due to absence of Maasai encroachments the farmers irrigating inside the MIS feel safer than their colleagues irrigating outside the scheme where the canals are earthen and can easily be accessed by the pastoralists. Generally, the benefits accrue from infrastructural improvements have stimulated formalization of irrigated farming in Mkindo and other villages surrounding the scheme. This has in turn contributed to development of systematic procedures and water allocation rules basing on the scheme calendar and constitution adopted in 2004.

Historically, irrigation farming around the Mkindo village was done sporadically by few farmers who fetched water from natural ponds around the village to irrigate small onion gardens to supplement rain fed rice, maize and other food crops. During that time no irrigation structures were built and irrigation was conducted manually using buckets. No systematic rules were used in accessing and utilisation of water for irrigation. Later on the government sent its experts to educate the farmers on the effects of climatic variability on agricultural productivity and the importance of irrigated agriculture on food security. After they were sensitised the villagers agreed to release their land to the government so as to enable it construct modern irrigation scheme with the agreement that the farmers who owned pieces of land in the project area would be the first beneficiaries when the scheme starts to operate.

In the early years of the scheme's establishment, majority of the villagers refused to participate in modern irrigation for the fear that it would be costly in terms of time and money. As the chairman of the scheme explained during the interviews some farmers whose plots were found in the project area abandoned them and found other areas to

cultivate so as to avoid what they called ‘hurdles of modern irrigation’. The poor attitude toward irrigation farming changed slowly as benefits from such activity increased gradually through improvement of water abstraction technology. This has led to expansion of scheme membership from less than 50 in 1985 when the scheme was established to more than 500 members currently. According to the scheme chairman, due to expansion of the irrigators’ group (the Mkindo Farmer Irrigation Scheme (MFIS)), the farmers have established a calendar and constitution which aid in allocation of water to the members.

As a result of having a scheme calendar and constitution water is systematically allocated. The calendar and constitution stipulate some rules which must be followed before the member qualifies for a share of water from the scheme. Such rules and penalties have been summarized as follows:

<b>Type of Rule</b>	<b>Penalties for the Defectors</b>
Adherence to the farming calendar is compulsory	Fine amounting to 30,000 TSHS Facing court charges Will be summoned to uproot the crops
Cleaning of the irrigation canals on the proper time is compulsory	Fine amounting to 5,000 TSHS Will be summoned to clean the canal
Water bills must be paid in time	Will pay the bills and fine amounting to 4,000 TSHS May face the court charges
Participation in all scheme activities is compulsory	Fine not more than 10,000 TSHS Fine amounting to 3,000 TSHS for those who fail to attend in meetings
Sowing of unapproved seeds is prohibited	Fine not more than 20,000 TSHS Will be summoned to uproot the crops
Adherence to irrigation time table is compulsory	Fine amounting to 3,000 TSHS for those who violate the timetable
No one is allowed to break the main canal without instructions	Fine not more than 20,000 TSHS Will be summoned to construct the canal
No one is allowed to water the livestock in	Fine not less than 30,000 TSHS

the scheme	Will be summoned to construct or maintain the broken or damaged areas
It is prohibited to leave the plot uncultivated	Confiscation of the plot by the group
Rules related to other offenses not mentioned in the constitution	Fine not more than 10,000 TSHS

*Source: MFIS Constitution, 2004*

Although all members of MFIS have been granted with the rights over the water from scheme, such rights and their associated privileges are subject to fulfilment of these local rules by the member. According to the scheme chairperson, the overall compliance toward the scheme rules is high in the group because most farmers fear to lose their membership benefits if they break the rules. Generally, effective irrigation infrastructures have reduced the need for resource monitoring insisted in the design principles (Ostrom, 1990) and promoted participation of farmers in O&M activities through traditional collective work system known as Kiwili. According to Mkindo village chairman, Kiwili is a collective action norm for O&M activities requiring all members to collectively participate physically in cleaning of the irrigation canals and scheme surroundings in general.

#### *Influence of Community Attributes*

As contended by Polsk and Ostrom (1999), communities' attributes have crucial role in shaping the behaviour and capabilities of the actors in the policy action arena. Heterogeneity is among the community attributes that affect compliance towards the collective action rules in water policy implementation. Mkindo Irrigation Scheme is surrounded by the community comprising of the farmers and pastoralists who are ethnically and therefore culturally heterogeneous. While the allocation rules have been effective inside the farmers group (MFIS), the same have failed to govern the farmer-pastoral relations toward resource allocation and utilisation.

As a way to enhance water policy implementation the Mkindo WUA introduced the water use fees amounting to 3,000 TSHS annually for each household in all villages crossed by Mkindo River in addition to the annual fees paid to the basin authority (Wami-Ruvu Basin Water Office (WRBWO)) for abstraction of the scheme water for irrigation. Out

of the nine farmer villages crossed by this river, only eight namely Kinda, Kismangulu, Mandela, Mkindo, Dihombo, Hembeti, Kigugu and Lukenge accepted to be members of the Mkindo WUA and pay the fees while the Kambala village in which the Maasai pastoralists reside refused to be part of this association. The study has found that the Kambala village does not pay the fees to the Mkindo WUA or WRBWO and does not consider its automatic membership as valid. Generally, the study has found lack of compliance by the pastoralists toward the collective action rules stipulated in Mkindo WUA and Mkindo scheme.

The study has found that the pastoralist cultural affiliations have contributed to such opposition against the formal water allocation rules. As it has been explained by the chairman of the Kambala village, the Maasais have two leadership systems; the formal system that bases on the government legal and policy arrangements and traditional system operating through the customary institutional arrangements of the Maasai tribe. In the second system the final decisions about different issue including those related to implementation of the national policies and laws rest with the elders. As interviews with the village chairman for Kambala revealed, normally the village leaders do not adopt any decision without the approval of the Maasai elders even if such decision has been articulated in the national law and policy. Such dual decision making structures have been affecting implementation of different development programs including the water development plans in this area. Presence of dual decision making systems partly explains why integration of the Maasai pastoralists into formal systems of water resource management in the area has been difficult.

### *Role of Mkindo WUA*

Presence of Mkindo WUA has also shaped behaviour and farmers understanding about water resource conservation issues. Through the Mkindo WUA, the farmers in MIS have been connected to different external stakeholders who have provided the farmers with different services. For example through the Mkindo WUA the farmers have participated to different agricultural experiments aiming to promote use of economically efficient rice species. Through such studies, the farmers have widened knowledge and changed their attitudes toward water use and management during production. The field visits to the scheme

revealed high compliance level toward the utilisation of SRI farming method and use of Salo rice species currently insisted by the agricultural and irrigation experts in the country due to their economic efficiency.

Generally, Improvement of irrigation infrastructures through the national programs such as National Irrigation Master Plan (NIMP, 2002) and District Agricultural Development Programs (DADP 2010), and facilitation of education and sensitization programs through the Mkindo WUA have contributed to development of relative cooperative norms such as systematic distribution of the water resource to all members basing on the scheme calendar, organised participation in O&M activities basing on the scheme calendar, more organised and collective decision making systems through the various committees, timely payment of the fees and contributions and frequent educational meetings among the members of the scheme on allocation rules and penalties. Existence of relative cooperative norms has helped the Mkindo scheme to address the undesirable norms such as those authorising free riding abstraction of water and reinforce the desirable norms such as Kiwili. Such norms however have failed to work across the farmer-pastoral groups implying that the collective action rules are difficult to develop within heterogeneous communities (van Koppen et al., 2007).

The State of Collective Action in Kiroka Irrigation Scheme (KIS)

### *Profile of KIS*

Kiroka Irrigation Scheme (KIS) is owned by the group of farmers known as Umoja wa Umwagiliaji Kiroka (UWAUKI) or (Kiroka Association of the Irrigators) which was formed in 2004. This group is one of the Irrigators Groups (IGs) in the WRB which have been formally registered. The group was registered in 14th May 2009 issued with the water use permit by the Wami-Ruvu Basin Water Board (WRBWB). The scheme was established in 2000s through the O&OD system, which enabled bottom-up approaches in decision making about formulation of the scheme.

The main economic activity of the communities surrounding this scheme is agriculture involving production of rice, maize, coconuts, bananas and fruits. Agriculture is both rain fed and irrigated using water from Kiroka, Mahembe, and Mwaya Rivers. The farmers supplement agricultural production with pet business involving mainly buying and selling of fruits, vegetables, and roots products such as cassava and yams.

Participation in pet business has been facilitated by availability of markets for farm products in Morogoro municipality, Dar es Salaam and other nearby regions. Accessibility to such markets has been facilitated by proximity to Morogoro municipality and availability of a road which is passable throughout the year. The scheme is about 20 km south of Morogoro municipality, one of fast growing urban centers in the country. Livestock keeping is sporadically conducted by few villagers or sometimes the Maasai pastoralists who use Kiroka village as a transit area when they move from southern villages in Morogoro Rural District to other places in Morogoro region.

### *Technology and Collective Action in KIS*

Due to delays in completion of the construction work, the main canal in KIS is partly lined and partly earthen. This scheme therefore is semi-improved small scale irrigation scheme. Before improvement of the scheme started, the farmers in villages surrounding the KIS had already started to engage in traditional irrigation farming in a land of about 50 to 70 hectares (MDC, 2014). The villagers abstracted water from the traditional intake facility once built for the purpose of collecting water for domestic use and watering of the domestic vegetable gardens. Traditional allocation rules basing on participation in maintenance of the intake determined access to the resource. Later on, irrigation practiced in a traditional way was found to be highly challenging by the farmers. The hardships faced during irrigation and the strong desire to improve their irrigation system made some irrigators to organise and form an irrigation group known as an Association for Irrigators in Kiroka or in Swahili Umoja Wa Umwagiliaji Kiroka (UWAUKI) in 2004 so as to get support from the government in improvement of their scheme.

According to District Agricultural and Livestock Officer (DALDO) from Morogoro District Council (MDC), the agent supervising the UWAUKI group and other small scale water users in the area, the original plan in this scheme was to construct a lined irrigation canal to benefit the farmers at Kiroka and Kiziwa villages. To achieve this goal, three main financiers were identified namely, the District Agricultural Development Program (DADP), the Morogoro District Council (MDC) and the farmers from Kiroka and Kiziwa villages. Among these three financiers only one the DADP Program, disbursed the funds at the time

the construction work was starting. This situation led to existence of financial gaps which consequently prevented the construction work to take off.

Due to lack of adequate financial resources, the villagers were provided with three options; to contribute the remained amount of funds, to minimise the construction standards or abandon construction of the scheme altogether. As the DALDO in MDC explained during the interviews, villagers' decision was to minimise the construction standards so as to continue with the project. Despite minimisation of the construction standards, the allocated financial resources could not suffice completion of the construction work. As a result until now the main canal for transporting water from the source to the abstraction points has not been completely lined in this scheme. This has prevented adequate supplies of water to the tail end farms in Blocks B and C.

Due to poor construction standards the irrigation infrastructures in Kiroka scheme have been damaged frequently by the floods and also demolished by the illegal users who want to connect their pipes normally in the night to steal water from the scheme. According to the scheme chairperson, most scheme members are discouraged by the fact that water is abstracted without permit and payment of fees by some colleagues. In addition, the farmers abstracting water at an unlined canal have not been happy due to uncertain supplies of water. This situation has made them reluctant in paying the fees and participating in O&M activities locally known as Msalagambo (a traditional collective work system which enables the farmers to participate physically in all O&M activities and one of the requirements for being a member and receiving water from the scheme).

Generally, as result of uncertain and inequitable supplies of water, the scheme has failed to establish systematic allocation rules and mechanisms as insisted in the government guidelines. Interviews with the scheme chairperson revealed that the Kiroka irrigation scheme is governed mainly through informal cooperative institutions which are not externally sponsored by the government and which evolve slowly and naturally by trial and error and experiences.

### *Community Characteristics and Collective Action in KIS*

Although the communities surrounding the KIS have no substantial cultural differences, they have great differences in terms of their preferences towards the water policy instruments. While the scheme members support such instruments, majority of the farmers in the surrounding communities have rejected them. Generally, the communities surrounding the KIS have no common understanding about the policy instruments on water allocation. This situation has affected communities support towards the policy instruments on water allocation. Differences in the manner that the community members view the water policy instruments can be illustrated by the existing opposition to pay the fees and join the UWAUKI the group that manage the scheme. Despite efforts by the scheme, village leaders and the Ward Councilor to educate the people, majority of the villagers have rejected to join the group. As interviews with one of the traditional elders (Mzee wa Milunga) in Kiroka Village, and the irrigators from the village have revealed, most of the farmers perceive UWAUKI as an extended arm of the government rather than an organisation created for their development.

The study has found that opposition from the community members has been contributed by the decision to adopt rice as the only crop in the scheme without a thorough involvement of the local people. Before the scheme was established the villages surrounding the KIS had different economic activities. Interviews revealed that the villagers have been divided between those who prefer to use water for other economic activities and those supporting adoption of rice. According to Ostrom (2000), collective action on resource governance depends on the participants who have shared understanding about the potential benefits of the policy strategies as compared to the status quo, and generalised norms of reciprocity and trust. None of such attributes exists among the farmers in communities surrounding the KIS. Generally, due to diverse interests, the communities surrounding the KIS have lacked mutual understanding about resource allocation rules, the condition necessary for development of collective action towards resource governance (Ostrom, 2000).

### *Absence of WUA and Implications in the KIS*

Apart from unfinished construction of the lined canal, the KIS has been alienated from the government agents controlling the water resource in the

area (Wami-Ruvu Basin Water Office) due to absence of the WUA in the area where it is located. As far as the National Water Policy (NAWAPO) (2002) is concerned, the WUA is the lowest possible level at which the water resource can be governed in Tanzania. Among other things, the role of WUA is to link the water users with the Basin Water Boards, which the policy recognises as the supreme decision making body at the basin level. Absence of WUA within its area has denied the KIS the opportunity to benefit from various education, sensitization and training programs sponsored by such associations under the sponsorship of the government and private stakeholders. As a result the farmers in KIS have lacked the necessary exposure to help them in scheme management.

### **Discussion**

As experiences from Mkindo and Kiroka irrigation schemes have indicated, collective action is dynamic depending mostly on some contextual factors. Although the classical scholars held a skeptical view, there are circumstances in these schemes showing that collective action is possible similar to what several other scholars have found in different areas (Ostrom, 1990, 2008, Komakech et al., 2012, Komakech and van de Zaag, 2011, Wade, 1987). The possibilities for collective action however do not preclude the need for sanctioning and rewarding systems as insisted in Olson (1965) and Hardin (1968). Experiences from Mkindo Irrigation Scheme (MIS) have shown how the expectations for greater productivity have motivated the farmers to join the union and formalize irrigation activities according to the government instructions. Moreover, such experiences have shown how the fear for sanctions has induced compliance toward the rules collectively devised by the farmers to govern water allocation processes. It is important to note that the fear for sanctions and expectations for higher productivity as catalysts for collective action are both products of technological development which have been done in MIS.

In the absence of effective irrigation infrastructures, sanctioning of the free riders becomes difficult as experiences from Kiroka Irrigation Scheme (KIS) demonstrate. In addition, in such situations the benefits that the users get are not equally the same as the efforts they commit in production and provision of the resource (Polak and Ostrom, 1999). As experiences from KIS have indicated when the property rights offer

benefits below what the holders expect commitment toward a collective good is reduced giving a leeway for free riding attempts in accessing and using the water resource.

Apart from technology, community characteristics have significant influence on collective action in water arena. Experiences from Mkindo and Kiroka irrigation schemes have shown achievement of collective action is not just a matter of defining the sanctions and rewards; it entails also infusion of common values and understanding about the resource policy. Development of the common rules toward the use of River Mkindo between the pastoralists and farmers has been difficult in Mkindo scheme and the surrounding villages because such rules seemed to contravene the pastoralists' cultural values. In case of Kiroka irrigation scheme collective action rules between the members of the scheme and out of scheme irrigators has failed due to diversity in their interests although most of them have relatively similar ethnic backgrounds.

