

21TH ANNUAL RESEARCH WORKSHOP

Making Industrialization Work for Socio-economic Transformation

06th - 07th April 2016, at the Ledger Plaza Bahari Beach Hotel, Dar es Salaam



DAY ONE PAPERS:

Keynote Address: How to Jumpstart Inclusive and Sustainable Industrialization in Africa

Speaker:

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The paper argues that industrialization is crucial to Africa's structural transformation and poverty eradication. With reference to the past successes of East Asia and China, and current successes in Ethiopia and Rwanda, the paper highlights the importance of political commitment to use limited resources strategically for improving infrastructure and business environment in industrial parks/special economic zones and attracting foreign direct investment to jumpstart the development of the country's latent comparative advantage industries. The quick wins in industrialization will have a snowballing effect on inclusive and sustainable structural transformation in the country

Justin Yifu LIN is professor and honorary dean, National School of Development, and Director of Center for New Structural Economics at Peking University. He was the Senior Vice President and Chief Economist of the World Bank, 2008-2012. Prior to this, Mr. Lin served for 15 years as Founding Director and Professor of the China Centre for Economic Research (CCER) at Peking University. He is the author of 23 books including *Against the Consensus: Reflections on the Great Recession*, *the Quest for Prosperity: How Developing Economies Can Take Off*, *Demystifying the Chinese Economy*, and *New Structural Economics: A Framework for Rethinking Development and Policy*. He is Councillor of the State Council, a member of the Standing Committee, Chinese People's Political Consultation Conference, and Vice Chairman of the All-China Federation of Industry and Commerce. He is a Corresponding Fellow of the British Academy and a Fellow of the Academy of Sciences for Developing World.

S1A:

Growth and Poverty in Africa

Speaker:

Finn Tarp

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While the economic growth renaissance in sub-Saharan Africa is widely recognized, much less is known about progress in living conditions. A forthcoming OUP book comprehensively evaluates trends in living conditions in 16 major sub-Saharan African countries, corresponding to nearly 75% of the total population. Authors, all with extensive knowledge of the countries in question, were charged with conducting a careful assessment of the full range of available evidence to provide a succinct storyline and systematic explanation for trends in living conditions. A striking diversity of experience emerges. While growth and monetary indicators improved in many countries, others are yet to succeed in channeling the benefits of economic growth into the pockets of the poor. Yet others experienced little economic growth, and saw commensurately little material progress for the poor. At the same time, the large majority of countries have made impressive progress in key non-monetary indicators of wellbeing. While gains in macroeconomic and political stability are real, they are also fragile. Looking forward, realistic expectations are required. The development process is, almost always, a long hard slog. Nevertheless, real and durable factors appear to be at play on in Africa with positive implications for growth and poverty reduction in future.

Finn Tarp is Professor of Economics, University of Copenhagen and Director, UNU-WIDER. He is a leading international expert on development strategy and foreign aid with an interest in poverty, income distribution and growth, micro- and macroeconomic policy and modeling. Other interests include agricultural sector policy and planning, household and enterprise development, and economic adjustment and reform. He has nearly 40 years of experience in academic and applied development economics research and teaching. His field experience covers more than 20 years of in-country work in 35 countries across Africa and the developing world more generally. In addition to his university posts, Finn Tarp has held senior appointments and advisory positions with international organizations, including the World Bank Chief Economist's Council of Eminent Persons, and several national governments. He is a resource person of the AERC Chairing Group A; and has published widely in academic journals—including *The Economic Journal*, *Journal of Development Economics*, *World Bank Economic Review*, *European Economic Review*, *American Journal of Agricultural Economics*, *World Development*, *Oxford Bulletin of Economics and Statistics*, *Land Economics*, *Review of Income and Wealth*, *Feminist Economics*, *Economic Development and Cultural Change*, and *Climatic Change*—alongside a range of books with leading academic book publishers.

