



European Research Centre for
Anti-Corruption and State-Building

Working Paper No. 19

ERCAS Working Papers

Transitions to Good Governance: The Case of Tanzania

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December 2010
www.againstcorruption.eu

1. Executive Summary

This report gives a snapshot of the state of corruption in Tanzania between the years 1998 and 2008. Strong presidents, who have endorsed the fight against corruption, as one of their main presidential goals have been the main drivers of change in Tanzania's fight against corruption. However, there are many shortcomings that are eminent in Tanzania's endeavor to fight corruption. Enforcement continues to remain limited and capacity, staff, and resources are lagging. Nonetheless, change in the control of corruption is perceived and real. There are different indicators, one of them being that even "the big fish" have been discharged from major political offices. In 2008, a corruption scandal led to the resignation of the prime minister. These revelations and actual changes demonstrate that corruption is becoming an act that is not tolerated by the population and therefore business – in this case being corruption – cannot be carried out "as usual". Tanzania however remains a corrupt country although change is occurring and the country is taking on the path towards 'good governance'. However, in its trajectory corruption might still increase for a certain period of time, over the long term corruption will decrease.

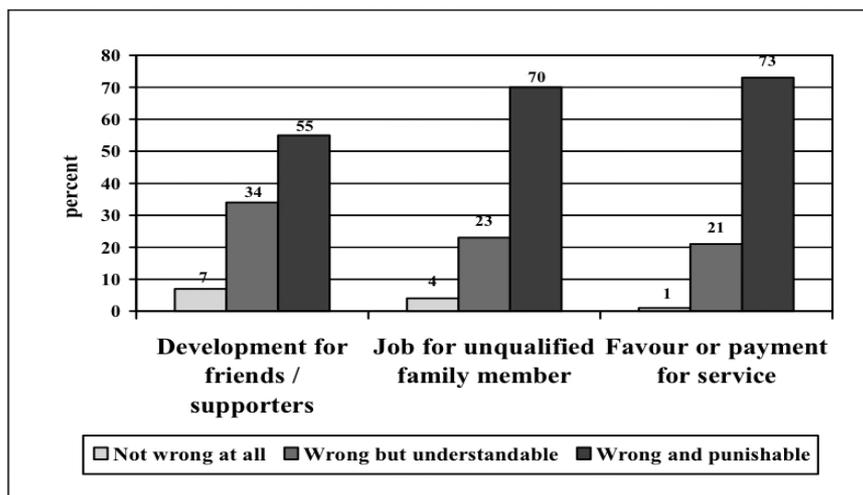
2. Introduction

After Tanzania's independence from Britain in 1961 it became a socialist country under Julius Nyerere (1922-1999). In 1992, the country went from a single-party system to a multi-party system with its first election in 1995. Although on paper Tanzania has become a multi-party system, so far no candidate has showcased any chance of winning the election if they were not a member of the former socialist party, *Chama Cha Mapinduzi* (CCM). The CCM has a strong electoral influence at the base – especially in rural areas. Since the development of the multi-party system, Tanzania's fight against corruption has been strongly linked with the election of strong leaders with the commitment to fight corruption. In 1995, President William Mkapa was elected and soon after appointed a *Presidential Commission against Corruption* to assess the state of corruption in the country. Ten months later the commission produced one of most renowned analysis of corruption in the African States the "Warioba Report" what identified areas/environments where corruption occurs and revealed the mechanisms (e.g. regulations and procedures) that facilitate corruption. President Jakaya Mrisho Kikwete, his successor, was elected 2005 and has been since re-elected on the 31st of October 2010 for his second term. In this 2005 election campaign he had, like President Mkapa, a strong anti-corruption rhetoric and promised the fight against corruption.