Furthermore, there is a belief that commitment and capacity toward the collective good is high when the resource users are given greater autonomy to decide on their affairs (Polsk and Ostrom, 1999, Ostrom, 1990). Formulation of KIS was done according to O&OD approach in which the villagers were given the chance to decide on matters related to scheme development. Surprisingly, the irrigators in this scheme are more reluctant to follow the rules than their colleagues in MIS although their scheme was formulated through the top down decisions of the central government. The likely lesson learned here is that institutions are influenced not by their formulation styles alone as many have tried to show, but also subsequent interventions by those responsible for their existence. Generally, collective action according to the experiences from the above cases, becomes possible when the water users are organised in small groups facilitated by effective technological development.

### **Conclusion**

The paper has shown how collective action is shaped within the local environments in which the resource is governed. In the environment where communities have water users who have mutual understanding about the benefits accrued from the resource and local users' entities which are effectively nested within higher resource governance structures,

the likelihoods for collective action rules to develop are high. But these factors depend largely on the level of technological developments. In the situation such as that of Mkindo irrigation scheme where formal institutions have been accompanied with effective technological interventions by the government, it is easy for mutual understanding to develop among the users. To some extent the informal rules used in Kiroka irrigation scheme have also been useful in collective action, however due to absence of effective formal institutional support in some cases such rules have been in conflict with the village and basin governance structures. This has made them less efficient as compared with the Mkindo irrigation scheme rules. Basing on the experiences found in this study dilemma in collective action emerge not because the water users are not assured of the actions that others will take but because the existing governance organs are not supportive enough to empower appropriate actions. We conclude that strong support from the government is essential for collective action rules and smoothening of policy implementation in small scale irrigation schemes using both formal and informal institutions on water allocation

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## **The Influence of Herzberg's Intrinsic and Extrinsic Factors on Human Resource for Health Retention in Public Hospitals in Tanzania**

*Hassanal Issaya and Josephat Stephen Itika*

### **Abstract**

*Tanzania as many other developing countries has been affected by the mass exodus of health staff from public hospitals in search of greener pastures inside and outside the country. This has had an adverse effect on service delivery in public hospitals, which again prompted the government to devise the means to ameliorate the situation. This paper examines the relevance of Herzberg two factor theories in explaining retention of human resources for health (HRH) in public hospitals in Tanzania. Through various literatures and cross sectional survey design where quantitative and qualitative analysis, the paper argues that both intrinsic and extrinsic factors have a positive influence on retention. It is concluded that Herzberg Intrinsic and Extrinsic Factors has substantial roles in determining retention management in public hospitals in Tanzania. Again, it is concluded that actors/people/medical personnel respond to environmental contexts differently*

**Keywords:** Herzberg Two Factor Theory, Retention, and Human Resources for Health

### **Introduction**

Human resource retention is the challenge facing health institutions in many developing countries including Tanzania. These institutions may be both public and private. Scholars argue that globalization has intensified competition and increased mobility of highly skilled employees (Ng'ethe, Iravo and Namusonge, 2012) in the 21st Century (Ng'ethe, Iravo and Namusonge, 2012). As such employees seek to satisfy their needs and demands leading to a growing concern on their retention. Throughout the world, the health sector is leading in terms of not only shortage of human resource for health (HRH) but also challenges on employees' retention (Chipunza, 2009; Belbin, 2011, Sikika, 2013; Samuel and; Makodo, 2014). For example, a study by the World Health Organization (WHO),

(2006) concluded that, the situation of HRH worldwide and particularly in many Sub-Saharan African countries is described as a crisis. The same views are held by Ng'ethe, et al., (2012) who contend that HRH retention is a global challenge affecting both developing and industrialized countries. The pertinent example is provided by Belbin (2011 : 25) with his example of the United Kingdom (UK) turnover rate from 2006 to 2007 had reached 18.1 percent due to lack of adequate remuneration, frustrating red tape, changing careers and long working hours. Other examples are furnished by Samwel, (2008) whose study in Asian countries noted that public and private health sector organizations in China, Hong Kong, India, Japan, Korea, Malaysia, the Philippines, Singapore and Thailand experienced 14 percent and 16 percent turnover rate in 2004 and 2006 respectively. More critical is that Africa is not spared of retention problem.

The available literature indicates that, more than 20,000 highly qualified African HRH are now migrating every year to the UK and USA (Samwel, 2008). Accordingly, the Abuja report, (2009) projected that by 2020 a number of health employees who will emigrate from Africa to overseas per year will double leading to unprecedented increased number of unfilled vacancies. For example, in South Africa the vacant posts amounted to 30,000 by 2003 (Muhammad, 2013). Ghana had 57 percent of vacant posts., Zimbabwe had 55 percent and Malawi had 36 percent (Yumkella, 2005).

As other African and developing countries Tanzania experiences problems of HRH retention. Given that there are obvious retention problem in Tanzania, the government has overtime taken serious initiatives to ensure the problem is contained. In due regard, the government has subscribed to various international agreements. Such agreement include; the WHO Health Workforce Decade (2006-2015) with a priority of retaining health workers; the Kampala Declaration (2008) and the Chiang Mai Declaration (2008) all of which stressed on the importance of HRH retention. Furthermore, in 2010 during the 63<sup>rd</sup> World Assembly, Tanzania among other countries adopted a new code of practice to stop international recruitment of health personnel without prior agreement with the originating countries.

In addition to subscribing to international agreements, the government of Tanzania has taken more strides by developing various policies aimed at combating the problem of HRH retention. These are; human resource policy guideline, 2005; health sector strategic plan 2003-2008/2008-2015 and primary health development programme (MMAM) 2007-2017. Other initiatives relate to raising and reviewing of salaries and compensation benefits. For example, in 2002 the government adopted the accelerated salary enhancement (SASE) scheme in the Tanzanian public service as a special payment package for staff working in hospitals. Other initiatives relate to motivating HRH staff. For example the Mkapa Foundation, a government based organization, offers to health workers special benefits such as free housing, air time and transportation (Sikika, 2013). Moreover, the government has improved the health workers extra work pay, workplace hazard allowance, on-call allowance, risk allowance, housing allowance as well as increased opportunities for self-development (Kauzya, 2009). All these initiatives were taken deliberately as to curb the HRH retention problem.

However, despite the concerted effort by the government to curb the problem of HRH retention, studies and different reports have indicated that retention remain to be a recurring problem in Tanzania. For instance, the NHAR (2009) report indicates that in less than 15 years, the proportion of health workers to total Tanzanian population has fallen by 75 percent. A penetrating report by the AHSR (2010) portrays that, about 300 staff leaves the public health sector annually looking for alternative green pastures elsewhere. More evidence are also provided by Sikika, (2010) report which indicates that 18 percent pharmacists, 15 percent medical doctors and 13 percent assistant doctors left their duty stations a few months after being employed in 2009. In quitting the job, various excuses such as asking for leave of absence and study leave have been used (Mohammad, 2013). In due regard, these evidences pre-suppose existence of high rate of turnover in Tanzanian public hospitals which requires scientific inquiry for better interventions.

Theoretical literature has uncovered a number of factors which explain why a large number of employees leave organisations particularly the health sector. Most of these factors are categorised as psychological (Chiboiwa *et al*, 2005) social, economic security (Karney, 2009), and

work environmental (Michael and Chipunza, 2009). From these categorizations, contentions emerge that there must be more other factors to explain issues of HRH retention. More especially is the Herzberg's two factor theory which has two categories. These categories are related to the nature of the job itself and the job context as defined within the limits of Herzberg himself (intrinsic and extrinsic). Therefore, this paper examines the relevance of Herzberg's two factor theory in retention of HRH in Tanzania public hospital context. After this section of the introduction, in what follows, the paper presents the theoretical framework, methodology, results and discussion before providing conclusion and policy implication.

### **Theoretical Framework**

According to the Herzberg two factors theory (also known as Herzberg's motivation-hygiene theory as well as dual – factor theory), there are two sets of factors (Intrinsic and Extrinsic) at workplace: these are factors which cause job satisfaction, and factors which cause job dissatisfaction. Developed by Frederick Herzberg *et al.*, 1959 the theory assumes that there are factors at workplace that cause job satisfaction, and other separate set of factors at workplace that cause dissatisfaction. As such there are certain factors that a business should introduce to directly motivate employees to work harder (motivators) (Herzberg *et al.*, 1957). Conversely, there are certain factors that demoralize employees to work hard (Sandya and Kumar, 2011). It assumes that hygiene factors are the most important motivators as they are more related to the actual job hygiene factors that surround the job rather than the job itself (Herzberg, 1964).

This theory proposes that to improve job attitudes and output, managers must identify and attend to both sets of features and should stop assuming that an increase in satisfaction leads to a decrease in unwanted dissatisfaction (Hackman *et al.*, 1976). The implication is that, if employers wish to increase satisfaction, they should be concerned with the nature of the work, related opportunities, empowering employees, delegating some responsibilities and attaining self-realization. On the other hand, if employers wish to control dissatisfaction, then they must focus on job policies, procedures, supervision and working conditions. In order to command a satisfied and productive workforce, employers must pay attention to both set of job factors (Brian and Allison, 2014). Despite its efficacy to explaining retention, the theory has met two major

criticisms. First, it has been questioned on its reliability as satisfaction and dissatisfaction cannot exist in a separate scale. Inadvertently, separation of satisfaction and dissatisfaction has been shown to be a relic of the critical technique used by Herzberg to record events (Re'em, 2011). Secondly, the theory does not allow for individual differences such as personality traits, which tend to affect an individual's unique response to intrinsic and extrinsic factors which are also referred as motivator or hygiene factor (Hackman, *et al.*, 1976).

Despite such criticisms, the theory is still relevant and has had a major impact over several generations of managers and employers (Re'em, 2011). Notably, employers and managers have widely used the theory to improve their working environment by providing motivation to satisfy and retain employees for a longer period of time (Sandiya and Kumar, 2011). As such, this paper borrows the assumptions of the theory to examine the extent to which it influences retention of human resources for health in Tanzania public hospitals.

### **Review of Literature**

There are several literatures (both theoretical and empirical) which were reviewed in writing this empirical paper. Scholars contend that there is no secret code or formula that explains precisely as to what is employee retention. As such the term has been defined differently by different writers. Some say it is all about keeping right people on right jobs for every organization. It is all about keeping good people and it has much to do with culture and how people get treated (Mckeown, 2005). Others say, it is a voluntary move of an organization to create environment which engage employees for a long term (Chaminde, 2007). Further explanations are linked to its antonym that is employee turnover which essentially refers to as the percentage of employees leaving the organization for whatever reason in a particular period of time (Phillips and Connel, 2003). In practice, Managers are mostly concerned with estimating the rate of voluntary departures by employees who choose to leave on their own. People may leave an organization for many reasons such as retirement, , health problems, illness, being fired or forced redundancy (Phillips and Connel, 2013). Such involuntary separation is usually excluded from the calculation of the employees turnover rate

(Leslie Mckeown 2005). Thus, this study focused on the factors for employees' retention from the perspective of Herzberg two factor theory.

Reviewed literature in this study, reveals several factors responsible for explaining retention at work place. From different writers, thirteen factors have been found out to explain workforce retention including those of health sector. Those factors are explained below;

### *Responsibility*

Responsibility is the degree to which an employee exercises power related to his job at a maximum degree. It is explained further as the ability of an employee to set organization goals and structure so as to maximize professional concern (Ng'ethe *et al.*, 2012; Dockel, 2003). Studies by Re'em (2011) conclude that young employees who are at the bottom of the hierarchy are usually very motivated by receiving responsibility because they feel that they are given autonomy at work. Therefore, advocates of this factor suggest that managers who offer their employees responsibility should get off their tails and give them a real opportunity to deliver (Dockel, 2003, Buchan 2009, and Nge'the, 2012) if they want them to stay.

### *Achievement (on Goal Setting)*

Studies firmly suggest that goal setting is an extremely effective tool for public managers to motivate and improve performance of public employees (Re'em, 2011). Study by (*ibid.* 2005:41) reveals that vagueness goals and tasks in public service make it harder to point out the extent to which goals have been accomplished. When tasks are too wide or complex to achieve, then a set of intermediate goals (for example, milestone in the project) should be defined. This can motivate employees to achieve their goals, hence encourage them to stay with that particular organization (Greenberg and Baron, 2003).

### *Growth and Personal Advancement*

Personal advancement may be referred to as a degree or extent to which an employee perceives his or her chances of being promoted and grow in terms of skills, knowledge and capacity within the organization and thus challenging positions (Montana *et al.*, 2008) and opportunity to grow in organizations (Dockel, 2003). Feeling of stagnation in position according

to Ng'ethe *et al.*, (2012) discourages staying in organizations. Therefore, promotion offers opportunities for personal advancement in the job and also is one of Herzberg's motivators which can be used to enhance retention (Herzberg, 1978).

### *Recognition*

Essentially, employee recognition is a timely, informal acknowledgment of a person or team's effort or business results that support the organization's goals and values, which has clearly been beyond normal expectations (Buchan, 2009). Appreciation is a fundamental human need, which has positive connotation (Logan, 2000) with no costs involved, however underutilized ( Re'em, 2011:37) by employers. Mckeown (2005:105) suggests that a good, useful and effective recognition plan should be designated and communicated to employees so as to improve their behaviors. Basically, employees tend to stay in an organization when they feel that their capabilities, efforts and performance contributions are appreciated by others because they want a sense of accomplishment. Chiboiwa *et al.*, (2005) study on retention strategy in private organizations in Zimbabwe concluded that employees who were not recognized on their effort at work place which has fuelled the incidences of turnover in those companies

### *Work Itself*

According to Phillips and Cornell (2003), work to be performed should be meaningful and sensible to those assigned to it. A good design which includes, giving employees proper tools and the end goals (Brian and Allison, 2014), employees will feel more satisfied and thus, higher degree of intent to stay with the organization would be realized (Phillips and Cornell, 2003). This is particularly true for top employees who have a reasonable expectation that they were not hired to complete repetitive and uninspiring tasks (ibid).

### *Work Environment*

Work environment is another important factor affecting employee's decision to stay or quit his job. Chaminde (2007) argues that outputs and efficacy are directly affected by how people work such that is equally affected by their working environment. While comfortable working condition tends to produce higher level of satisfaction among employees

(Sinha, 2013), stressful working conditions results into high levels of dissatisfaction, thus prompting an employee to leave an organization (Philips and Connell, 2003). As such, participation in decision-making, opportunity to grow and opportunities for their workmates regardless of race, sex or age (Michael and Chipunza, 2009) do matter. Studies indicate a direct link between job dissatisfaction, lack of motivation and intention to quit (Zurn *et al.*, 2005; Michael and Chipunza, 2009; Chiboiwa *et al.*, 2010; Graham, 1999; Lehman and Sandurs, 2002). According to Dambisya (2007), conducive work environment is one that provides a well-maintained building, equipment, medical supplies, adequate staffing and security for staff, including their families.

### *Salary*

Understandably, attractive remuneration packages are one of important factors of retention. This is due to financial and material desire by an individual (Belbin, 2011; Hijazi and Rowaida, 1999). Many studies from less developed countries indicate that half of employees in organizations were satisfied with their salaries (Rosser, 2004) which may easily influence their intention to stay or leave (Kearney, 2009; Baghaei, 2011:152). However, it is emphasised that it is not the absolute amount paid that matters, rather it is one's perception of fairness that attracts and retains staff (Brooks, 2005). The argument is that increases in salary will not necessary lead to substantial retention and that not all people leave their jobs for the sake of money (Asnake, 2007:102). According to Asnake (*ibid*), there are two important reasons/facts; first, meagre salary may prompt workers to leave the job for more money, because it is about survival issues. Second, the rest of workers associate salary with fairness, that is, the manner the available profit is shared. Workers tend to be dissatisfied when they feel that the generated profit is unfairly distributed within the organization or when it does not seem to match with the weight of the job and the employee's efforts (Baghaei, 2011). Therefore, improving HRH's take home salaries is one of very important satisfiers (Yumkella and Swai, 2007). Besides, studies conducted in Uganda (Onzubo, 2007) and Mali (Dieleman *et al*, 2006) also identified low salaries as a major factor that could make workers decide to leave their current jobs.

### *Supervisory Style*

Supervisory style is a crucial element in leadership (Ng'ethe *et al.*, 2012) which influence employees' decisions to remain or quit. Employees are likely to remain with an organization if they believe that their managers are interested and concerned with their welfare, if they know their duties, if they are given a role that matches with their ability and if they receive positive feedback or recognized (Mbah and Kemetuna, 2012). Quality of relationship between employee and his/her immediate supervisor may extend his stay in an organization (Dockel, 2003) because negative behavior by managers and peers at workplaces can lead to dissatisfaction (Lyn, *et al.*, 2005). More so is the ability of manager to address conflict among employees otherwise they may feel dissatisfied and thus withdraw or depart from the organisation (Dovlo and Relonyo, 2003).