S1B:

Industry in Tanzania: Performance, Prospects, and Public Policy

Speaker:

John Page

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Abstract Tanzania ranks among the leading stars of the 'African growth miracle', but a sector that has been largely absent from the Tanzania success story is industry. Although growth of manufacturing has outpaced economic growth over the past decade, relative to international norms and its ambitious plans to achieve middle-income status Tanzania suffers from a 'manufacturing deficit' at its current level of per capita income. The paper discusses a number of policy initiatives that should be undertaken to strengthen the industrial sector's recent dynamism, including strengthening Special Economic Zones, improving trade logistics, and reforming Micro and Small Enterprise programmes.

John Page is a Senior Fellow in the Global Economy and Development Program at the Brookings Institution, Washington, DC and a non-resident Senior Fellow of the United Nations University World Institute for Development Economics Research. He is also Adjunct Professor at the National Graduate Institute for Policy Studies, Tokyo, Japan and Country Director for Tanzania in the International Growth Centre, London. From 1980 to 2008 Dr. Page was at the World Bank where his senior positions included: Director, Poverty Reduction, Director, Economic Policy, Chief Economist and Director, Economic and Social Development, Middle East and North Africa Region and Chief Economist of the Africa Region. Prior to his appointment at the World Bank, he was a member of the faculty at Stanford and Princeton Universities. He obtained his Bachelor's degree in economics from Stanford University and his Doctorate from Oxford University, where he was a Rhodes Scholar. He has authored or edited ten books and is the author of more than 100 published articles on the economics of developing countries.

S2A:

The Relevance of Old Ideas for Present-Day Debates in Tanzania

Speaker:

Marc Wuyts

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This paper aims to look at the relevance of some old ideas on industrialisation and economic development for present-day debates in Tanzania. It seeks to do this from two distinct but interrelated perspectives.

The first perspective is historical. Recently, within the framework of the renewal of development planning, Tanzania has embarked on an ambitious industrialisation strategy that aims to propel the country into middle-income status by 2025. But this was not the only industrialisation strategy that Tanzania embarked upon during its history since independence. Indeed, the 1970s also witness an industrialisation debate that informed the formulation of the basic industrialisation strategy, which was abandoned during the intense crises years of the early 1980s and the subsequent adoption of structural adjustment policies. But, this paper argues, this does not render the issues raised in the first debates, and particularly also, some of the issues left at the margin, obsolete in terms of present-day concerns.

The second and interrelated perspective this paper seeks to develop is analytical in nature, and goes back to some old ideas of early development economists that are not longer prominent in present-day debates, yet – this paper argues – none the less still remain relevant today. More specifically, this paper first questioned the present-day tendency to look at industrialisation from a perspective of supply-side economics that downplays the importance of effective demand in shaping the process of industrialisation (including its relation to agrarian change). Second, and closely related to the first concern, it argues that effective economic transformation requires that industrialisation goes hand in hand with social policy, not in an additive fashion, but in a constitutive fashion that breaks with the tradition of formulating economic policies as pertaining to the ‘economic sectors’ and social policies as pertaining to the ‘social sectors’.

Marc Wuyts is Emeritus Professor in Quantitative Applied Economics at the International Institute of Social Studies of Erasmus University Rotterdam, Principal Research Associate at ESRF and Technical Advisor to the Tanzania Human Development Report 2017, and Principal Research Associate at Repoa. In the 1970s and 1980s, he worked at the Economics Department of the University of Dar es Salaam (1972 – 1976), the Economics Department and Centre of African Studies of the Eduardo Mondlane University, Maputo (1976 – 1982). His research interests are the macroeconomics of development, statistics and data analysis.

S2B:

Industrial Policy For Tanzania in the Midst of the Fourth Industrial Revolution

Speaker:

Ibrahim Haruna Lipumba

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Historically the process of economic development has involved the transfer of labour from low productivity primary activities particularly agriculture to high productivity secondary activities particularly manufacturing industry. Tanzania has not yet experienced structural transformation. Labour is moving out of agriculture to low productivity informal sector.

Globalization facilitated a few East Asian countries to industrialise by participating in the global value chain and successfully take most of the labour intensive activities from advanced economies. Technological change particularly the digitization of manufacturing, the use of robots to perform labour intensive activities, 3D printing and Artificial Intelligence in machines popularly known as the Fourth Industrial Revolution, is leading to on-shoring of manufacturing activities that migrated from developed countries to East Asia. It is becoming more difficult to industrialise by using the global market.