3. Tanzania's State of Corruption

Transparency International (TI) Corruption Perception Index (CPI) 2008 ranks Tanzania 102nd of 180 countries. It has improved from 1.9 in 1998 to 3.0 points in 2008. Other perception indicators such as the World Bank and IFC 2006 Enterprise Survey indicated that 20% of the business identified corruption was one of the largest constraints to business operations in the country in 2006, compared to 51% in 2003. This indicates a strong decline, however, the international community continues to see corruption as a major problem. The Afrobarometer 2008 indicates that Tanzanian society has designated fighting corruption as fairly low priority – with only 3% of all responses naming corruption as a priority problem. However, it is important to add how Tanzanian society classifies as corrupt. Figure 1 shows that Tanzanian society shares international perceptions of how public officials are supposed to behave in executing their responsibilities. Third column of the graph shows that nearly three-quarters (73%) of all respondents think that an official who “demands a favour or an additional payment for some service that is part of his job” is violating his responsibility to the public.

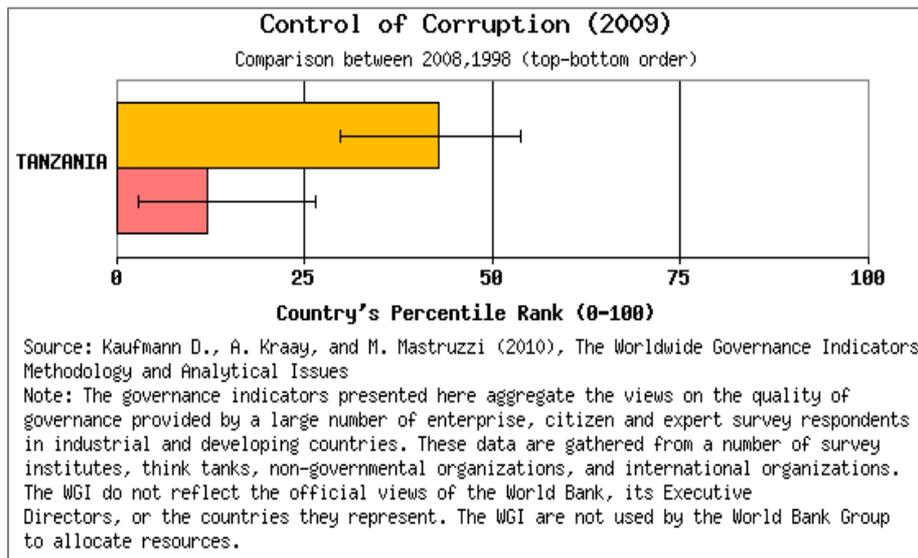
Figure 1: What is Corrupt?



Source: Afrobarometer.

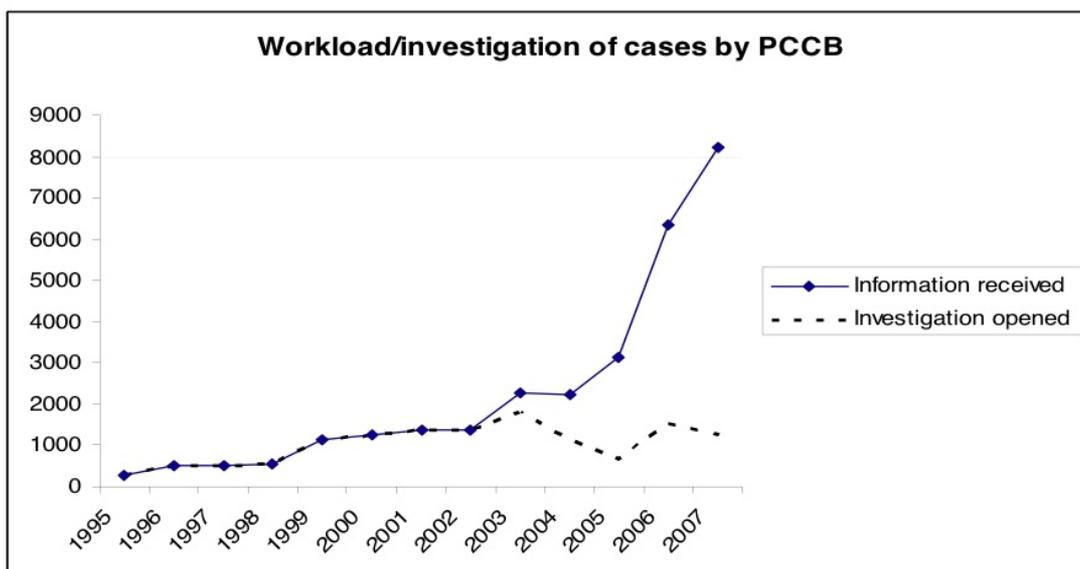
The World Governance Indicators, which is an aggregate score of Individual Indicators used to construct Control of Corruption, shows that Tanzania's level of corruption has improved since 1998 (see figure 1). In 2008 Tanzania had a score of 47 as compared to 1998, where they had a score of only 12.