### *Job Security*

Notably, job security provides employees with a sense of stability from their jobs and the organization they work for, by giving them an opportunity to make plans, buy homes and achieve sense of confidence in their own future (Phillips and Cornell, 2003). It is argued by some scholars that, if there is no security of tenure, employees may leave the organization at any time. Therefore, employees need to feel they are working at a secure job that will be there for them in years to come. In an era of corporate downsizing, mergers and acquisitions, job stability is a critical investment strategy in human capital (Van-Wart, 2008, Belbin, 2011 and Bukuwa *et al.*, 2013). Lack of job stability diminishes the employee's sense of attachment and responsibility to an organization (Phillips and Cornell, 2003).

## **Methodology**

### *Research Approach and Design*

The findings of this empirical paper were based on a cross sectional survey design because the data were collected at one point in time in the purposively sampled three regions: Dar es Salaam, Lindi and Mbeya. The choice of the design was influenced by the fact that data could be collected from a large group of subjects, gather information on people's attitudes, feeling and behaviours and answer questions of "why", "how", and "what" happened (Miller, 2006). The design has greater degree of accuracy and precision about data collected and used for statistical description as well as interpretation (Yin, 2009). The design further allowed the use of several data collection methods such that getting detailed information on the subject matter was made possible.

The study, leading to this paper, used both quantitative and qualitative approaches. The use of mixed method was influenced by Jogulu and Pansiri, (2011) who supports it as it strengthens the findings and inferences made for understanding a social phenomenon in depth, compared to using a single method. This approach was used in order to allow complementarity of the methods used. This is because the mixed method approach adds the credibility of outcomes due to the fact that the quantitative data are supported by qualitative ones (Miller, 2006; Morse (1991 cited in Kunkuta, 2011: 92 and Walker & Robinson, 2004), the purpose of the mixed methods research is to obtain different but complementary data on the same topic.

### *Sample and Sampling Techniques*

The sample for this study was estimated to be 384 but the actual number of respondents was 278 from the three regions. Since the total number of the HRH in the Tanzania public service is not comprehensively known then, the sample size was calculated using a formula suggested by Kothari (2005) as follows:

$$n \geq \frac{Z^2 \alpha/2 p(1-p)}{d^2}$$

Where,

$$Z_{\alpha/2} = Z_{0.025} = 1.96$$

, is the confidence level value obtained from a normal distribution table

d = is the chosen margin of error (0.05)

p=0.5, is the estimated value for the proportion of a sample which gives the optimal sample size in absence of known population.

In sampling, both probability and non-probability sampling techniques were used. Probability sampling techniques were adopted because it enables the researcher to make statistical inferences or generalization in achieving a representative sample of the population (Kothari, 2005). Non probability sampling was used for selecting sample that contains few respondents for interview. This approach was also suitable for selecting sample where it was not possible to use probability sampling due to lack of centralized database of human resource in health sector.

#### *Data Collection Methods*

The study used three data collection methods namely, interview, questionnaires and documentary review. For primary data, the researcher used structured interviews and questionnaires, while secondary data were obtained through documentary review (from journal articles, internet, and government documents and different reports). The reason for employing more than one data collection technique was that, no one method or technique is perfect or could give all the data for the study independently (Kothari, 1990). In other words, the use of more than one data collection method helps to combine, complement and supplement data acquired through other methods (Yin, 2009)

#### *Data Processing and Analysis*

The data collected using questionnaires were generally quantitative. Data were entered and analysed using Statistical Package for Social Science (SPSS Statistics Desktop version 20.0). The analysis used both descriptive and analytical statistics. Descriptive analysis involved generating frequencies, percentages, mean and cross tabulation. This was computed in order to provide summary in a tabular form. Descriptive analysis was done to determine the percentages of the studied variables and for drawing frequency distribution tables. To complement the descriptive

analysis, methodological triangulation was performed whereby some descriptive data were supported by interview responses.

The inferential analysis performed involved correlations, factor analysis and multiple linear regressions. Factor analysis was also used in respect of intrinsic and extrinsic factors in order to reduce the number of variables. Summated rating scales of factors that emerged due to factor analysis were calculated. These scales are widely used across the field of social sciences to measure not only attitudes, but also opinions, personalities, and descriptions of people's lives and environment (Spector, 1992). The summated scale was used in this study because of the multiple items that were combined or summed. Further analysis, stepwise multiple linear regressions was used to investigate the best predictors of retention of employees. Summated rating scales of factors grouped from factor analysis were considered as the predictors variables in multiple linear regressions. Regarding qualitative data, the collected data were prepared, organised and categorised into themes in relation to research problem. Thus the process of coding and condensing the codes were done to produce larger meanings, which finally were displayed to allow verified conclusions through thematic content analysis.

## **Results and Discussion**

### *Demographic and other characteristics of respondents*

A total of 278 interviews were conducted to health workers who work in public health facilities and 22 interviews were conducted to health workers who had left the public health sector. The sample compositions were almost equally divided between sexes and people of different characteristics as shown in Table 1.

*Table 1: Demographic characteristics of respondents in the public hospitals (N: 278)*

<b>Item</b>	<b>Number</b>	<b>Percent</b>
<i>Gender</i>		
Male	160	57.6
Female	118	42.4
<i>Age</i>		
18 – 25	18	6.5
26 – 35	80	28.8
36 – 45	82	29.5
46 – 55	81	29.1
56 above	17	6.1
<i>Education</i>		
Primary education	15	5.4
Secondary education	50	18.0
Diploma	126	45.3
First degree	65	23.4
Master degree and above	22	7.9
<i>Marital status</i>		
Married	198	71.2
Single	61	21.9
Window/divorced	19	6.8
<i>Position/ cadre</i>		
Medical specialist	6	2.2
Medical officer	48	17.3
Clinical/medical assistant	59	21.2
Dentist	6	2.2
Nurse officer	63	22.7
Assistant nurse	58	20.9
Other specialist/cadre	38	13.7
<i>Year of working experience</i>		
4 Years	65	23.4
5-15 years	103	37.1
16-25 years	61	21.9
26 years and above	49	17.6

*Source: Constructed from field data results 2014*

29.5% the respondents aged between 36 and 45 while 29.1% were of 46 and 55 years of age. Over two thirds of the respondents were married. In the education level of the respondents from public health facilities is

presented in Table 1. The table shows that the majority of respondents from public hospitals had diploma and first degree as their education attainment.

The respondents distributed and returned questionnaire. Health workers who had left from the private hospitals were 22. Out of this number, 54.5% were males while 45.5 % were females. Table 2 shows that the majority of respondents from this group were aged between 36 and 45, few respondents came from 18, 25, 56 and above age groups. Of the respondents who had left the public hospital, 50% had had 5 to 15 years of working experience and 13.6% of the respondents had had four years of working experience. This implies that the majority of health workers from outside the public sectors had had 5 to 15 years of working experience.

### **Retention Factors**

A number of statistical tools were deployed to examine the power of each of retention factors as follows:

#### *Descriptive Statistics*

Typically, the mean, standard deviation and number of respondents (N) who participated in the survey are given. The results indicate that working condition with a mean of 4.30 was very important factor in influencing retention of human resource for health. Job security with a mean of 4.15 and salary with a mean of 3.79 followed in matter of importance. Interpersonal relation was ranked at low level variable with a mean of 2.92, suggesting that this variable is not very important in explaining retention of employees as shown in Table 2.

*Table 2: Descriptive statistics for intrinsic and extrinsic factors*

<b>Factor</b>	<b>Mean</b>	<b>Std Deviation</b>	<b>Analysis N</b>
<i>Intrinsic factors</i>			
Recognition	3.34	1.41	278
Work itself	3.28	1.28	278
Personal growth	3.22	1.30	278
Responsibility	3.14	1.33	278
Achievement	3.19	1.29	278
Advancement	3.17	1.24	278
<i>Extrinsic factors</i>			
Supervisory and leadership style	3.10	1.27	278
Working condition	4.30	0.95	278
Salary	3.79	1.24	278
Company policy	3.25	1.21	278
Job security	4.15	1.05	278
Interpersonal relation	2.92	1.34	278
Status	3.24	1.23	278

Point scale: 1: Very low; 2: Low; 3: Neutral; 4: High; 5: Very high

*Source: Constructed from field data results 2014*

Findings from health workers who had left the public health sector interview reveal that working condition in most of public hospitals is inadequate and very hostile for safety. 15 out of 20 (75%) of health workers who had left health facilities supported the view above. On the issue of salary, all 20 (100%) respondents interviewed pointed out that, salary in public hospitals is inadequate and discourages human resource for health to continue working in public hospitals. One nurse in Lindi regional hospital had this to say;

*My brother, the working life here is very pathetic, it is only God who knows how we manage to continue surviving in these hazardous environment, leave alone poor working environment we are subjected to, but the salary that we get does not meet even our basic needs, it is discouraging (A nurse interviewed in Lindi on 10/02/2014).*

Bartlett's Test of sphericity was significant (approximated to be  $\chi^2 = 1144.579$ , df:78,  $p < 0.001$ ) and the Kaiser-Meyer-Olkin (KMO) was acceptable at 0.847, providing evidence for the factor analysis. Table 3 shows the variables extracted using varimax (orthogonal) rotation.

*Table 3: Rotated component matrix for extraction of variables*

<b>Rotated Component Matrix<sup>a</sup></b>			
	<b>Component</b>	<b>Component</b>	<b>Component</b>
	1	2	3
Achievement	.812		
Advancement	.807		
Personal growth	.759		
Responsibility	.692		
Supervisory and leadership style	.506	.502	
Interpersonal relation	.493	.445	
Recognition		.797	
Status		.702	
Work itself		.626	
Working condition			.786
Salary			.678
Job security			.628
Company policy			.493

Extraction Method: principal component analysis.

Rotation Method: varimax with kaiser normalization.

a. Rotation converged in 6 iterations.

*Source: Constructed from field data results 2014*

The idea of rotation is to reduce the number of factors which variables under investigation have high loadings. Rotation does not actually change anything but makes the interpretation of the analysis easier. Variables were rationally grouped into three components and indicated that achievement, advancement, personal growth, responsibility, supervisory, leadership style and interpersonal relation are substantially loaded on Factor (Component) 1, while recognition, status, and work itself are substantially loaded on Factor 2. Furthermore, working condition, Salary, job security and company policy are substantially loaded on Factor 3. Factor or component 1 was generally named achievement, factor 2 was

named recognition and factor 3 was named working environment. This means that grouping variables into one factor and the relative importance of variables in the group are equalized. These factors can be used as variables for further analysis.

**Factors Associated With Human Resource for Health in Public Hospitals**

Summated scales of the three factors that emerged from the factor analysis were calculated, and stepwise multiple linear regressions were done. Stepwise multiple regressions were conducted to investigate the best predictors of human resource for health retention. The relevant predictors for human resource for health retention include; achievement, recognition and working environment as shown in table 4.

*Table 4: Stepwise multiple linear regression for retention factors*

	unstandardized coefficients		standardized coefficients	P-value
	B	Std. Error	Beta	
Constant	3.106	.260		.000
Working environment	1.072	.114	.715	.000
Recognition	.379	.125	.230	.003

*Source: Constructed from field data results 2014*

Working environment and recognition were significantly associated with retention of human resource for health retention. Conversely, achievement did not show any evidence, that it is associated with retention of human resource for health retention, thus was removed from the model. However, results indicate that recognition increases the likelihood of HRH to remain in public health sector, because the coefficient is positive. Statistically, as one unit increase in recognition (i.e. from low to high), we expect a 0.379 increase in the level of retention if all other variables in the model are held constant. This means that high level of recognition in public health hospitals increases the probability of staying in public hospitals.

The findings also indicate that working environment increases the likelihood of human resource for health to stay in public health sector, because related coefficients are positive. This means that, one unit

increase in working environment (i.e. from low to high), leads to 1.072 increase in the level of retention if all other variables in the model are held constant. This means further that higher level of working environment in public hospitals, increases the probability of HRH staying in public hospitals. Lack of medical facilities in Lindi, Mbeya and Dar es Salaam presupposed adverse conditions among interviewed respondents who said that:

*I was not employed in the public hospital as an observer of people dying for lack of drugs. As a professional, I thought I was employed to treat patients and not observing them dying because of the lack of medicine. Therefore, I had to quit the public service to utilize my expertise effectively (Interview Carried on 15/08/2013 in Dar es Salaam)*

Again, it was hard to find housing services for doctors and nurses near the hospital. Lack of housing impinged the frequency emergence of medical services. Doctors can not immediately respond to emergence calls especially in Dar es Salaam where there is high traffic. One respondent opined that:-

*I stay in Mbagala, working at Mwananyamala Hospital, a distance of almost 30 kilometres. How do I attend to the emergency call with this traffic jams? At some instance, I have to switch off my phone to be inaccessible. After all, even when I attend to the call, they do not pay me my on call allowances on time, this discourages me Therefore, I think of looking for another employer. (Interview carried on 26/08/2013)*

Despite of working conditions and recognition being very important factors and significant to retention of human resource for health in public hospitals, analysis from observation schedules in all health facilities consulted (which represent 100% of all 7 health facilities) revealed that the working environment is very poor. In particular, the researcher observed poor buildings, dilapidated toilet, inadequate of protective gears such as gloves in most of dispensaries, inadequate office space and wards against the recommend standards. However, in two regional referral hospitals consulted (Lindi and Mbeya regional referral hospitals) things were quite different. Findings from these referral hospitals show good working environment and adequate facilities, unlike in other 7 health centers consulted.

Another notable misnomer was registered through interview, whereas 12 out of 20 human resource for health (60%) interviewed revealed that, to a great extent public hospitals do not at any rate meet and satisfy human resource for health's basic needs. The results imply that in public hospitals the government has failed to satisfy and meet basic needs for human resource for health per standards. Regarding the issue of recognition, 14 out of 20 HRH (70%) interviewed had the view that their efforts are not valued, despite the fact that they work in difficult condition. One assistant medical officer in Mwananyamala revealed his grievances that:

*The government does not value our work, we are not valued, neither recognize our status as doctors, see how the Tanzania Revenue Authority (TRA) staff and Bank of Tanzania (BOT) employees are being remunerated!!.. We cannot even ask why and how all this discrepancy of payments happens, they will catch and put you into grave ... see what happened to Dr. Ulimboka. It is like we are nothing to the government when it comes to demanding our rights, ...look how we are deprived, ... it is a shit job, ( interviewed with the assistant medical officer in Dar es Salaam). (Interview carried on 01/09/2013)*

Furthermore, through checklist the researcher noted that in the consulted 6 health facilities out of 7 (86%), it was observed that human resource for health were not paid for extra work, risk allowances, on call allowances, workplace hazardous allowances and house allowances. However, in district hospitals, regional referral hospitals and consultant hospitals it was noted that on call allowances are given occasionally and without any clear set of criteria. For example, it was noted that some human resource for health are paid TSH 100,000/: others are paid 200,000/: or even 300,000 for the same work done. This inequality in terms of available fringe benefits creates mixed feelings among HRH in public hospitals in Tanzania.

## Discussion

This study has examined the extent to which Herzebeg's intrinsic and extrinsic factors influence human resource for health retention in public hospitals in Tanzania. The findings offer some insights which serve one to understand the factors associated with human resource for health in public hospitals in Tanzania. The findings reveal that working environment (this include working condition, salary, job security and company policy) and recognition (recognition, status, and work itself) were significantly associated with retention of human resource for health retentthe Ministry of Health and Social Welfare from government hospitals. The reports revealed that poor working environment and inadequate working condition (such as poor salaries, working facilities, housing allowances and inadequate drugs) were found to be the central critical issues and major themes in those reports (MOHSW, 2013).