Given these realities how can Tanzania initiate and sustain structural transformation that will generate decent employment? The four potential development strategies: modernisation and commercialization of smallholder agriculture, labour intensive light manufacturing to serve the domestic, regional and global market, development of modern services in tourism and transport logistics, and efficient utilization of natural resources should not be seen as mutually exclusive. With a labour force of 25 million that continue to grow fast, we need decent employment generation in agriculture, manufacturing and services. Policies to promote structural transformation include sustained modest undervalued exchange rate to promote efficient import substitution and exports, improved infrastructure particularly power and water supply and transport, access to reasonably priced, long and short term credit, training and acquiring technological capability, policy experimentation before scaling up.

Ibrahim Haruna Lipumba is a Professor of economics and a politician. Lipumba was an Economic Advisor to the President of the United Republic of Tanzania from 1991 to 1993; Professor of Economics University of Dar es Salaam from 1989 to 1996; Fulbright Visiting Professor, Centre for Development Economic, Williams College MA from 1993 to 1995; Senior Research Fellow United Nations University - World Institute of Development Economic Research, (UNU-WIDER), Helsinki, Finland 1996 to 1998. He was also a member of the United Nations Committee for Development Policy from 1994 to 2001. As a politician, he was the National Chairman of Civic United Front (CUF) party from 1999 to 2015. He was also a CUF Presidential candidate in the United Republic of Tanzania in 1995, 2000, 2005 and 2010. Lipumba research interest is in Development Economics, Agricultural Economics, International Trade and Finance, and Macroeconomics

S3B: **Local content requirements in Tanzania:
A thorny road from inception to
implementation**

Speaker: **Abel Kinyondo**
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The purpose of this paper is to assess the process towards developing an LCP for Tanzania and map the various stakeholder perceptions about what policies should be promoted and not. Moreover, we assess the degree to which the stakeholders have been included in the decision-making process and to what extent the government has established effective platforms for consultation with relevant stakeholders.

A large majority of stakeholders are positive to local content requirements, irrespective of their institutional affiliation. There is a strong consensus across academics, NGOs, government institutions, donors and the international oil companies (IOCs) about the usefulness of LCPs in Tanzania as a means to distribute the benefits more evenly in the population and in particular to ensure a high degree of employment generation for the local population. Among domestic stakeholders, many have a strong perception that if no requirements are set, very little will benefit the local population and the petroleum companies will keep most of the surplus.

There are divergent views about LCPs design. Several stakeholders indicated that some local content requirements would exacerbate rent seeking and corruption, especially the measures to induce IOCs to purchase inputs from domestic companies. For example, the requirement of favoring nationally owned companies have in other countries led to the creation of national shell-companies only for the sole purpose of making a joint venture with foreign companies for rent-seeking purposes. Most of the stakeholders feared that this would also become the case in Tanzania. Moreover, we find a strong distrust regarding the motives of key parties, especially the government and the petroleum companies. The former is believed to be ineffective in implementing policies and corrupt, while the latter is believed to actively work around any policy that will not benefit themselves. This research was conducted before the 2015 elections.

Espen Villanger is a Senior Researcher at CMI with a long track record in empirical and theoretical evaluations of development interventions. He has been a team leader for a range of quantitative and qualitative studies on monitoring and evaluation of interventions –ranging from document analysis and reviews to statistical analysis and rigorous impact evaluations. He has extensive experience in data analysis and in combining qualitative and quantitative evaluation methodologies and has published several articles on evaluation methodology. Recently he worked as a Senior Economist for the analysis division (PREM) of the World Bank (2009-2012) where he contributed substantially to policy development. He was also appointed by the Research Council of Norway as a member of the Working Group for the

development of the “Effects of Aid” research program 2013-2015 and was in the core team assessing the evaluability of the Norwegian Aid Administration.