Figure2: Control of Corruption



Additional sources suggest that a reduction of corruption is occurring in Tanzania. For instance, in the last 3-4 years, the Prevention and Combating Corruption Bureau (PCCB) has been required to handle a substantially increased workload (see figure 3). In 2007 the volume of alleged corrupt activities brought to PCCB's attention had quadrupled compared to 2003. However, the number of investigations opened has remained stable. This drawback has been associated with the lack of resources capacities within the PCCB, but nonetheless the awareness of corruption has increased.

Figure 3: Workload of the Prevention and Combating Corruption Bureau (PCCB)



Source: Information provided by PCCB, May 2008

4. Regional Comparison

Taking a look at the regional comparison, the Tanzanian control of corruption mean is about -.51 whereas the mean in Sub-Saharan Africa is about -.53. Comparing Tanzania regionally, does not seem to be doing very well. However, as discussed above, there are strong indications that control of corruption in Tanzania is in fact improving. Annexes 1 to 3 illustrate the values for all variables used in the “Regional African Model” and its comparison to Tanzania. This paper would like to comment on two variables Ethnic Fractionalization and Religion, which are listed in table 1.

Table 1: Regional Comparison

Variable	Mean Sub-Saharan Africa	Mean Tanzania	Measurement
Control of Corruption	-.5333817	-.5088878	
Ethnic Fractionalization	.6593733	.735296	Probability that 2 people randomly taken they are not from the same ethnic background
Religion: Protestant	13.61522	11.2	%

Source: Stata Output (for further values see Annex 1-3)

As table 1 illustrates Tanzania Ethnic Fractionalization is higher than in most African countries. Taking two random people there is a 74% chance that the two will be from different ethnic backgrounds. The regional average is 66%. The regional model states that the higher the fragmentation- the higher corruption will be. Although Tanzania has a higher Ethnic Fractionalization than the mean of the other Sub-Saharan African countries, this difference is easily explained. Over 120 ethnic groups reside in Tanzania, none of them are demographically or politically dominant (the largest ethnic groups are between 5 and 10%) and they all share a common African lingua franca: Kiswahili.

Therefore, Ethnic Fractionalization does not translate into extreme levels of corruption. Another aspect where Tanzania differs from the regional model is that for most African countries the higher

the per cent of Protestants- the less corrupt the countries tend to be. However, Tanzania has a smaller Protestant population than the regional average (only 11% are protestant, as compared to the regional average of about 14%), but the per cent of Protestants amongst the elite is much higher than the average (38 %).

5. Corruption and the Driver of Change

In Tanzania there are two main forms of corruption petty corruption, which is mainly associated with small bribes and big corruption, which mostly involves large sums of money where mostly high political figures are involved. As mentioned previously the fight against corruption in Tanzania is associated with the involvement of the president as an important player. The president has been identified as the main agent of change. However, a strong emphasis on civil society and media are also important and should be encouraged. Although, so far, they have played a lesser role in the reduction of corruption these actors remain an important influence.