Working environment is one of the most important factors for smooth operation in any organization, which may ultimately influence retention of employees. The findings concur with Ng'ethe *et al.*, (2012) also Phillips and Connel (2003) contentions that without favourable working environment, staff are not likely to stay in public offices. These quantitative results are supported by interview responses which affirm the need for favourable working environment. However, working condition in the health sector seems to be inadequate. Hospitals in Lindi lack office space where one office would accommodate three doctors at a time negating the need for privacy among patients as per WHO standards. Emerging from this information, the working conditions in all three regions remain pathetic and thus do not encourage HRH retention. Thus, the findings negate Dambisya (2007) and Dieleman *et al.*, (2006) who acknowledge the necessity of good working condition as prerequisite for HRH retention.

Motivation theories consider job security as an extrinsic factor for retention. In this study it emerged as the most important factor under work environment in explaining human resource for health retention. The findings again concur with findings echoes by Phillips and Connel (2003) who thought that job security proves an opportunity to make plans buy homes and attain a sense of confidence in their future. Lack of perceived job security, is common for professionals (doctors and nurses) in Lindi

to engage in other income generating activities like fishing and agriculture to subsidize their meagre salaries and benefit for survival. The implication is that, doctors and nurses will never spend most of their time at work place, thus ,they will go for more paying business, the salary paid by the government becomes a subsidy instead of being basic income. As such health staff may not quit the work place physically but remain absent psychologically.

Salary to workers in any organization is important factors which may influence retentions. The findings indicate that salary is importance for retention. The findings are in line with other studies which found that respondents were not satisfied with their current salary scale (Belbin, 2011; Hijaz and Rowaida, 1999; Rosser, 2009 and Kearney, 2009). Recognition formed the second cluster under intrinsic and extrinsic variables in explaining human resource for health retention. The findings reveal that recognition is statistically significant on human resource for health retention in public hospital. These findings agree with the view by management gurus like Van Wart (2005) and Re'em (2011) who recognize the need for staff recognition in terms of appreciation expressed through good work, good behaviour or actions.

While recognition is important for staff retention, responses from Dar es Salaam and Mbeya provided opposite views. They categorically made it clear that their contribution in health field is not recognised. They believed that they were not recognized by the government (employers) and politicians. They are labelled as ones who cause lack of medicines in hospitals by stealing, something they refuted with dismay. These allegations demotivated them from staying in public offices, as is the highest level of derogatory attacks on the medical profession. These allegations do not motivate them to stay in public hospitals. Instead, they become truants and psychologically withdrawn from office as observed by Shaban *et al.*, (2013).

Work design is yet another factor contributing to human resource for health retention. In short, work design, refers to the perception on how the work is organized its sensitivity and its meaningfulness to real life. Basically, positive thinking of the work itself becomes part and parcel of work design. It has the highest probability in influencing human resource

for health retention. In visited areas, work design appeared to be pathetic. The design was in terms of availability of working tools, and the danger involved in performing their duties. The existence of precipitating factors to HIV and AIDS pandemic made it more provoking. The findings concur with McKeown (2005) Philips and Connel (2003) who maintain that, better designed jobs have higher productivity and more satisfaction, thus higher degree of intent to stay.

### **Conclusion Remarks**

The study examined the extent to which Herzberg two factor theory influence HRH retention in public hospitals in Tanzania. The study has two major conclusions. First, the Herzberg two factor theory has proved to be a powerful tool to explain retention issues in public hospital in Tanzania. Substantially, evidence indicate that the test that have been conducted to establish the extent to which its assumptions do explain retention in Tanzania. For example, the descriptive statistics for intrinsic and extrinsic factors with mean and standard deviation (pg 15) typically showed the power of different variable to explain retention. Likewise, the rotated component matrices for extraction of variables for making interpretation easier (pg 16) were done. More so was the predicting of the best predictors (pg 17) where the stepwise multiple regressions were done. As such, subjecting the theory to different tests makes it a powerful tool to explain retention. Therefore, results indicate that working environment (pg 17) – (working condition, salary, job security and company policy) and recognition (pg 17) – (recognition, status and work itself) are significantly associated with HRH retention.

The second conclusion is that based on the findings, it is interesting to note that the assumptions of the theory seem more applicable in some areas than other theories. Issues of working conditions, salary, and motivation in any way, work design were strong associated with retention in Dar es Salaam than it was the case in Mbeya and Lindi where other social economic activities appeared more important than Herzberg retentional factors. As such, differential perception of what motivates one to stay in public hospital differs since people have different interest given different context. This study therefore establishes that actors/people/medical personnel respond to environmental contexts

differently. This adds up to theoretical level of analysis where context do matter a lot.

### **Policy Implication**

Based on the study findings and the emerging conclusion, it is worth noting that many interventions and related policies to retention are not participatory and neither are they based on local working context. In order to achieve maximization of ownership and empowerment, all government intervention strategies to achieve employees' retention should be developed jointly between the government, the residents and health employees in their local context. This is further related to match these strategies to local needs of health staff (locality and contextual approach). In due regard, the context issue is very important in developing an intervention for retention. The government should stress the need for home grown model of self-reliant development strategies or intervention which can only come if the government learn to build and consider contextual issues in different regions and districts.

By considering local context, the HRH will be able to determine the form and content of the retention strategies that will accommodate itself to the value, interest, aspiration and social institutions which are important to life of employees. Because it is only when retention strategies development come to them that sustainability regarding retention can be attained. For the government to retain HRH it should build a more pluralistic and participatory form of governance on developing retention strategies in the health sector.

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## Perceived Future of Ethnicity in Anchoring Voters' Choices in Tanzania

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### **Abstract**

*This article argues that the low significance of ethnicity in anchoring voters' choices in Tanzania today and optimism of its continuity is a result of meticulous decisions by political elites' to unify the extremely ethnically diverse structured Tanzanian polity and to defuse the vitality of ethnicity in politics. The article contends that the foundation set by the promises of the independence movement have exhibited the capacity of entrenching a sustained nationalist political culture among Tanzanians that navigates them away from thoughts and acts potential of furthering politicisation of ethnicity, and its consequences on elections— ethnic voting. The unification of the extremely ethnically diverse structured Tanzanian polity coupled with perceived benefits of unity, non-ethnic distribution of public resources and peace are the epitome of Tanzanians' disapproval and hope of continued disapproval of ethnic salience in politics in general and in anchoring voters' choices in particular. However, the nationalist political culture has to deal with differences in wealth accumulation and politicised religious orientations which stand greater chances of dividing Tanzanians and informing political canvassing and voting.*

**Key words:** Ethnicity, voting, Tanzania, promises of the independence movement

### **Introduction**

Salience of ethnicity in anchoring voters' choices is a generalised phenomenon in Africa's voting behaviour literature (Weber, 2010; Posner, 2005). The literature contends that Africans politicise *ethnicity* and are *ethnic voters*. However, Tanzania is among few countries which provide an exception to such generalisation (Malipula, 2014; Bratton et al. 2011; Weber, 2010). The dominant literature on ethnicity and voting associates ethnic salience in Africa with neo-patrimonial, hybrid, and ethnic-structure theoretical viewpoints (Malipula, 2014). Neo-patrimonial and hybrid explanations associate the salience of ethnicity in voting in African states to preference of traditional primordial tendencies which

give impetus to ethnicity, personal rule and ethnic-based patronage; over effective legal-rational institutions (LRIs) whose authority is based on codified laws which set restrictions against the use of ethnicity in electoral politics (Bratton and Van De Walle, 1997). This dominant scholarship on ethnicity and voting ignores the African history and its political thought in analysing influences of ethnicity on determining voters' choices. This is a serious flaw as there is sufficient evidence in Africa to suggest presence of LRIs and denunciation of ethnic-based patrimonial tendencies (Pitcher et al. 2009). The ethnic structure thesis contends that countries with few and large ethnic groups are expected to be more ethnically politicised as they are endowed with ethnic groups big enough to form a minimum winning coalitions (MWCs) in elections. The converse is expected for countries with many small ethnic groups, a situation that forces political parties to reach out to, and win votes from, a myriad of ethnic groups through national programs (Weber, 2010). The view that ethnic identities as static and the structure inform voting without any agency. There is evidence that dictates of the thesis are not applied in lower level election in Tanzania where MWCs can be forged thus indicating that there is more than structural factors to be considered (Malipula, 2014).

Informed by the gap above Malipula (2016) rejects the neo-patrimonial and hybrid as well as ethnic structure theories as inadequate tools for understanding the influences of ethnicity on determining voters' choices in Tanzania. He proposes an alternative framework which draws among others on Mustapha's (2002) idea of political community. According to Mustapha do and don'ts of a political community are chiefly informed by ideals deduced from common history and political thoughts entrenched within the political community in question. For the Tanzanian case, its political community is informed by a nationalist political culture embedded in the PsIM . These promises meant to enhance national unity, EDNR and peace which militate against salience of ethnicity on determining voters' choices. At its core, this movement promised Tanzanians that their polity will be nationally unified, equitably developed and peaceful - issues that are against salience of ethnicity in political competition (Nyaluke, 2013). These ideas formed the political community amongst Tanzanians during the struggle for independence and created a political contract between Tanzanian leaders and peoples. The PsIM informed the do and don'ts both during the struggle for

independence and in independent Tanzania. Importantly, the values and ideas embedded in the PsIM and associated initiatives to realise them have managed to forge an association between state and society in informing low salience of ethnicity in motivating voters' choices for over 50 years (Malipula, 2016). The important question is can it keep on doing the same amid an ongoing anxiety about competitive politics and liberal economics and other divisive social cleavages breeding ethnic salience in voting?

The current article presents and discusses data related to perceived views on the role of ethnicity in anchoring voters' choices in Tanzania in years to come. The article is informed by interviewees' views on a question that wished to gather their perceptions on the future of ethnicity and voting in Tanzania drawn from Mwanza region. It comprises also experiences of political canvassing in the country's recent elections derived from secondary information sources.

### **Material and Methods**

This article is a result of a qualitative study conducted between 2014 and 2016 in Mwanza region. The data employed were garnered from 65 face to face interviews with randomly selected voters in Mwanza-Tanzania and Key Informant Interviews (KIIs) with 5 seasoned politicians who served in ministerial and high ranked party portfolios as well as 4 party leaders from the most successful parties in the area- CCM- Chama cha Mapinduzi (Revolutionary Party) and CHADEMA - Chama cha Demokrasia na Maendeleo (Democratic and Progressive Party). Equally, 4 village and 4 street leaders were interviewed. The KIs worked for the ruling party but some are in opposition now. The voters interviewed were randomly selected from Nyamagana and Misungwi districts representing the urban and rural settings of Mwanza respectively. From each district two wards were selected, and within each ward either two villages or two streets were selected depending on the nature of the wards-rural or urban. Basing on the lists of the households found in the villages and streets households and eventually interviewees from the households were selected (12 from each street or village) making a total of 48 interviewees. The study employed documentary reviews to complement and check the interviews. The data collected was analysed using structural content analysis and by triangulation of sources and theoretical perspectives.

## **Understanding Salience of Ethnicity in Voting: A Theoretical and Contextual Overview**

### *The Ethnic Structure Thesis and Ethnic Voting*

This school contends that a country's ethnic structure - the number and size of ethnic groups - can elucidate the influence of ethnicity in voting (Posner, 2005). As such, countries with few and large ethnic groups are anticipated to be ethnically politicised as they have the potential of forming MWCs. These MWCs are said to influence voting because voters look forward to gain rewards for being part of a MWC. The opposite is viewed to be the case for countries with a range of minor ethnic groups which force contestants to reach out to, and win votes from numerous ethnic groups through a national appeal (Weber, 2010). As luring as the ethnic structure view may be in terms of strategic rationality, its validity is questioned on grounds of the dynamic and contextual reality of ethnic identities, which a static conceptualisation of ethnic groups and their politicising effect fails to grasp (Malipula, 2014). Since ethnic identities are dynamic, the actualisation of the ethnic structural exposition in informing voting needs agents to promote its dictates. Short of agents leaning towards the ethnic structural trajectory and perpetuating ethnic canvassing, the thesis can hardly stand criticism.

Tanzania as a polity provides mixed views in the ethnic-structure dictates of the significance of ethnicity on voting. Its heterogeneous structure<sup>5</sup> does not provide for formation of MWCs in presidential elections<sup>6</sup> but would seem to be an alternative in lower levels as the country's ethnic structure provide for the potential of forming MWCs and ethnic politicisation in that level. As much as this possibility stands, there is no indication that it has been given a go (Nyaluke, 2013). This entails

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<sup>5</sup> Tanzania is ethnically diverse with over 120 ethnic groups, all socially identifiable through unique features of their languages and their cultures, Tanzanian society and its cultural diversity have not been politicised to the point of limiting inter-ethnic cooperation.

<sup>6</sup> Tanzania has a total of over 120 ethnic groups without any close to commanding a simple majority in presidential elections. The largest ethnic group, the Sukuma, constitutes 17% of the population while there is none amounting to more than 5%. Any MWC would require many ethno cultural groups and a national outlook. In constituencies almost everyone has a dominant tribe, thus warranting potential for MWC formation. Yet, the competition will mainly be intra-ethnic rather than inter-ethnic as parties tend to sponsor members of the same ethnic group to vie for such seats (Malipula, 2016, 2014; Nyaluke, 2013).

that the structural argument alone cannot fully explain the current and future politicising effects of ethnicity in voting in Tanzania (Malipula, 2014). Agency-based analysis has to be incorporated to dwell beyond the structural thesis to prudently determine the future of ethnicity in anchoring votes in Tanzania.

*The Neo-Patrimonial, Hybrid Perspectives and Ethnic Voting*

The neo-patrimonial and hybrid views on influences of ethnicity on voting contends that salience of ethnicity in voting is a function of complete lack of LRIs or incompetent LRIs and ideals to stamp ethnic-based distribution of public resources (Bratton and Van De Walle, 1997). Since Tanzania has LRIs even if they are not well functioning, it is unwise to buy neo-patrimonialists view that it lacks such institutions. This explains why the hybrid school argues that African states are hybrid as they have both LRIs and traditional institutions working in tandem. However, LRIs are dysfunctional, thusly, primordial tendencies assume primacy. As such, African rulers use neo-patrimonial practices like politicising ethnicity to win votes (Weber, 2010). In light of this view, Tanzania is expected to be ethnic salient in voting as it has malfunctioning LRIs and strong social and cultural ethnic identities. However, it is not. This fact points to the over-generalised nature of the neo-patrimonial and hybrid explanations of African politics. In this context, primordial tendencies alone cannot satisfactorily explain the influences of ethnicity on influencing voting now and in future.

Additionally, neo-patrimonial and hybrid accounts suffer from their essentialist interpretation of African history and traditions which fails to value different political ideas and structures pertinent to Africa (Pitcher et al. 2009). For example, against the claim of Africans' primordial tendencies politicising ethnicity, there is sound evidence in terms of elections in Tanzania as well as in terms of extant ideals and values countering neo-patrimonialism (Malipula, 2016; 2014). Therefore, a viewpoint that integrates the role of African histories in the analysis of ethnicity and voting in the current and future is not only desirable but logical.

### *The PsIM Approach and Ethnic Voting in Tanzania*

The PsIM in Tanzania were born in response to the undemocratic, divisive and exploitative colonial regimes. They pledged that Tanzanians will enjoy democracy, justice, equitably development, national unity and peace (Nyaluke, 2013). Malipula (2016) based on research findings particularly from detailed views of KIs and ordinary voters in Mwanza, suggests national unity, EDNR and peacefulness as the relevant PsIM for explaining low salience of ethnicity on voting. The PsIM in Tanzania were documented in an ujamaa<sup>7</sup> based policy blueprint called the Arusha Declaration (AD).<sup>8</sup> My KIs alluded that the PsIM particularly its nationalist political culture were kept alive even when Tanzania embarked on liberal reforms overruling the ujamaa dictates of the AD. They further intimated that a zealous and well-articulated nation building project coined around the PsIM informing a nationalist identity militating against the use of ethnicity in mobilising voters was sustained. Wherever possible, the negative side of ethnic polarisation, such as the civil conflicts in other African countries, was underlined. They argued that the PsIM were well taught in schools, at workplaces, and in the ujamaa villages, as well as being widely covered in the mass media. The nationalist rhetoric was accompanied by concrete policies like the use of Swahili as a national language, national service camps that inculcated the sense of Tanzanian patriotism, and assigning students and workers to live in across the country regardless of their native origin.

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<sup>7</sup> *Ujamma* means familyhood. It was Tanzania's social economic philosophy that guided the country's political, social and economic affairs. It aimed at making Tanzanians reap the advantages of the nation in an egalitarian manner.