Abel Kinyondo (PhD, Monash University Australia) is the Director of Strategic Research at REPOA, a leading think-tank in Tanzania specializing in socio-economic issues. He is also heading the Department of Geography and Economics at the University of Dar es Salaam (DUCE) and previously worked for the United Nations Development Program as UNV specialist. Dr. Kinyondo has also taught various courses at Monash University and the University of Botswana. He holds a distinction in Master of Art (Economics) Degree from the University of Botswana and a first class Economics Degree from the University of Namibia. Dr. Kinyondo has over 10 years of researching experience having published in internationally reputable journals such as in the Oxford University's Parliamentary Affairs. He has also led several teams of experts in formulating various policies, regulations and standing orders in Tanzania and beyond. Dr. Kinyondo currently investigates issues pertaining to governance, economic growth and development.

DAY TWO PAPERS

IP1: Active Industrial Policy for Accelerating Structural Change and Industrialization- led Transformation

Speaker: Donald Mmari
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Economic growth in quantitative terms is surely important for sustained social development, but not, by itself, a panacea for achieving it. The relationship between economic growth and inclusive social development, and the rate at which this relationship obtains depends on the structure of the economy, its pattern of growth, and the institutional framework undelaying production relations and income distribution. The structure of the Tanzanian economy has continued to change overtime, and so has policy landscape and academic discourse around it. This structural change has generated some mixed results, particularly in relation to the quality of growth, its impact on poverty reduction, and robustness in the transformation process. It draws from literature and attempts to situate the desires for accelerated socioeconomic transformation led by industrialization to the context of Tanzania. The author maintains a position that, for effective transformation characterized by high factor productivity, increasing share of competitive productive sectors in GDP, and high rates of productive employment, the state must play a more proactive role to address binding constraints and inherent failures of market associated with generalized structural and institutional barriers in typical low income countries.

Donald Mmari is the Executive Director of REPOA, is an economist and development researcher with over eighteen years of experience in the field. He holds a PhD from the International Institute of Social Studies of Erasmus University Rotterdam, MBA from the University of Oregon, and MA (Economics) and BA (Economics), both from the University of Dar es Salaam. He has worked in policy research, in the business and management advisory industry, in academia, and in financial services. He has led professional teams on various assignments for the government, international organizations, and business enterprises, covering wider areas of development, including natural resources in relation to economic growth and transformation, institutional economics, vulnerability analysis and social protection, and governance systems for promoting downward accountability. He has been extensively engaged in policy development processes, including monitoring of progress of national growth and poverty reduction strategies. His recent research work has focused on institutional innovations and market competitiveness; industrial development and informal sector upgrading; and the contribution of the extractive industry to the socio-economic transformation process. He has also provided significant contribution to the development of policies and legislations in the Tanzanian petroleum sector, and has served on the Boards of Directors of various public corporations.

IP2:

Path of Development: A Reflection from Indonesia's Experience of Industrialization

Speaker:

Ahmad Helmy Fuady

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This paper presents a narrative of industrialization in Indonesia, particularly when the country started export-oriented strategy at the beginning of 1980s. With decreasing oil price at the end of 1970s, Indonesia's policy maker changed import-substitution to export-oriented strategy; which developed manufacturing to become main engine for growth and to surpass agricultural sector in less than a decade. The changing strategy has often been highlighted as the important key for the success of development in Indonesia before the Asian financial crisis. However, discussion about industrialization and development in the country should go beyond the industrial policy and the outward looking strategy. Without strong agricultural development that guaranteed cheap food for urban sector, manufacturing development would not be achieved. Taking into account historical and institutional factors as well as agencies in development, this paper shows what are necessary for industrialization and rationales behind the adoption of a series of outward looking - liberalization measures in Indonesia.

Ahmad Helmy Fuady is a researcher at the Research Center for Regional Resources, Indonesian Institute of Sciences (P2SDR-LIPI). He was trained in economics and development at the Gadjah Mada University, Yogyakarta and the Australian National University, Canberra, from where he got his bachelor and master degree respectively. In 2012, he obtained his doctorate degree from the Universiteit van Amsterdam, with a dissertation entitled Elites and Economic Policies in Indonesia and Nigeria, 1966-1998. He has worked on wide range of development issues in Asia and Africa, such as on poverty alleviation, regionalism, international trade and foreign investment. He is currently doing research on Globalization, Crisis and Social Changes, as well as Renewable Energy and Rural Electricity Provision.