Figure 4: Driver of Change



The “Warioba Report,” which was a report requested by the then President, was an important step in the fight against corruption in Tanzania and led to the creation of the National Anti-Corruption Strategy and Action Plan I (NACSAP-I) that established an institutional structure to fight corruption. The plans sought to remove corrupt leaders and strengthen the already existing Prevention of Corruption Bureau and other existing structures. The second phase of the NACSAP II started in 2008 and runs until 2011. The NACSAP I & II have been identified by the UNDP as main factors contributing to curbing corruption in Tanzania. Table 2 illustrates core anti-corruption legislature that have been strengthened or established by NACSAP.

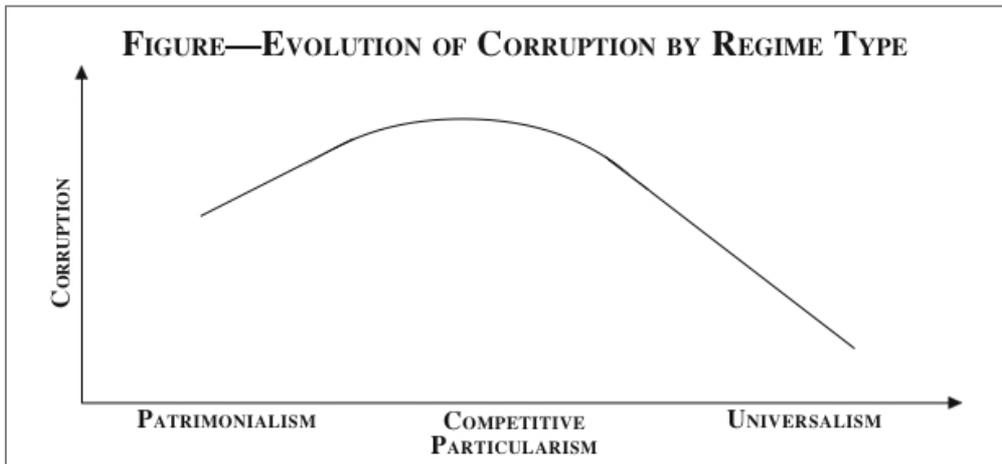
Table 2: Core Anti-corruption Legislature

The Prevention and Combating of Corruption Bureau (PCCB),	Investigation of corruption, prosecution of corruption cases with the approval of the DPP, preventive measures and public awareness building
The office of the Director of Public Prosecutions (DPP)	Authority to approve corruption cases for prosecution; presently recruiting new State Attorneys for district courts
The Ethics Secretariat	Declarations of assets/conflicts of interest amongst elected public officials and senior civil servants
The Inspectorate of Ethics	Internal body with mandate to controlling corruption within the public service
The National Audit Office (NAO)	External auditor and presenter of annual audit report to parliament
The Commission for Human Rights and Good Governance (CHRGG)	Successor to the Ombudsman office;
Public Procurement Regulatory Authority	Recent external audits of parastatal organisations (brought initial attention towards the Richmond case)
Public Procurement Appeals Authority (PPAA)	Independent mechanism to deal with the receiving and reviewing complaints and appeals from bidders as a result of the public procurement process.
The Good Governance Coordination Unit (GGCU)	Main focus on coordination of anti-corruption initiatives (established in 2000 to oversee NACSAP I).
Financial Intelligence Unit within Min. Finance	Associated with the Money Laundering Bill (2006)

6. What is the Nature of Tanzanian's Corruption?

Tanzania's corruption is entrenched in all aspects of the government. To enable a clearer understanding of the complex structures of Tanzanian corruption, this paper will use Alina Mungiu-Pippidi (2006) typology of governance. Mungiu-Pippidi argues that countries are the most corrupt during the transition state from a patrimonial society to a society where good governance exists. During this transition – which she calls competitive particularism - societies tend to be the most corrupt (see figure 5).