<sup>8</sup> The AD was based on a social imaginary, developed by Nyerere among others in published books, which referred to the communalism practised in African traditional societies. It aimed at building a society in which its members are accorded equal rights and opportunities, coexist peacefully and without being exploited. At its core, the AD meant to restrict differential acquisition of wealth and shun attendant divisions and conflicts, which could follow growing inequality. Arguably, the AD thus provided a palliative to ethnic based disparities that could become politicised. The economic intent of *ujamaa* was supported by a monist political dispensation that incorporated all social and political organs into a sole political party. The order meant to enhance national unity. However, it limited space for competing viewpoints and dissents,

According to Malipula (2016) the political elites in Tanzania through the AD created a political culture or imaginary<sup>9</sup> against ethnic voting through three components: (1) enhancing national identity pride, (2) unity/non-polarisation and (3) a subject political orientation<sup>10</sup>. The social component of the AD has reinforced a strong Tanzanian national identity that reversed divisive colonial manipulations of divide and rule responsible for ethnic-based conflicts in Africa. Economically, the resultant policies of the AD, such as centralised villagisation and the nationalisation of the major means of production for EDNR enhanced national unity and non-polarisation as no ethnic group was overtly favoured. Politically, the monolithic political order created a passive subject-political orientation among citizens due to lack of avenues for airing alternative views. Such political orientation limited the airing of dissents and possibilities of competing ideological viewpoints from those of the state. As such, views against the PsIM were hardly questioned. However, the passive subject-orientation was complemented with the factual (object-oriented) observation of violent ethnic conflicts and effects thereof. The three components militating against ethnic salience in voting do not act in isolation. They are complementary and mutually reinforcing.

For instance, the KIs argued that the monolithic subject political orientation left little public space for ethnic groups and other social forces to organise parochially and channel their agenda. The political leadership suppressed all indication of ethnic dissent by emphasizing the imaginary of a more unified and nationalist population. The unified Tanzanian population that worked collectively on shared national goals enshrined in the AD such as self-reliance, particularly in agriculture in the villages where people equitably shared resources, advanced a sense of national pride. The communal and peaceful co-existence of ethnicities proved the country's 'natural' tendency towards peace that Tanzania widely boasted about in comparison to its neighbours. The subject political orientations caused Tanzanians to disapprove of public conflict. Being a peaceful nation was central to Tanzanian national identity, so citizens engaging in

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<sup>9</sup> An 'imaginary' is not an illusion. Images imagined may be true. Imaginary is another term for ideology but it includes also unconscious ideas such as metaphors.

<sup>10</sup> Kilimwiko (2012) defines subject political orientation as a passive and /or uncritical political orientation. To him citizens with such orientation hardly question their political leaders, and beg for their rights instead of claiming them.

political acts like politicising ethnicity which is prone to escalating violence would have been betraying their own identity. In light of the PsIM approach, the mutual reinforcement between the three elements of Tanzanian political culture has kept Tanzanians on a non-ethnically politicised path in anchoring votes for over four decades.

Fundamentally, the PsIM approach suggests that ‘African politics’ is informed by ‘African culture’, more exactly by a nationally converging reproduction and innovative rehashing of local values and ideals, which we called the political imaginary. While the neo-patrimonial and hybrid schools assume that African states and their people after independence settled for the guidance by personal and particularistic tendencies, the PsIM approach acknowledges the long history of peace-keeping in African cultures, as highlighted by Pitcher et al. (2009). The efficacy of the PsIM against the other theses in explaining ethnicity for years to come is tested below.

### **The Future of Ethnicity in Informing Voters’ Choices in Tanzania**

#### *Sustained PNU and the Future of Ethnicity in Anchoring Voting*

A sum of 83% of my interviewees were of the view that Tanzanians’ lasting sense of national unity will bar ethnicity from gaining salience in determining voters’ choices. They hold the view that the foundation for political stability and peacefulness in Tanzania associated with national unity and perceived merits thereof will reinforce feelings against divisive ethnic identities in politics. A retired civil servant well summarises this position:

“Ethnicity will not be important in voting because the foundations of national unity are very strong. Also, people do not want to experience violent effects of ethnic polarisation.”<sup>11</sup>

The views of the retired civil servant were seconded by a lady in Kishiri A when she said:

“We are united and well wishers do not want to see us divided. Using ethnicity and religion in anchoring votes will destroy our country. Some people wish to see us get into problems like our neighbours.... We are not

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<sup>11</sup> Personal interview with a retired civil servant in Rufiji Street.

going to let that happen. Our founding fathers did not want us divided! And we will not let them down”<sup>12</sup>

The lady’s views are reflective of the argument that the negative impacts of ethnic polarisation in countries like Kenya, Rwanda, Burundi has motivated Tanzania to keep itself away from politicising ethnicity. In particular, it suggests that sustained denunciation of the use of ethnic identities in political canvassing and voting can ensure continued low salience of ethnicity in voting. The views of my interviewees indicated clearly that a key tenet in Tanzania’s post-independence government was, and still is, to fight ethno-cultural divides and any other divisive factors which would hinder unity among its citizens. The interviewees held the view that the measures used to unify Tanzanians from Independence like using Swahili as national language to unite 120 ethnic groups, intermarriages, and legal restrictions to the use of ethnicity in public life all set a national cohesion that is so strong for ethnicity to gain salience in voting.

The views above were evidenced in the 2015 elections as the major contestants and their parties never went for the ethnic ticket to lure votes. The CCM candidate (the sitting President) Dr. John Pombe Magufuli as it has been usually the case for CCM candidates in the past, led the league of promising national unity, peace and tranquillity and associating Tanzania’s peacefulness and unity to his party. Hon. Edward Ngoyai Lowassa did promise the same without the luxury of associating the on-going peacefulness and unity to his new party-CHADEMA. However, usual accusations of CHADEMA being a ‘Chagga party’ or party of the Northern Zone<sup>13</sup> prevailed (Malipula, 2016). This time, the feelings were invigorated by the crossover of two ex-Prime Ministers –Edward Lowassa, who stood as its presidential candidate, and Fredrick Sumaye - his chief campaigner, who are both from the Northern Zone. If the election results<sup>14</sup> are considered to be the yardstick, one can be convinced

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<sup>12</sup> Personal interview with a lady at Kishiri A.

<sup>13</sup> The northern zone in the context of electoral politics includes Kilimanjaro, Manyara and Arusha regions. In other scenarios Tanga region also belongs to the said zone.

<sup>14</sup> For detailed performance of CHADEMA in the Chagga dominated constituencies and the Northern zone from 1995 to 2015 (see Malipula, 2016 pp.174-78 )

that there is some truth as for the first time CHADEMA won in all Chagga dominated constituencies<sup>15</sup> and increased seats in the Northern Zone. In the same vein, CCM whose candidate was from the Lake zone won in all Sukuma dominated parliamentary seats and almost all Councilor seats in the Sukuma dominated constituencies. The results notwithstanding CHADEMA in some constituencies like Arusha Town fielded a non-Arusha native and won against CCM's native candidate. Importantly, CHADEMA through its presidential candidate accused CCM of playing an ethnic campaign for its native contender for the Arusha parliamentary seat (Ramadhani 2015b). He urged the people of Arusha to vote for God-bless Lema basing on the elements of politics of origin, being and belonging<sup>16</sup> beyond the purely ethnic genealogical factors. He appealed to them that he has spent most of his life in Arusha, knows the problems of the constituency and can solve them. Lema won by a landslide majority. In this sense, political tribalism and its impact on voting were diluted by the politics of being and belonging and /or factors beyond the two.

In my interviews with the KIs an overriding theme that came out to support low salience of ethnicity in the future is CCM's overall hold of the country's polity. In the main, they were of the view that CCM's sustained control of political offices has formed an inclusive elitist political tradition that enhances unity and assures politicians access to, and maintenance of power. Since politicians are likely to use ethnicity instrumentally to gain power, their inclusion in the political establishment without using it decreases their likelihood of appealing to it. In other words, the insignificance of ethnicity in political mobilisation demotivates political elites from invoking it to lure votes. Correspondingly, they uphold nationalist (as in nation-oriented) pleas. This being said, it does

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<sup>15</sup> The Chagga dominated constituencies are Moshi Urban, Hai, Rombo, Vunjo, Moshi Rural and Siha,

<sup>16</sup> In the Tanzanian context, elements of origin, being and belonging are known in the concept of *mwenzetu*, translatable as 'our own'. The concept qualifies people who do not belong to the ethnic group in question on pure tribal terms, but harbour and further some tribal or ethnic qualities. Inferably, the concept (*mwenzetu*) allow for previous outsiders to be allied and part of 'the family'/ the group/ community and ethnic group they associate themselves with. The allied individuals can assume political responsibility when they are considered to possess the ideal leadership qualities deemed significant by the members of the ethnic group they are allied to.

not mean there are no divisive elements or internal conflicts within the party and Tanzanian society. Indeed, there are economic disparities, ideological divergences among its members and so forth that come into the open during election campaigns. It is worth recalling that the party is not held together by a common ideology after the 1990's effectively distanced the party from its socialist past. CCM now supports a market-driven, privatised economy and liberal politics which breed fears of ethnic salience in politics. This has caused some tensions between conservatives and reformers, but has not split the party up to now. Even with the defection of Edward Lowassa who commanded massive support in the party, the base of CCM remains unshakable. It still controls around 80% of the parliament and the local government authorities in the country. However, the party's inclusiveness suggests that it is a coalition of competing factions that mainly share a nationalistic outlook and pragmatic interest in staying in power.

The majority view in this section was not without opposition as 17% were pessimistic of continued low salience of ethnicity. Their position was anchored on conviction that the current breed of political leadership has failed to crackdown on parochial tendencies in the manner that the past regimes have. This line of thought is put forward by a young man from Mapilingo Village:

“Ethnicity will be important because some leaders are not patriotic at all! They travel out of the country daily. This country is not in their hearts; they are not as Mwalimu. This doubtful nationalism will cause tribalism.”<sup>17</sup>

The young man's ethnic salient view was echoed by a female teacher who argued that:

“There are elements of political tribalism that can grow if left to continue. ... people contest for political seats in their places of domicile and talk more of their constituencies compared to national issues. This means they greedily solicit resources for their co-ethnics. This will fuel tribalism”<sup>18</sup>

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<sup>17</sup> Personal interview with a young man in Mapilingo Village.

<sup>18</sup> Personal interview with a female Secondary School Teacher in Rufiji Street.

The views above augurs well with Mamdani (2013) who argues that Mwalimu's patriotism and contribution in furthering national cohesion and unity in Tanzania was above the average and next to none. However, the majority view indicates that Mwalimu successors have not completely abandoned his crusade and the minority view refers to few leaders' less nationalistic deeds which are not directly indicating ethnic-based divisions. Such situation infers that flashes of limited nationalist practices will automatically fuel ethnic salience. This is against the neo-patrimonial thesis that suggests that ethnic-based distribution of resources inform voting along beneficiaries and non-beneficiaries of the distributed resources.

Overall, we can see the interviewees still hope that the fostering of a national identity predicated in the PsIM dismantles the strength of ethnic groups as a form of political identity and political canvassing. As such, political elites are curtailed from manipulating ethnic interests for winning electoral support. The limited ethnic salient identities unveiled suggest the likelihood of limited ethnic-based voting in response to social and political differences. As of now, limited evidence point to this direction, as the differences are not ethnically battled out. This is mainly because they lack the constitutive elements of politicisation of ethnicity- ethnic-based patrimonialism. At most the differences are battled out on issues in a broad national response which furthers nation-hood as opposed to ethnic orientations.

#### *The Sustained Sense of EDNR and Voting in Years to Come*

As it was the case for the element of national unity, EDNR also was viewed to be significant for crippling ethnic salience for anchoring voters' choices in Tanzania. This position was held by 79% of my interviewees. A view of an NGO worker presented below asserts this viewpoint:

“...the national budget distributes resources to every region equitably. No region or tribe is irrationally special. Such fair distribution enhances nationhood and will make ethnicity have less significance in anchoring voting.”<sup>19</sup>

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<sup>19</sup> Personal interview with an NGO worker in Misungwi Village.

This view above was seconded by an extension officer in Misungwi through a practical example of the equitable distribution of gas resources found in Mtwara.

“Tribalism cannot gain salience in politics because resources are always equitably distributed. For instance, the gas of Mtwara is directed to the national grid for all Tanzanians to enjoy electricity. When the people of Mtwara expressed parochial tendencies demanding that they must benefit more than others, the government was keen to suppress such discriminatory demands. This tells how serious our leaders are when a section of the country wants to disproportionately enjoy national resources”<sup>20</sup>

A retired civil servant further echoes the views:

“Tanzania will continue to be united because national resources are shared by all people. There is no ethnic discrimination in the distribution of national goods. Now we have privatised national economic ventures and invited investors but the loyalty received from minerals and other taxes from investors are equitably distributed. With such practices no tribe can feel discriminated and therefore ethnic conflicts and salience in politics cannot grow”<sup>21</sup>

The views presented above indicate that the component of EDNR enshrined in the PsIM is expected to inform low salience of ethnicity in influencing voters’ choices in the years to come. The degree of insistence of the role of EDNR in enhancing national unity over divisive ethnic polarisation explains the optimism expressed by the majority of my interviewees. According to this group of interviewees, distribution of resources across regional and ethnic demarcations enhanced national pride and unity which militates against ethnic salience in voting. This is because national unity tends to curtail ethnic polarisation that breeds ethnic voting once resources are disproportionately distributed among ethnic groups. Interestingly, the interviewees indicated that the elements of EDNR raised are cognisant of the liberal reforms that took place in the country. It is against this backdrop that the views discussed EDNR on the base of resources mobilised through the private and public sectors. An important element raised related to the EDNR, is the government’s response to parochial calls of favouritism put forward by people located

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<sup>20</sup> Personal interview with a an Extension Officer in Misungwi village.

<sup>21</sup> Personal interview with a retired civil servant in Rufiji Street.

where resources are found. The resolute position against parochial distribution of resources depicted in the Mtwara case suggests that ethnic-based resources distribution has no chance. As such, ethnic polarisation is diffused and in turn ethnic voting shall not be expected to gain salience. The optimistic view of low salience of ethnicity in politics related to EDNR is banked on the broader definition of nationalisation as put forward by Lofchie (2013). This definition goes beyond the narrow view of nationalisation that confines it to confiscation of private property for EDNR. Such conceptualisation provides a broader view of nationalisation encompassing confiscation and other public efforts set to empower national capacity to enjoy the available resources in the country in all fronts. In this regard, EDNR complements the elements of national unity. Therefore, EDNR and PNU collectively militate against ethnic salience in politics.

The optimistic views presented above suggest a paradox as in conflict theory: nations with ethnically diverse populations are deemed to be more susceptible to higher levels of ethnic-based inequality and conflicts (Salawu and Hassan, 2011). Such inequalities inform ethnic voting in African countries like Kenya, Burundi and Rwanda and Nigeria (Malipula, 2016). My interviewees' position that such situation is unheard of despite the country's ethnic diversity indicates that state policy has not been influenced by any ethnic group(s) to overtly invoke divisive distribution of national resources. It could be that in this case, grievances held by the Mtwara people, though not strictly ethnic, could spur conflict, but that they are drawn outside of ethnic lines as Tanzania has no history of ethnic groups in another part of the country enjoying favours for resources found in their region. As such, no ethnic group is significantly subjugated by the state or another ethnic group to effect ethnic salient feelings and political practices.