IP5: **Manufacturing and Transformation in Tanzania: Assessing Policy Response in Changing Development Paradigms**

Speaker: **A.V.Y. Mbelle**
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Transformation is desired for many reasons such as creation of employment opportunities in higher productivity sectors; greater private sector role, addressing gender imbalances, etc. At the heightened desire for transformation lies Manufacturing, with developed country experiences showing that Manufacturing remains a key driving force of overall economic growth. This is largely attributable to its higher productivity and scope for innovation; with the assertion that competitiveness of manufacturing is one of the basic determinants of long-run sustainable growth. For Manufacturing to play this role effectively, an enabling policy framework must be in place.

The urge for economic transformation in Tanzania dates back to independence days with the desire to correct the three colonial legacy ills of poverty, ignorance and disease. Tanzania Development Vision 2015 resounded this urge. Further articulation has been made in subsequent development policy frameworks for achieving TDV 2025 aspirations such as Second Five Year Development Plan.

The route to transformation through Manufacturing in Tanzania has been influenced by a number of developments such as changing global development paradigms that have often called for policy refinements. Has policy national policy been positioning Tanzania's Manufacturing to play this transformational role? This paper uses long run analysis to examine the role of Tanzania's Manufacturing sector in delivering transformation in the context of changing global development paradigms and how national policy has influenced its performance.

The main finding of the paper is that national policy has not been consistently supportive. In view of this finding and in light of the development of Second Five Year Development Plan, the paper suggests corrective approaches.

Ammon Mbelle is holder of Ph.D in Economics from the Gothenburg School of Economics and Commercial Law; Sweden; thesis published as Foreign Exchange and Industrial Development: A Study of Tanzania. He has published widely in reputable international and national outlets and has accomplished a number of scholarly research works and consultancies on Tanzania, other African countries and beyond. His other accomplishments include editor for a number of books on proceedings of scholarly conferences and symposia.

He has served in various capacities in national policy processes in Tanzania; including Economic Advisor to the Prime Minister; development of key policy and Strategy documents including Tanzania's National Strategy for Growth and Reduction of Poverty (I and II); Tanzania Long Term Perspective Plan; Five Year Development Plan I; Tanzania's Natural Resources Charter and Five Year Development Plan II -in progress). His recent engagements in international research include "Political Economy of Social Protection Policy Uptake in Tanzania (2015)": (Partnership for African Social and Governance Research); and "Tanzania Financial Governance Assessment Report 2015": Africa Governance Outlook – AfDB Group. March, 2016

ID1: **Economic Transformation in Africa from the Bottom Up: Macro and Micro Evidence from Tanzania**

Speaker: **Josaphat Kweka**
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At 4.1 percent per year, Tanzania's labor productivity grew more rapidly between 2002 and 2012 than at any other time in recent history. More than three quarters of this labor productivity growth is accounted for by structural change. Employment growth has also been strong keeping up with population growth at roughly 2.2 percent per year. However, the bulk of the employment growth – 88.6% - has been in the non-agricultural and largely informal private sector. Using Tanzania's first nationally representative survey of micro, small and medium sized enterprises - we show that these informal firms contributed 0.5 percentage points to annual labor productivity growth through structural change. However, most of this labor productivity growth came from a small group of firms - 10% of the total – and this small group of informal firms has annual average labor productivity that is 80% higher than average economy-wide productivity in manufacturing. We also show that this small group of informal firms has the potential to contribute up to 1.3 percentage points to annual labor productivity growth. We conclude with a discussion of nascent but innovative programs in Tanzania designed to target productivity and employment growth among these more productive firms including Sharia compliant lending.

Josaphat Kweka is currently the Country Director for Tanzania, TradeMark East Africa; and previously served as a Senior Economist with the World Bank for seven years. Before World Bank, Dr Kweka spent much of his career as researcher at the Economic and Social Research Foundation (ESRF), which is a policy research think tank for over 10 years. With over 20 years of professional experience - both at national and multinational level, Dr Kweka has worked on a wide range of policy and development issues, including: SMEs and Private Sector Development, Trade and Regional Integration, Growth and Poverty Reduction, Industrial Policy and Strategy.