Figure 5: Rents and Development of Pluralism



Source: Mungui-Pippidi (2006)

To place Tanzania on the continuum of figure 5, table 3 (on the next page) provides a snapshot of the nature of Tanzania’s corruption (see on next page). The placement of Tanzania on this continuum can be seen in Figure 6 below. An important side note is that the Auditor General has estimated that no less than 20% of the government budget is lost annually to corruption (see U4). Since the government budget has been increasing steadily it would be safe to assume that rents as share of GDP has increased too. This can be seen in the figure below.

Figure 6: Tanzania Rents and the development of Pluralism

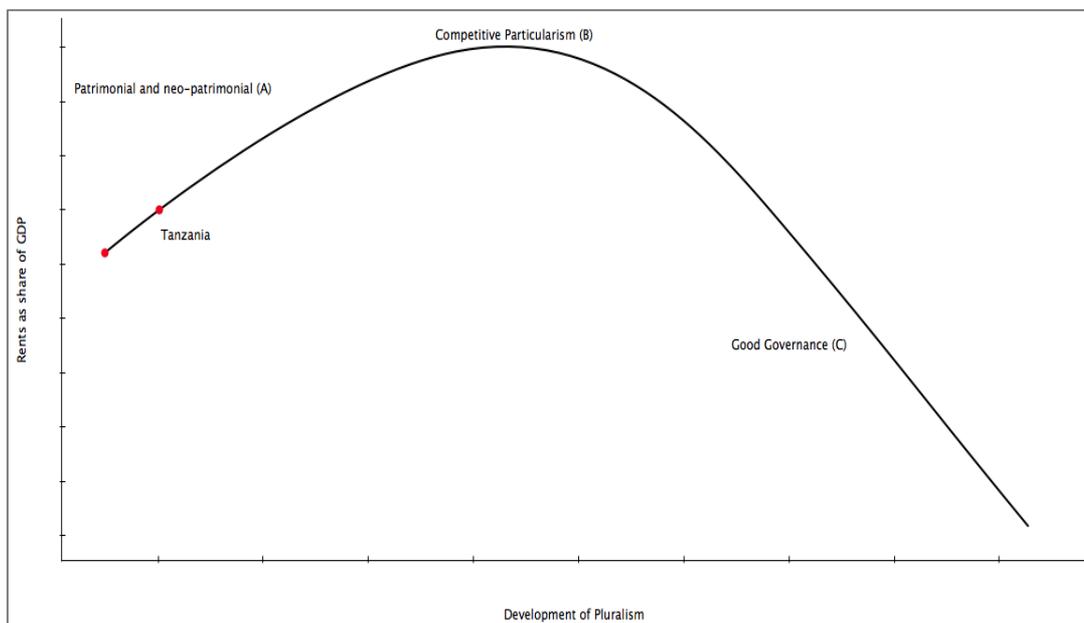


Table 3: Snapshot of Corruption

Power distribution /access	Rents and state 'ownership'	Distribution of public goods	Legitimacy	Formal /informal institutions	Distinction public/Private						
<p>1) Judiciary? Judges of the high court are appointed by the president!</p> <p>2) Executive? The president appoints: permanent secretaries, deputy permanent secretaries, directors of ministries, and heads of executive agencies, regional commissioners (regional governor)</p> <p>3) Legislature? 249 seats ruling party (CCM) vs. 21 opposition (elections 2000 and 2005)</p> <p>4) How many parties besides the CCM? Won election? No other party has ever won the election. In 2000 and 2005 the CCM won with 85% and opposition party CUF won 15% - but no real say!</p> <p>5) Have people won contracts that are not in connection with the government? Not clear but not very likely</p> <p>6) Which groups are excluded? Opposition, civil society. The government limits citizens' rights to assemble peacefully. Social Control Society groups are weak!</p> <p>7) Who owns the press? Only four radio stations have a national Reach—One state owned Radio Tanzania, 3 privately owned and all are viewed as sympathetic to the ruling party. The government reportedly continues to withhold advertising from critical newspapers or those that report favorably on the opposition. Private firms that are keen to remain on good terms with the government allegedly follow suit, thus making it difficult for critical media outlets to remain financially viable.</p>	<p>1) How much money is taken from bribes/corruption? 20% of the government's budget is lost annually to corruption no other information obtained!</p>	<p>1) Are resources used by office holders? Tanzania's Central Bank revealed that 120 million had been paid to local companies many of them factious — Bank President was fired by the President</p> <p>2) How much of the public goods are distributed through networks of privilege and how much randomly? The Richmond Energy Company in 2006. Tanzania signed a \$172.5 million contract with a ghost U.S.-based company to supply emergency power generators to help the country cope with 2006 power shortages. The committee found the company did not exist and the generators came late or not at all. The prime minister and two other Cabinet ministers resigned following the 2008 parliamentary report.