The majority view that expressed optimism that ethnicity will not gain salience in Tanzania's future was not unchallenged. There was a minority (19%) who were of an opposite view. The following view put forward by a farmer in rural Nange substantiates this:

“Ethnicity will gain salience in Tanzania because of the economic disparity among regions and tribes. The government cannot erase this fact and

therefore conflicts are likely to abound. These differences will inform political competition among members of rich and small tribes in elections.”<sup>22</sup>

This view was supported by a young man in Mapilingo who had this to say:

“Ethnicity will take toll in Mwanza because it is poor although it has minerals. We are tired of this situation! Minerals are taken and we are left with empty holes. We will stand up as the Sukuma to demand for development. Cheyo<sup>23</sup> tried to marshal us to this effect, but has lost elections in Bariadi”.<sup>24</sup>

The views presented above suggest that equitable distribution of resources found in regions may be a source of ethnic salience in politics. In the main, they indicate that resources found in the regions of Tanzania shall be enjoyed more by the people living in those regions instead of being equitably shared pan-territorially. Indeed, John Memose Cheyo attempted to incite this kind of ethnicity among the Sukuma to no avail. Today Cheyo is not an MP anymore. While this view sounds favourable to those regions endowed with resources, no region is self-sufficient. In this regard, regions need to be and are complementing each other through the national government. As such, furthering parochial enjoyment of resources has social and economic costs. It fuels disproportionate development which diminishes national cohesion and breeds inter-ethnic competition. Interestingly, even using resources found within regions alone will not amount to ethnic distribution per se as they will also be

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<sup>23</sup> John Memose Cheyo was accused for ethnic canvassing in his presidential bid in 1995 as the following quote suggests: “... during his campaign as an opposition presidential candidate, John Cheyo committed Tanzania's cardinal sin. Cheyo, who belongs to one of this East African country's largest ethnic groups, urged his Sukuma tribe to become more politically active and hinted that its activism should manifest itself in votes for him. His suggestion brought a blaze of criticism, with opponents accusing him of embracing tribalism for political gain. ...In many countries across Africa where ethnic strife has ripped through nations such as Kenya, Rwanda, Burundi, Zaire and Ethiopia; Cheyo would have been viewed as an ordinary politician playing every angle for votes..... [I]n Tanzania, where political leaders and the citizenry have made ethnic peace a top priority, the candidate's words riled the normally placid population as perhaps no other issue could ... (Washington Post, November 7, 1995).

<sup>24</sup> Personal interview with a young man in Mapilingo Village.

consumed by members of other tribes living there as indicated above. This suggests that inter-ethnic tension could hardly ensue as argued by the majority view. Another important point is that most of the accusations for of failure of Mwanza to benefit especially from mineral and other natural resources are directed to the state and investors. In the main, they claim that the big mining companies have not given much in the form of loyalty and corporate social responsibility to develop Mwanza. From such line of thinking, the battle is essentially on the economic reforms rather than economic based inter-ethnic resource distribution.

From the discussions above it can be deduced that EDNR is viewed to be central in mitigating ethnic salience in politics in the future. EDNR's contribution is complementing the existing deep feelings of national unity and its mitigating effects on the use of ethnicity in soliciting votes. The ethnic-salient feelings expressed by few interviewees seem to be less realistic as they lack the constituting elements of ethnic competition. This is due to the fact that the developmental disparity claimed to fuel ethnic salience does not indicate covert or overt ethnic competition. Instead, the dissatisfaction of few Tanzanians who wish to resort to ethnic tendencies in retaliation of limited benefits of privatisation. Importantly, sound feelings of national unity and resource complementarity defuse ethnic polarisation. Let us see how elements of peace are expected to influence the role of ethnicity on determining voters' choices in the future.

*The Longing for Peace and its Influence in Ethnic Voting in the Coming Days*

The love of peace and the adverse impacts of ethnic-based conflicts attracted 81% of my interviewees to believe that ethnic salience in Tanzania will not gain significance in voting shortly. This position is attributable to the fact that Tanzania is known as a heaven of peace in the civil-war prone continent of Africa. This line of thought is supported by the following opinion:

“Tanzania is the paradise of Africa when you talk about peace. We have never seen violent ethnic conflicts like other countries that are always broadcasted in the media. We have no reason to be ethnic salient in voting

and expose ourselves to the problems that Kenya, Burundi or Rwanda had due to divisive politics. No Tanzanian wants to taste the impacts of ethnic war.”<sup>25</sup>

The views of the Extension Officer are predicated on the fact that Tanzania, as opposed to its neighbours like Rwanda and Burundi has neither experienced ethnic- based civil wars. Neither has it experienced large scale violent religious conflicts nor ethnic-based income disparity conflicts or coups since independence. This is an interesting puzzle as according to John (2011) what happens at one end of the world has corresponding impact in the other parts of the world. From John’s line of thinking, ethnic-based violent conflicts like those that happened in Burundi, Rwanda and Kenya were expected to spill over into Tanzania. Instead, they stopped right there, and this is the case despite the porous borders demarcating our countries which provide the potential of perpetrators of violence to penetrate their interests into Tanzania. In the views of John, human behaviour including violence does not occur in the vacuum. According to him, poverty is a crucial factor in influencing violence because it threatens people’s basic human needs and creates a sense of relative deprivation. As such, the poor people are prone to involvement in violent acts to reverse deprivation. In the context of ethnicity, the poor ethnic groups are expected to be likely to engage in violent acts against the richer to reverse poverty. In essence, this can manifest and later inform political identities and agendas worth of anchoring voting along the conflicting ethnic lines. This has not been the case as the degree of national cohesion as well as ethnic indiscrimination and trust are high despite different levels of wealth among ethnic groups.

This is indeed attributable to deliberate initiatives against the significance of ethnicity in anchoring votes and Tanzanians love of peace among themselves and their neighbours. It is perhaps worth noting that Tanzania has not only been comparatively peaceful but also has facilitated peace in fellow African countries. Tanzania does so by stimulating mediation, negotiation and reconciliation among warring or conflicting parties. For example, through Mwalimu Julius Nyerere, Tanzania mediated the Burundi conflict. President Kikwete and President Benjamin Mkapa also played a role in addressing the ethnic-based electoral violence

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<sup>25</sup> Personal interview with an Extension Officer in Misungwi village.

that claimed Kenyans lives in 2007 (Malipula, 2016). Just recently, Tanzania as the chair of the East African Cooperation, has championed peace talks in Burundi. In such capacity, it has appointed President Yoweri Museveni to negotiate the violent political conflict in Burundi related to President' Nkurunziza's accused illegal clinging to a third term in office. In this regard, Tanzania's peace was used to make peace in war-torn areas. This seems to be internationalisation of the domestic philosophy embedded in the PsIM which among other things promised peacefulness and national integration. Although Tanzania could not directly cripple the factors that attract ethnic conflicts in those countries, it had and still is, addressing them within its borders. These include enhancing national unity and social cohesion, avoiding ethnic-based disproportionate distribution of resources and sustainable preaching of the importance of peace for development.

Interviewees argued that the intensity of the discourse against peace threatening aspects has never been reduced in Tanzania. This had been the case even when liberal political and economic reforms came into existence. We still see the media preaching peace and national unity amid competitive political and economic practices. Political parties in elections indeed denounced peace threatening acts like politicising ethnicity and urged state organs to refrain from excessive force. The love of peace and peaceful co-existence among ethnicities still hold considerable currency in Tanzania (TACCEO, 2010). However, this does not mean there are no incidents of peace threatening or violent incidents in elections or beyond. For instance, incidents were reported that the state apparatuses have used excessive force particularly in the opposition campaigns in Mwanza and other urban centres. The following quote attests to the application of force in the management of the elections:

“There is no peace during elections if the police throw tear gas at the opposition unveiling the ills of the state in campaigns.”<sup>26</sup>

As argued above those incidents of excessive uses of force were not ethnically selective. This is mainly because members and supporters of the opposition are not ethnically based. So are citizens and foreign

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<sup>26</sup> Personal interview with a Kurya Street vendor in Rufiji Street, Mirongo Ward.

observers, who attend such campaign meetings. Therefore, as much as flashes of violence take place, they do not in any way entail divisive ethnic conflict which can inform ethnic voting. The same can be deduced from the views of the 19% of my interviewees who felt that peace may not limit ethnic salience in voting in the near future.

The minority position above was informed by occurrence of violent conflicts which challenge the peace enjoyed by Tanzanians since independence. To them, such violence can be politicised and hence cause ethnic voting. At its core, the argument rests on the idea that human identities can create ethnic conflicts and ethnic voting once politicised and used for acquiring state power (Malipula, 2014). Several non-ethnic violent religious and resource-based conflicts/incidents<sup>27</sup> have occurred in Tanzania. Although these conflicts are not predominantly ethnic, if politicised along ethnic lines they could turn out to be, and divide Tanzanians. I am dealing with the religious ones because it was widely mentioned and resources-based issues have been discussed in section below.

#### *Religionising Politics and Voting in Tanzania's Tomorrow*

Around 62% of my interviewees when asked to mention forms of identity that can gain salience in informing voting in future felt that religion has the potential if politicised, and the nationalist political imaginary argued above is put aside. This position augurs well with the views of Ramadhani (2015a, 2015b) arguing that the form of identity, which in recent years appears to have the potential of threatening social cohesion if politicised in Tanzania is religion. This entails politics should be religionised and the perceived merits of unity and peace downplayed for it to gain salience. The potential of religious voting is chiefly informed by socio-economic problems that have been given religious expression in

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<sup>27</sup> Malipula (2016) provides examples of non-ethnic based violent religious and resource-based conflicts. These include the fight involving peasants and farmers of Mabwegere village, Kilosa District, Morogoro Region in the 2000s that led to the deaths of around 23 people and more than 832 villagers took refuge in neighbouring villages; violent conflicts among local communities of North Mara and goldmine investors leading to deaths abounded in the 2000s and, religious based conflicts like the one that took place on 12th February, 1998 Moslems of the Mwembechai Mosque in Dar es Salaam orchestrated a violent demonstration, which vandalised properties like cars and crates of beer, and beating up people. Police officers' forceful intervention to stop the riot claimed the life of 2 people and severely injured 20 others.

Tanzania. The expressions in question mainly revolve around improving Muslims' access to formal secular education and lucrative political and professional positions (Heilman and Kaiser, 2002). These positions so far are meritocratically dominated by Christians due to their comparative academic superiority resulting from Christian missionaries' investment in education in the country since colonialism (Malipula, 2016). Zanzibar's failed bid to join the Organisation of Islamic Cooperation (OIC), and arrests of Muslim preachers are all cited to indicate religious-related tensions (Mallya, 2006). We can add the most recent upsurge in religious tension occurring between 2013-2015 including assassinations of people, assault, attacks on religious leaders, destruction of property and Christian-Muslim disputes over who has the right to slaughter animals such as cows in Geita (Ramadhani, 2015a).

Likewise, Muslims blame the government for refusing to incorporate the "Kadhi Courts" (Muslim courts) into the government machinery. Generally, the Muslims want the government to have affirmative actions to improve their academic standard. At one time in what can be viewed as helping them to have a university, the state sold to the Muslim Development Foundation a college previously owned by the country's Electrical Company at a meagre price. One KI intimated: "a sum of 100 million Tanzanian Shillings was preferentially asked by the government for the property that had several storey buildings and others facilities, hectares of land and more, which must worth over 5 billion". This act and other preferential treatments requested by the Muslims are not well taken by the Christian community (Ramadhani, 2015b; Heilman and Kaiser, 2002). In the main, they argue that the problems facing Muslims must be addressed by the Muslims investing in education and that having a Kadhi Court in a secular state would be discriminating against other religions (Seymour, 2015). The two accusations point to a base for misunderstanding between Christian and Muslims and sometimes public dissent as well as violent acts.<sup>28</sup> But this has never proven to crystallise into a politically salient trajectory in Tanzania (Heilman and Kaiser, 2002; Ramadhani, 2015a; 2015b). This seems to be a blessing because the neo-patrimonial client-patron relation thesis and the ethnic

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<sup>28</sup> There were incidences of vandalizing pork butchery in Kimara, Dar es Salaam, the Mwembechai riots explained earlier and varied incidences of putting churches on fire in Arusha and Zanzibar that are associated to the religious demands highlighted above.

structure logic of MWC would all predict religious salience. This argument rests on the fact that the religious leadership have resources and statuses that provide room for practising patronage and the division between Muslims and Christians in the country is almost at par (Heilman & Kaiser, 2002). Therefore, religious-based MWC can be easily forged. However, the cross-cutting distribution of religious followers among ethnicities as well as the presence of non-believers and apolitical members of these religious groups hardens clear-cut ethno-religious politics. Likewise, the resource based religious client-patron relations could work. However, the national integration policies carried out in Tanzania mainly decreased such possibility legally and extra-legally (Malipula, 2016). Actually, in Tanzania the discourse against ethnicity is more often than not accompanied by denunciation of religiosity-Ukabila (Tribalism) and U dini (Religiosity). These negatively connoted words are simultaneously used when one preaches national unity. Moreover, they are still widely preached in various media during and after electoral processes.

In the 2015 elections Tanzanians views against religious canvassing were put to test. This is when CHADEMA's candidate Edward Lowassa on 6th September 2015, while attending Sunday prayers in Tabora, was quoted by several media outlets canvassing the Lutheran votes, claiming that no Lutheran has ever been elected as President of Tanzania since independence. Tanzanians from different quarters criticised him. CCM, Imam Bukhary Islamic Institute and the National Electoral Commission issued statements to criticise Lowassa. NEC pointed out that what Lowassa did was unacceptable, calling upon other political parties to adhere to the 2015 Code of Ethics for Presidential, Parliamentary and Councillorship candidates, which prohibits the conduct of campaigns in places of worship. The ruling party CCM took advantage of Lowassa's incident by publicising a clip found on YouTube showing him pleading for Lutherans' support to brand him as politically religious and a divider of Tanzanians (Ramadhani, 2015b).

Lowassa's party was also accused of religious canvassing. On several occasions, CHADEMA invited religious leaders in its campaigns whereby they performed ceremonial deeds. The participation of Bishop Josephat Gwajima and the Sheikh Rico in CHADEMA's campaign launch in Jangwani grounds on 29th August 2015 provides a notable base of these accusations. The two clergymen in the occasion offered venomous prayers, which went against the customary assuaging religious tones.

Sheikh Rico for instance prayed: “We pray to God, the dispenser of justice, that anybody who will steal our votes or indulge in any cheating, be inflicted with blood cancer and urethral stricture”. In the same vein, Bishop Gwajima pleaded: “Times do not follow people, people follow times; this is a time for change. We pray to you our Lord that Lowassa be our cleanser. Destroy the opponents of justice the same way you destroyed his opponents.”<sup>29</sup>

Providing room for religious leaders to participate in election campaigns might be construed spiritually accurate, but it was alienating. Indeed, CHADEMA might have wished to be projected to be religious and perhaps virtuous. Also, having the services of a Christian and a Muslim leader in the campaigns meant to portray an image of having the support of the major religions groups in Tanzania. However, many Tanzanians would hardly argue that the two clerics represented the mainstream religious sects in Tanzania. This is because Gwajima is not from the major Christian denomination(s) - the Roman Catholic and Lutheran to mention few, and the Muslims in Tanzania are organised under the National Muslim Council of Tanzania (BAKWATA) and yet have several sects that do not operate under BAKWATA. In this regard, the clerics were not having any formal religious backing of the major religions structures and institutions. That being said, yet on many occasions CHADEMA meetings carried substantial religious traces, its leaders trenchantly reminding the audience that “We started with God and we shall finish with God” (Ramadhani, 2015a). Political parties seeking refuge in religion stimulate voter empathy and cultivate in-group solidarity. However, this is done at the risk of alienating a larger population that might wish to distance itself from the vagaries of political division.

While the 2015 elections seem to revolve around CHADEMA’s incidences of religiosity, the religious leaders and the state politicians in Tanzania in the 2000s have developed a kind of complex interdependence (Mallya, 2006). The interdependence is two-fold. On one hand, religious leaders offer an authoritative voice against the degrading quality of life of the marginalised poor in Tanzania. In the main, they condemn the deterioration of social services resulting from the failure of the political

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<sup>29</sup> Sosi, F. (2015) “Viongozi wa dini: Wezi wa kura wasulubiwe”, MwanaHALISI Online, <http://mwanahalisionline.com>

leadership to control vices such as graft, corruption, embezzlement of public fund and accountability. Since the political system has proven to be unable to address these critical issues, and civil society organisations and political parties have not played their role effectively in holding it accountable, religious leaders filled the vacuum. They come out in the open to express the discontent that was pervasive amongst the general public (Mallya, 2006). As such, religious leaders have become a mouth-piece of the weak about sensitive current political issues, including grand corruption, nepotism and other social vices.