Out of individual and team work, he has produced solid research and advisory output including publications that are useful for informing, designing and reviewing development policy for a wide range of clients such as the Government of Tanzania, The World Bank, UNCTAD, UNDP, Regional Economic Community such as EAC and SADC, and research organizations. Dr Kweka has a PhD in Economics from the University of Nottingham in the UK.

ID2: **Health as a productive sector of the Tanzanian economy**

Speaker (s): **Maureen Mackintosh**
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Paula Tibandebage
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This presentation is based on a paper drawing on a recent collaborative research project entitled “Industrial productivity and health sector performance”. Health care is generally characterised as a “social sector”, and often seen, incorrectly, as a cost to the economy. We argue that on the contrary, health care is a productive economic sector of the Tanzanian economy, and policy should treat it as such. We examine the size of the health sector in economic terms, and we trace the ways in which investment in the health sector is economically and socially productive for the Tanzanian economy and population. The presentation includes examination of the linkages of the health sector to industrial and service suppliers, and policy implications. Health care is a key economic sector, influencing economic development, as well as directly influencing human well-being through the services it provides.

Maureen Mackintosh is Professor of Economics at the Open University, and Director of the Innovation, Knowledge and Development (IKD) research centre. She is a development economist, specialising in the economics of markets for health care and medicines, with particular reference to Africa. Two recent research projects, both undertaken collaboratively with Dr. Paula Tibandebage and other colleagues include: ‘Industrial productivity and health system performance’, funded by the UK Economic and Social Research Council, and ‘Ethics, Payments and Maternal Survival’, led by Dr Tibandebage and funded by the Wellcome Trust. Professor Mackintosh’s most recent publication is an edited book: Making Medicines in Africa: the Political Economy of Industrialisation for Local Health edited with Dr Geoffrey Banda, Dr Paula Tibandebage and Dr Watu Wamae (Palgrave Macmillan open-access 2016).

Currently an independent researcher, **Paula Tibandebage** has extensive experience in social and economic research spanning over 20 years. She specializes in issues of social protection, mainly in the areas of health and education. Previously she worked with the Economic and Social Research Foundation (ESRF) as Senior Research Fellow, and with REPOA as Principal Researcher and Director of Research on Social Protection. Her recent research grants include those by the Wellcome Trust for the study on “Ethics, payments, and maternal survival in Tanzania” for which she was Principal Investigator, and the Economic and Social Research Council (ESRC) for the study on “Industrial productivity and health sector performance”, for which she was Co-investigator. Paula has a PhD in Political Economy from the University of Texas, Dallas.

ID3:

Role of Industrialization in Socio-Economic Transformation and Achieving SDGs

Speaker:

Adan Guyo Shibia

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Industrialization inevitably plays central role in development agenda as it drives export growth and employment in developing countries. Despite the importance of industrialization; the performance of manufacturing sector in East African economies have remained low as demonstrated by its share in gross domestic products. The paper creates insights on the case for manufacturing based on two complementary views: First, at low levels of development manufacturing accelerates economic growth. Second, countries exporting high value goods gain more from international trade relative to commodity exporting countries. The paper contextualizes role of manufacturing in SDG targets by taking comparative historical views of East African countries including Kenya and Tanzania with those of newly industrialized countries in East Asia. The insights of the paper are based on review of literature and policies, enriched by available secondary data. The paper concludes that resuscitation of manufacturing sector is imperative to accelerate economic development and progress towards SDGs in East Africa.