</p>	<p>1) Police and Politicians stand above the law? •34% think that police officers are corrupt (Afrobarometer) •90% think that the likelihood of punishment is high if they, or someone like them, commits a serious crime or fails to pay a tax. On the other hand, they believe that 58% of the top government officials would get away with such actions. ¼ of Tanzanians support the the system</p>	<p>1) Corruption legislation (formal institutions) Only 5% of all cases reported to the PCCB brwn 2000 and 2005 are actually heard by a court.</p> <p>2) How people perceive corruption? Is it normal? Nearly three-quarters (73%) of all respondents think that an official who "demands a favor or an additional payment for some service that is part of his job" is violating his responsibility to the public - 22 % who had to pay a bribe, give a gift, or do a favor to government officials at least once in the past year to obtain services</p>	<p>1) Do people think that it is OK that Politician employ their families for personal gain? Tanzanians are most tolerant of a public official who "decides to locate a development project in an area where his friends and supporters lived." Just 8% think such actions are permissible, but another 33% thinks that although wrong, they are "understandable," and hence should not be punished. But even in this case, a majority (55%) finds the act not just wrong, but punishable. Property rights are legally guaranteed in principle, but corruption and inefficiency limit the government's ability to enforce the law. → On the one hand law was put forward to ensure Public/Private distribution but the actual implementation is lagging!!!!</p>	<p>Neo- Patrimonial</p> <p>Power monopoly/relatively closed access</p>	<p>Neo- Patrimonial</p> <p>Power monopoly/relatively closed access</p>	<p>Neo- Patrimonial</p> <p>Power monopoly/relatively closed access</p>	<p>Tanzanians support Government, however see that Officials are above the law!</p> <p>Neo-Patrimonial</p>	<p>Tanzanians support Government, however see that Officials are above the law!</p> <p>Neo-Patrimonial</p>	<p>Tanzanians support Government, however see that Officials are above the law!</p> <p>Neo-Patrimonial</p>

7. Conclusion & Recommendations

As this report illustrates Tanzania's perceptions of corruption has been reduced and other indicators suggest that there is, in fact, a decline in corruption. This decline can be attributed to an increase in government commitment in the fight against corruption and it has been tied to a strong leadership who shows dedication and will. However, there are many shortcomings that are visible in Tanzania's efforts to fight corruption - enforcement remains limited and capacity, staff, resources are lagging. There is also a need to encourage greater media and civil society participation in ensuring that the government is holding up its commitment to fight corruption within. Therefore the international community should:

- Strengthen President who has shown a commitment to fight corruption and ensure that the Presidential Office has the capacity to administrate the PCCB
 - Provide monetary assistance
 - Offer know-how
 - Build a stronger monitoring mechanism
- Strengthen civil society to ensure voice and accountability

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