On the other hand, there are elements of uncritical attitude of religious leaders towards the government. Such character stems from the clerics' desire for the respectability bestowed by government recognition, and for the rewards a well-disposed government can dole out. In Tanzania, religious leaders give a strategic platform to politicians to press forward their political aspirations and in turn, the politicians guarantee the religious leaders a smooth environment for discharging their Godly activities. According to Ramadhani (2015a) when some religious leaders are criticised of embracing politicians implicated in corruption scandals, their defence has been that they are out to save the wrongdoers and not the upright flocks. In such context, some politicians use religious platforms instrumentally to buttress their public image.

It has been common for politicians to fish around for invitations as guests of honour at fundraising events organised by religious institutions, mostly churches and mosques. At these fundraisings they contribute millions with staged media broadcast. As such, they project images of God-fearing and obedient servants, and inferably, politically clean. Interestingly, the civil society and the media hardly question the sources and cleanliness of the massive funds contributed in the name of religion. It pays very high dividends when a politician is bequeathed "the choice of God" accolade, as one bishop so bequeathed ex-President Jakaya Kikwete and many more who are doing the same to the sitting President John Magufuli (Ramadhani, 2015a). Again this might be viewed as a noble gesture, however when public figures promote their images using supposedly private space, secular dictates preserving religion as a private affair are consciously aborted. More importantly, the private sphere, the lifeblood of the civil society, is severely crippled.

The role of religion in politics presented above, particularly the interdependence between religious and political leaders, is watered down

by research data on the use of places of worship for election campaigning. In a study conducted by CEMOT30 in 2015 97.6 % indicated that places of worship were not used for election campaigning. The data does offer some solace. However, the mention of few incidents of campaigning in places of worship like Lowassa's Tabora incident and the active involvement of clerics in political campaigns should not be underestimated as far as the future of salience of religious canvassing is concerned. That being said, and as much as religion is capable of forging strong identities for political visibility and informing MWCs, its salience depends on abandonment of the national integrative and peaceful co-existence elements of the PsIM. This seems not to be the case as clearly illustrated by the criticism against political canvassing in the church discussed above. More practically, the discourse against divisive politics widely argued in this article and the social integrative facts among Tanzanians of the major religious groups militate against religious salience in politics. It is worth noting that the degree of inter-marriages in Tanzania is so high that members of the two religions groups are even bonded by blood. Likewise, the effects of violence as discussed in section 4.2.3 discourage Tanzanians from evoking religious salience in politics. Whether Tanzania's nationalist culture, perceived merits of national unity, peace and EDNR are strong enough to survive the religious threat in the future, only time will tell.

### **Concluding Remarks**

The views belittling salience of ethnicity in Tanzania discussed above suggests that the importance placed on ethnicity in divulging voting behaviour in Africa is over-generalised by neo-patrimonial proponents of African politics. As such, salience of ethnicity in African politics should be empirically established within each African country - not assumed a priori. The low significance of ethnicity in Tanzania today and optimism of its continuity is a result of meticulous decisions by political elites' to defuse the vitality of ethnicity in politics. In the main, the view of the majority was banked on Tanzanian's sense of national unity, the legacy of EDNR, and the centrality of peacefulness as informed by the PsIM. To them, these values provide a solid frame against salience of ethnicity in voting. As for those pessimistic of continued low salience of ethnicity,

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<sup>30</sup> CEMOT stands for Coalition on Election Monitoring and Observation in Tanzania. It included observers from CSOs in Tanzania

they base their arguments on the assumption that the strength of the above mentioned ethnic salience mitigating factor is diminishing over time. Their arguments are based on the demise of the socialist principles and principled leaders to address growing inequalities in the society. An interesting convergence among the two opposing camps is the existence of flashes of ethnicity that should not be left to grow into fully fledged ethnic voting. In this regard, they urged the political establishment and political actors to suppress such outbursts of ethnicity in elections. Likewise, they highlighted divisive elements like religiosity and difference in wealth acquisition that provide larger chances of threats to national unity and peaceful co-existence in the Country. However, the threats and deficiencies particularly expressed by the minority lack an ethnic flare to lit politicised ethnicity from an ethnic structure and /or neo-patrimonial sense. Most importantly, the overarching intent of the PsIM and their perceived advantages remain intact despite the weaknesses raised by the pessimists of limited ethnic salience in voting discussed above.

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**Policy Analysis and Rationale for Policy Reviews for Economic Development: The Case of Small and Medium Enterprises Development (SMEs) Policy of 2003**

*Prof. Honest Prosper Ngowi*

**Abstract**

*Generally, policies are statements of intent to do something. At a country level policies do guide development in specific areas and sectors. They give sectoral vision, mission, objectives and policy statements in the country's efforts to develop. Tanzania, as is the case for many other countries has a number of policies. These include sectoral and cross-cutting policies. Tanzania has about five key development policies framework; 16 economic sector policies; about 18 cross-cutting sector policies and 16 sector policies. Policy and related scholars and practitioners will agree that for policies to bring about the desired contribution in social-economic development, they need to be good and implemented properly.*

*As the dynamic and living documents they are supposed to be, policies have to be current in order to reflect the real situation on the ground. For this to happen periodic reviews are necessary. In this work, the author makes policy analysis and shows the need for periodic policy reviews in Tanzania with the Small and Medium Enterprises Development Policy of 2003 as a case. Even when this policy would have been reviewed, the paper will still be a relevant input on policy analysis and why and how to do policy reviews. It stands to be a valuable academic cum hand-on input for policy scholars, policy makes and practitioners in Tanzania and beyond.*

**Key words:** Policy, Policy Review, Economic Development, Tanzania

## 1. Introduction

Economic development concept is very wide. It has been defined differently by different authors and correctly so. For Pass et al<sup>31</sup>, economic development is a process of economic transition involving structural transformation of an economy. Economic development has also been defined as the development of economic wealth of countries, regions or communities for the well-being of their inhabitants. From a policy perspective it can be defined as efforts that seek to improve economic well-being and quality of life. This is done by creating and/or retaining jobs and supporting or growing incomes and the tax base<sup>32</sup>. Economic development is generally about improving standard of living measured by the quantity and quality of goods and services consumed in a country. For Todaro and Smith (2015)<sup>33</sup>, economic development relates to an increase in living conditions, improvement of the citizens self-esteem needs and free and a just society. It involves development of human capital, increasing the literacy ratio, improve important infrastructure, improvement of health and safety and other areas that aim at increasing the general welfare of the citizens.

Generally economic development of countries should be guided by inter alia, policies. Policies do give both general, broad and specific directions of where a country wants to be in the future and how. This is done through various visions, missions and policy statements in various policies. In the context of Tanzania for example, there are about five key development policies framework, 16 economic sector policies, about 18 cross-cutting sector policies and 16 sector policies<sup>34</sup>. These are summarized in the table below.

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<sup>31</sup> Pass, C, Lower, B and Davies, L. (2000). Dictionary of Economics, 3<sup>rd</sup> Edition. Harper Collins Publishers, Glasgow

<sup>32</sup> See: What is Economic Development? Online at <http://www.svbic.com/node/24>, retrieved on 28<sup>th</sup> March 2016

<sup>33</sup> Todaro, M, and Smith, S. C. (2015). Economic Development, 12<sup>th</sup> Edition. Pearson, Washington

<sup>34</sup> These are approximate figures by January 2016 when this paper was written. Dynamic as these are supposed to be, the numbers may change over time.

**Table 1: Various Policies in Tanzania**

S/n	Cross cutting policies	Sector Policies	Economic sector policies	Key Development Policies/Strategies
1	Cultural policy	<a href="#">Education and Training Policy</a>	<a href="#">The Energy Policy of Tanzania</a>	<a href="#">National Strategy for Growth and Reduction of Poverty (NSGRP)</a>
2	<a href="#">The National Employment Policy</a>	Youth Development Policy	<a href="#">The Mineral Policy of Tanzania</a>	<a href="#">Tanzania Assistance Strategy (TAS)</a>
3	<a href="#">National Environmental Policy</a>	<a href="#">Child Development Policy</a>	<a href="#">National Beekeeping Policy</a>	<a href="#">Poverty Reduction Strategy paper (PRSP)</a>
4	<a href="#">National environmental policy for Zanzibar</a>	<a href="#">Community Development Policy</a>	<a href="#">National Forest Policy</a>	<a href="#">The Tanzania Development Vision 2025</a>
5	<a href="#">National Livestock policy 2006</a>	<a href="#">National Higher Education Policy</a>	<a href="#">National Tourism Policy</a>	<a href="#">The National Poverty Eradication Strategy</a>
6	Cooperatives Development Policy 1997	<a href="#">The food and nutrition policy for Tanzania</a>	<a href="#">Sustainable Industrial Development Policy SIDP (1996-2020)</a>	
7	<a href="#">The National Science and Technology Policy for Tanzania</a>	<a href="#">National Health Policy</a>	<a href="#">Agriculture and livestock policy, 1997</a>	
8	<a href="#">National Policy on HIV/AIDS</a>	<a href="#">National Human Settlements Development Policy</a>	Tourism Policy	
9	<a href="#">National Trade Policy</a>	Sports Development Policy	<a href="#">The national investment promotion policy</a>	
10	<a href="#">National ICT Policy</a>	Women and Gender Development Policy	<a href="#">National Micro-Finance Policy</a>	
11	<a href="#">Land Policy</a>	Zanzibar Education Policy	<a href="#">The Wildlife Policy of Tanzania</a>	
12		<a href="#">National</a>	<a href="#">Natural Forestry</a>	

		<a href="#">Population Policy 2006</a>	<a href="#">Policy for Zanzibar</a>	
13			<a href="#">National Transport Policy</a>	
14			<a href="#">National Water Policy</a>	
15			<a href="#">National Telecommunication Policy</a>	
<b>Total</b>	<b>11</b>	<b>12</b>	<b>15</b>	<b>5</b>

**Source:** Extracted from Tanzania Online National Policies<sup>35</sup>

It is seen from the table above that Tanzania has about 11 cross-cutting policies; 12 sector policies; 15 economic sector policies and 5 key development policies/strategies. All these are key for economic development and must be reviewed over time in order to keep them relevant in the ever-changing and dynamic situation of the ground.

## 2. Policy Review

In the context of this paper, policy review is taken to mean a regular critic, analysis and update of existing policy. The aim is to make the policy in question relevant and meaningful given the prevailing situation on the ground. It is an exercise that is important in a dynamic as opposed to static policy environment. Policy review may result into a totally new policy or modifications of differing degrees of existing policies in question. Policy reviews need to be very participatory, inclusive, consultative and constructively critical process. In what follows, rationale for policy review is discussed with the National Small and Medium Size Enterprises (SMEs) Development Policy of 2003 as a case study. The paper is based on secondary data. Content analysis of the policy is done in the context of this paper.

## 3. Rationale for Policy Review: Examples From the 2003 SMEs Development Policy

There are various reasons that call for reviews of policies and development of new ones in general. These reasons include but are not limited to when a policy is no longer followed for whatever reason, when a policy is no longer effective or having the desired developmental impact, when stakeholders view elements of the policy as contentious, when new issues have arisen that the policy needs to be amended to

<sup>35</sup> Online at <http://www.tzonline.org/policies.asp>, retrieved on 27<sup>th</sup> March 2016

address and where the existing policy is redundant for whatever reason. These are some of the key checklist if we want to know whether a specific policy needs a review or not. In what follows reasons to review policies with practical examples of the case of the SMEs Development Policy of 2003 are outlined.

### **3.1. General Reasons for Reviewing the SME Development Policy 2003**

Before looking at the gaps that exist in the SME Development Policy of 2003, this part of the paper outlines general reasons for reviewing the SME Development Policy of 2003.

#### **3.1.1. New Development Frameworks and Crosscutting Issues**

There are a number of new development frameworks and cross-cutting issues on which any sectoral and cross-cutting policy has to be aligned with. These are development frameworks and cross-cutting issues that emerged after the SME Development Policy of 2003 was formulated. The policy needs to be reviewed in order to among other things, capture and be alligned with these new developments. These include but are not limited to the following:

MKUKUTA II, Kilimo Kwanza, Five Years Development Plan I and II, Millenium Development Goals (MDGs) and the Post 2015 Sustainable Development Goals (SDGs), Big Results Now (BRN), MKURABITA/Formalization, Public Private Partnership (PPP), New sectors such as natural gas and hopefully oil and the expected new constitution

#### **3.1.2. SME Development Policy 2003-specific Reasons**

There are a number of reasons for reviewing the policy that are specific to the policy itself. These are outlined in what follows.

##### **3.1.2.1. Name of the Policy Versus Reality of the Ground**

The policy is called “Small and Medium Enterprise Development Policy“. In the first place, the word “enterprise” should have been in plural form so that it reads “enterprises“. Moreover, the Tanzanian economy is

characterized by a number of not only small and medium enterprises but also micro enterprises. The micro aspect of enterprises in Tanzania is not captured in the name of the policy. This needs to be captured in the eventual review of the policy.

### **3.1.2.2. Age of the policy**

The policy came out in 2003. By 2016 when this paper was written, the policy was therefore about 13 years old. A lot of new issues have arisen in the intervening years (2003 to 2016) that necessitate the review of the policy so that it becomes current in all aspects in general. It has to be kept in mind that the process of developing the policy started way back in 1998 (about 18 years ago when this paper was written). According to the Policy (see the foreword)

*“The policy preparation process was basically participatory. Between 1998 and mid 2001, several zonal workshops were held to discuss the status of the sector and to lay down strategies for boosting the development of the sector. Based on the inputs received, a draft policy document was prepared ... “*

Reviewing the policy will be an opportunity to learn from experience in the intervening years based on various studies including lessons from the policy monitoring and evaluation (M&E) reports assuming that this good practice (M&E) was done. It is also an opportunity to incorporate new development, remove what does not work and include what works as well as capture new perspectives that have emerged in the intervening years in the very dynamic economic, business, technological, political and policy environment inter alia.

### **3.1.2.3. Issues in the foreword**

The foreword of the policy states among other things that “ .... *SMEs play a crucial role in employment creation and income generation in Tanzania*”. Whereas this is true, it is a very narrow and specific view. It should be broadened to reflect the broader and general roles of SMES in

social-economic development as captured in a number of literature such as Olomi (2013)<sup>36</sup>

### **3.1. 2.4. Issues in Chapter 1: Introduction**

The policy recognizes that SMEs “... *have been facing a number of problems...*”. There is a need to update the list of problems listed in the policy. The list include such challenges/problems as complex, bureaucratic and costly legal, regulatory and administrative environment. The policy states that there is “... *insufficient competition and inadequate information on the credit markets of Tanzania, banks are discouraged and not willing to lend to SMEs. Legislation and regulation on collateral exclude movable assets as mortgages, thereby putting smaller businesses that own more of these assets into a disadvantaged position vis-à-vis their larger business counterparts*”.

In real sense today although access to finance is still among the big challenges facing SMEs, there is huge and sufficient competition in the financial institutions (banks and none bank institutions such as various MFIs). This needs to be acknowledged and captured in new policy and emphasis should be on accessing the available finance in the competing financial institutions. Observation indicates that there has been substantial increase in access to finance today compared to the situation in 2003 when the policy was formulated. inter alia, a number of financial institutions especially MFIs now do accept movable assets such as vehicles and domestic equipment (sofa sets, refrigerators, television sets etc) as collateral. This needs to be kept in mind in reviewing the policy. The policy states that there is “... *lack of knowledge about the benefits of external services in improving competitiveness*”. Currently this is not the case. Even when the policy was formulated, the word “lack” should have been “inadequate”.

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<sup>36</sup> Olomi, D. R.(2003). *Entrepreneurship and Small Business Development. A Tanzania*

The policy lists “... *programmes aiming at addressing some of the major constraints. Such programmes and strategies include: - Rural Development Strategy, Agricultural Sector Development Strategy, Strategic Trade Policy, BEST Programme, Micro-finance Policy and Poverty Alleviation Strategies*”.

There has been new interventions that will have to be included in the new policy as well as capturing the lessons from the above interventions.

According to the policy, “*Strategies for implementing the SME development policy focus on three main areas, namely, the creation of an enabling business environment, developing of financial and non-financial services and putting in place supportive institutional infrastructure*”

Review is needed to see whether these are still the needed areas of focus, about 13 years after the formulation of the policy and 18 years after the process of formulating the same and more importantly the future we want the SME sector to take the country to. For example the study by Ngowi (2014) has shown the need to focus on training, mentoring and coaching as well as access to finance for SMEs/entrepreneurs to be competitive.

### **3.1.2.5. Issues in Chapter 2: SME Development in Tanzania**

The policy states that “*SMEs all over in the world are known to play a major role in social economy development*”. The language needs to be improved to read “*social-economic development*” or “*social and economic development*”

#### **Definition issues**

There is a need to refine definition of the SMEs nomenclature in order to capture the new and current situation on the ground. The definition in the 2003 policy includes among other things the following:

“...*SMEs cover non-farm economic activities mainly manufacturing, mining, commerce and services...*”. One wonders whether farm activities in the wake of the surging agri-business as partly stipulated in Kilimo

Kwanza under the Commercialization of Agriculture pillar should not be included in this definition.

*According to the policy “In the context of Tanzania, micro enterprises are those engaging up to 4 people, in most cases family members or employing capital amounting up to Tshs.5.0 million. The majority of micro enterprises fall under the informal sector. Small enterprises are mostly formalised undertakings engaging between 5 and 49 employees or with capital investment from Tshs.5 million to Tshs.200 million. Medium enterprises employ between 50 and 99 people or use capital investment from Tshs.200 million to Tshs.800 million .. In the event of an enterprise falling under more than one category, then the level of investment will be the deciding factor”*

There is a need to review upwards the capital amounts stated in the policy. Monetary values mentioned in the policy are at least 13 years old. It is uncontested fact that the value of the Shilling has declined in the past 13 years. This calls for the need to review upwards the pecuniary values used to define SMEs. It is also worth noting that the number of employees as a criteria in defining the size/type of SME need to be adjusted to technology used. A large capital intensive SME may not necessarily need to employ as many people as those stated in the policy. This is also true for capital investment in which for some sectors such as services industry (consultancy for example) the capital investment criteria may not apply.

### **Importance of Small and Medium Enterprises**

The importance of SMEs in Tanzania in the past 13 years have arguably changed/increased. These should be captured in the new policy. This part of policy gives figures that need to be updated. These include but are not limited to the following:

*“ a third of the GDP originates from the SME sector (based on Informal Sector Survey of 1991 – 25 years ago!); more than 1.7 million businesses engaging about 3 million persons, that was, about 20% of the Tanzanian labour force. ... about 700,000 new entrants into the labour force every year. About 500,000 of these are school leavers with few marketable skills. The public sector employs only about 40,000 of the new entrants*

*into the labour market, leaving about 660,000 to join the unemployed or the underemployed reserve...”*

## **Government Efforts**

This part of the policy outlines the efforts undertaken by the government to develop the SME sector. There should be a number of lessons learnt in these interventions. These should be used to inform the new policy. According to the policy, these efforts include the following:

***Policy Development*** including “*Poverty Reduction Strategy; Sustainable Industrial Development Policy - SIDP (1996 - 2020) which places specific emphasis on promotion of small and medium industries through supporting existing and new promotion institutions, simplification of taxation, licensing and registration of SMEs and improve access to financial services; The National Micro Finance Policy which covers the provision of financial services to small and micro enterprises; Agricultural and Livestock Policy which is aimed at the development of agricultural and livestock activities that are performed by both small farmers and livestock keepers. Others include the Minerals Policy of Tanzania which identifies the artisanal and small scale mining operations as a major target group to be promoted through improved access to finance and availability of tools, equipment and consumables, supportive extension services, simplified licensing and enhanced marketing opportunities.*

*The National Employment Policy recognises that the private sector including SMEs is the major source of employment in Tanzania and outlines policies that will contribute to the creation of an enabling environment for private sector development. There are also a number of government policies already in place aimed at facilitating growth of the economy, which have a bearing on the development of the SME sector. These include: Gender and Women Development Policy, Cooperative Development Policy, the National Energy Policy and the National Environmental Policy and Rural Development Strategy”*

Between 2003 and now there are other government interventions that have been undertaken including development of new policies (See the list of relevant policies that were developed after 2003 in table 1 above). Among the newest policies of relevance include those related to Natural gas development, Local content and Petroleum policies. These new policies need to be captured in the new policy accordingly.

### **Institutions**

According to the policy, “... *there are a number of institutions and programmes established in support of the SME sector in Tanzania. These include the following:*

*Small Industries Development Organisation (SIDO); SMEs associations such as Tanzania Food Processors Association (TAFOPA), Tanzania Small Industries Organisation (TASISO) and ‘Vikundi vya Biashara Ndogo’ (VIBINDO)”*

Between 2003 and now, there are likely to be other/new relevant institutions. These need to be captured in the new policy while also learning from the contributions of these ‘old’ institutions some of which might have changed names or even stopped to exist.

### **Other Initiatives/Programmes**

According to the policy, “*Apart from SIDO, various institutions were established to support enterprise development in Tanzania. These institutions cater for the whole enterprise sector including SMEs. They include the Tanzania Industrial Research Development Organisation (TIRDO) which supports local raw materials utilisation; Centre for Agricultural Mechanization Rural Technology (CAMARTEC) which is involved in promotion of appropriate technology for rural development; Tanzania Engineering and Manufacturing Design Organisation (TEMDO) responsible for machine design; Tanzania Bureau of Standards (TBS) mandated to promote standards; Board of External Trade (BET) which is instrumental in promotion of exports mainly through trade fairs; and the Institute of Production Innovation (IPI) now known as Technology Transfer Centre which is active in prototype development and promoting their commercialisation ”*

According to the policy, other initiatives include “ *The Vocational Education and Training Act of 1994; Entrepreneurship Development Centre within the Faculty of Commerce and Management at the University of Dar Es Salaam which provides consultancy and training in SME related issues; College of Business Education offers business training including entrepreneurship development*”

The policy also states that “*A number of initiatives have been designed by the Government to set up funding mechanisms and schemes to address poverty and employment related problems through promoting SMEs. Such funds include National Entrepreneurship Development Fund (NEDF), Youth Development Fund (YDF) which is managed by the Ministry of Labour, Youth Development and Sports and the Women Development Fund (WDF) that is managed by the Ministry of Community Development and Women Affairs and Children*”

There are also other related programmes that were established through Government/donor joint efforts “ *... including the Small Entrepreneurs Loan Facility (SELF), National Income Generating Programme (NIGP), Presidential Trust Fund and Community Development Trust Fund, National Micro-finance Bank (NMB), meant to cater specifically for micro enterprises*”

According to the policy, “*In recent years, the country has witnessed the mushrooming of Non-Government Organisations that are doing a commendable job in promoting SMEs. Most of the NGOs are mainly involved in credit delivery, business training, providing general consultancy, supporting market linkages and addressing gender and environmental issues. However, most of the institutions supporting SMEs are rather weak, fragmented, concentrated in urban areas and uncoordinated. This calls for the need to strengthen the institutions supporting small and medium enterprises. Therefore the SME Development Policy intends to support and strengthen these institutions*”

Between 2003 and now, there are likely to be other/new relevant interventions. These need to be captured in the new policy while also

learning from the contributions of these ‘old’ interventions some of which have come to the end.

### **Constraints faced by SMEs in Tanzania**

There is a need to update the constraints that were identified some 13 years or so ago so as to be current and give actual situation on the ground today. These new constraints will be very key in formulating the new policy.

#### **3.1.2.6. Issues in Chapter 3: Rationale for SME Development Policy**

The rationale in the policy include the following: “... *the SME sector has been recognised as a significant sector in employment creation, income generation, poverty alleviation and as a base for industrial development*”

The rationale for developing the policy some 13 years or so ago are still relevant today. However, they need to be updated and articulated in the context of the current situation on the ground and where the country wants its SME sector to take it to in the future including achieving Vision 2025.

#### **3.1.2.7. Issues in Chapter 4: Objectives of the SME Policy**

According to the policy, “*The vision of the SME Development Policy is to have a vibrant and dynamic SME sector that ensures effective utilisation of available resources to attain accelerated and sustainable growth*” Its mission “... *is to stimulate development and growth of SME activities through improved infrastructure, enhanced service provision and creation of conducive legal and institutional framework so as to achieve competitiveness*”

There is a need to review in a participatory approach the objectives (both overall and specific) and identify whether these should still be the objectives, vision and mission of the policy, some 13 years since its development in 2003.

### **Scope of the Policy**

The 2003 policy covers the following key areas:

- i. Reviewing and reconsidering public policies and regulations that discriminate against or hinder the start-up, survival, formalisation and growth of SMEs.*
- ii. Enhancing the growth of the sector.*
- III. Identifying and assigning clear roles of key actors.*
- IV. Developing strategies that will facilitate provision of financial and non-financial services to SMEs.*
- V. Developing and institutionalising public-private partnerships for SME sector development.*

Some 13 years later, there is a need to review and consider in a very participatory and constructively critical way whether there is a need to continue with these focus areas or change them accordingly to reflect the new situation on the ground.

### **3.1.2.8. Issues in Chapter 5: Policies and Strategies For Development of the SME Sector**

The policy has a number of strategies for development of the SME sector. Given the experience of implementation for about 13 years, there is a need to review and change accordingly strategies for development of the sector. Twelve years is a period of time that is long enough to show which strategies work and which do not work in the development of the SME sector.

There are also a need to review and change accordingly the various policy statements and strategies given in the policy so as to reflect the current situation and with the view of the future. These include but are not limited to policy statements related to:

***Legal and Regulatory Framework*** “*The Government will enhance implementation of programmes aimed at simplification and*

*rationalisation of procedures and regulations so as to encourage compliance and minimise transaction cost”*

**Physical Infrastructure:** *“The Government will continue to improve the physical infrastructures and provision of utilities in collaboration with Local Authorities, private sector and development partners”*

**Business Development Services including Entrepreneurship Development** *“The government will promote entrepreneurship development through facilitating improved access of SMEs to financial and non-financial services”*

**Business Training** *“ The Government will enhance the capacity of institutions providing business training to SMEs”*

**Information** *“The Government will facilitate and support programmes aimed at increased access of information pertinent to the development of SMEs”*

**Technology** *“The Government will facilitate acquisition and adaptation of technologies as well as enhance networking between R&D Institutions and SMEs in a bid to upgrade technologies so as to raise the productivity and competitiveness of the sector”*

**Marketing** *“The Government is committed to facilitating support programmes aimed at improving SMEs’ access to market”*

**Access to Finance** *“ The Government will enhance financial reforms aimed at further liberalisation of the financial sector and the creation of financial intermediaries to cater for SMEs”*

**Institutional Framework for SMEs Development** *“The Government will facilitate strengthening of institutions and associations supporting the SME sector”*

**Rural Industrialisation”** *The Government will facilitate the establishment of manufacturing enterprises in rural areas so as to add value to agro products”*

**Cross Cutting Issues: Environmental Considerations** *“The Government will ensure that environmental considerations are given due emphasis in all SME development interventions”*

**Gender and the Disadvantaged Groups** “ *Government will ensure that gender mainstreaming is enhanced in all initiatives pertaining to SME development*”

**HIV-AIDS** “*The Government will continue to implement programmes that check the spread of HIV-AIDS amongst SME operators*”

**NB:** Among other things, new cross-cutting issues have emerged to include but not limited to such matters as child labour and human rights. These are among key emerging issues for a number of development partners some of whom are expected to finance the policy review, implementation, monitoring and evaluation (M&E) processes. These need to be incorporated in the new policy.

### **3.1.2.9. Issues in Chapter 6: Roles and Responsibilities Under the SME Development Policy**

This part of the policy states various roles and responsibilities under the SME Development Policy. There is a need to review and change accordingly these roles and responsibilities as well as those assigned various roles and responsibilities. According to the policy, the following are the various institutions and their roles:

**Government:** Developmental Role and Supervisory role of the Ministry of Industry and Trade

Based on the situation on the ground, the roles of local government authorities (LGAs) and specific Ministries, Departments and Agencies (MDAs) need to be clearly stipulated as opposed to the situation in the current policy. In the review, the government (central, local) and MDAs should be consulted to give their inputs on their roles and responsibilities in the SME policy based on the current and foren future situation.

**Private Sector:** “*Will have to mobilise resources, implement projects, manage operations and in so doing ensure that the policy is put into effective implementation. Furthermore, it will, through their constituencies provide BDS which will foster the creation of a competitive SME sector. Through their associations they will strengthen the*

*representation of SMEs to promote advocacy in the respective dialogue with the government”*

It is to be noted that private sector is very broad and diverse. There is a need to acknowledge that private sector is composed of foreign and local; formal and informal as well as micro, small, medium and large enterprises (See Ngowi, 2006<sup>37</sup>). This acknowledgement is essential in stipulating the roles of private sector in the new policy. In the review, the private sector of all types should be consulted to give their inputs on their roles and responsibilities in the SME policy based on the current and foreign future situation.

**Non Governmental Organisations (NGOs):** *“NGO’s intervention in supporting SMEs in Tanzania range from institutional capacity building, direct provision of financial and non-financial services to infrastructure development”*

The policy has been silent on the fact that NGOs are very important in lobbying and advocacy for inter alia good policies, legal and regulatory framework as well as good governance etc that are very crucial for SMEs development. It is to be noted also that the term NGO is rather narrow. There is a need to widen it by using the term Civil Society Organizations (CSOs) that would include NGOs, Faith Based Organizations (FBOs) and Community Based Organizations (CBOs). In the review, CSOs should be consulted to give their inputs on their roles and responsibilities in the SME policy based on the current and foreign future situation.

**Development Partners** *“They provide finance for micro finance operations, physical infrastructures, capacity-building of the SME institutions and various activities intended to create a favourable environment for the SME development. Development partners are expected to design and implement sustainable interventions especially in the financial and non-financial services for the SMEs in compliance with the principles stated in this policy”*

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<sup>37</sup> The Nature of the Private Sector: The Need for New Methodological Approaches in Assessing its Role in Development. In Economics and Development Papers, 2006

In the review, DPs should be consulted to give their inputs on their roles and responsibilities in the SME policy based on the current and foreen future situation.

### **3.1.2.10. Issues in Chapter 7: Policy Monitoring and Evaluation (M&E)**

Programmes in the policy were to be implemented within 3 to 5 years. Assuming that there was M&E of the policy, there will be M&E reports. These will contain valuable wealth of knowledge and lessons (positive and negative) that should inform the policy review process. M&E reports should inform on among other things, what works and what does not work in the policy.

### **3.1.2.11. Issues in Priority Programmes and Projects: Objectives and Activities**

There are various priority programmes and projects with objectives and activities in implementation of the policy. There is a need to review the relevance of these priority programmes, projects and activities including assessing whether they are still priorities and in which order after 13 years of implementing the policy.

Objectives are the following

Objective 1: Enabling Legal and Regulatory

Objective 2: Improved Access to Physical Infrastructure and Work Places

Objective 3: Strengthened Entrepreneurial Culture and Markets for Sustainable Business Development including: Entrepreneurship Development, Business Training Information Services, Technology and Environment and SME Market Access

Objective 4: Improved SME Access to Finance

Objective 5: Strengthened stakeholder capacities to achieve effective implementation of SME policy

Objective 6: Enhanced Rural Industrialisation

Objective 7: Cross cutting issues: environmental considerations, gender and disadvantaged groups and lastly HIV-AIDS

Comments given earlier on cross-cutting issues apply here too

### **Conclusions**

As per the discussion above there is huge time lapse between the time when the process of developing the SME Development Policy 2003 started (1998) and when the policy was signed by the Minister (November 2002) and when it came into effect (2003) to now (2016). It is about 18 years since the process began and 13 years since the policy was formulated. There have been new changes in the intervening years (1998 to 2016 and more specifically 2003 to 2016). New issues have emerged, some of the old issues that were ‘new and current’ way back in 1998 and 2003 might still be ‘issues’ but not necessarily new and current. They might have ceased being issues as well. This is due to the dynamic world environment in which we live as opposed to a static one. All these changes – positive or negative, local or foreign, small or big do call for and justify a review of the SME Development Policy 2003 sooner that laiter.

### **Recommendations**

It is recommended therefore that the policy review process takes place as soon as possible in a very broad-based and participatory approach as possible. It should learn from the past experiences both in Tanzania and beyond where there are best practices in this area. It should also be informed by the current rapidly unfolding situation at home and globally. More importantly however, the process should be futuristic looking at where Tanzania wants its very dynamic, vibrant and ever evolving SME sector to take it for about a decade or so to come which coincides with the coming to end of the Vision 2025.

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