Adan Shibia works as a policy analyst at the Kenya Institute for Public Policy Research and Analysis (KIPPRA). He has masters in Banking and Finance from Moi University, Kenya. In addition, he successfully completed a one year hands-on training program in policy research and analysis at KIPPRA between July 2010 and June 2011. Prior to joining KIPPRA in 2012, he worked with the Commission on Revenue Allocation and the Kenya School of Monetary Studies as a researcher. He has wide research experiences in policy research specializing in manufacturing, firm growth and development finance. As a policy analyst he contributes to development discourse through policy research and analysis, government technical working groups and capacity building programs for both public and private sector stakeholders in Kenya. He has published policy-oriented articles in form of peer reviewed journals, KIPPRA discussion papers, media articles and blogs. He has keen interests on devising strategies for promoting evidence-based policy formulation in developing countries.

ID4: **The industrial Impact to Livestock (Dairy) Development in Tanzania.**

Speaker: **Charles Ogutu**
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Tanzania is home to over 23 million herds of cattle which has ranked it the second in Africa with the largest number of cattle after Ethiopia. By the year 1990, Tanzania was processing over 400,000 Liters of milk per day. A review undertaken during the month of November 2012 through to April 2013, showed that the processed milk volume per day in the whole country has gone down to approximately 120,000 liters. By the year 2012, Tanzania's processed dairy product imports amounted to over US\$. 7 Million by 2009. More urban dwellers prefer processed dairy products and are willing to pay a good price that they perceive to be commensurate to the price of the product. It is estimated that 2 million households could directly benefit from a well industrialized dairy sub sector.

The limited dairy products processing and increased imports of dairy is the result of a not clear systemic approach to develop the dairy sector, yet the socio economic impact is very high and transformational in nature.

Charles Ogutu is the current Executive Director of MRA Management Associates Limited- a company specializing in management and development consultancy. He is the former Chief Executive Officer (CEO) for the Rural Livelihood Development program and has headed several other organizations in Tanzania. He has extensive knowledge and vast experience working in Rural Development, Agricultural and socio economic arena. He has participated in several designs of programs and projects in Tanzania; has conducted evaluations of development projects either solely or as a team member.

ID5: **From Artisanal Processing to Agro-based Industrialization: The Search For Tanzania's Pathway - Lessons from 20 Value Chain Studies from 5 Countries**

Speaker: **Julius Gatune**
African Centre for Economic Transformation (ACET)
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Agro-based industrialization is a key plank of Tanzania industrialization strategy as elaborated in elaborated in the Integrated Industrial Development Strategy (IIDS) 2025. However this pathway is not without significant challenges. Success along this pathway requires a strong farm production sector able to deliver consistent supply and consistent quality and at reasonable low price. However the subsistence sector that characterize Tanzania agriculture is hard pressed to deliver this. Yields are low, quality is generally poor and rainfed agriculture and poor logistics means that supply cannot be guaranteed. Thus developing a strong agro-processing sector on the back of subsistence agriculture remains a challenge. All the same potential strategies for overcoming these challenges exist. Twenty agricultural value chain studies done by ACET across 5 countries including Tanzania points to a number of strategies including: (i) Supporting the emergence of medium scale farmers that able to develop cottage industries; (ii) business model that link processors and farmers in symbiotic relationship; (iii) business models that can link rural based artisanal processors to urban based Small and Medium Enterprises (SMEs); (v) supporting SMEs to become contract manufacturers for emerging supermarket chains. However for this to happen there is need for greater alignment of agriculture and trade and industry policies. At the same time there is need to rethink government and development partners support. From supporting farmers to a more holistic focus on supporting key value chain actors that can foster the emergence of this new value chain arrangements. This paper will be reflection of lessons learned and also policy options needed to take advantage of these pathways and catalyze the emergence of inclusive and strong agro-processing sectors

Julius Gatune is a Researcher and Policy Advisor with the African Centre for Economic Transformation (ACET). He researches and advices governments across Africa on issues of economic transformation. He also has expertise on Futures Modelling and long Term Planning. He has led over 30 agricultural agricultural value chains study across 16 African countries that aims to improve understanding how to strengthen the emergence of upgraded agricultural value chains that support the emergence of strong agro-processing sectors that can drive rural transformation. He has provided advice long term planning and management of extractive resources to a number of countries across Africa. Julius also has extensive experience in trends monitoring and strategic foresight. He has led a trends monitoring exercise that scanned the emerging trends across Africa and to identify potential leverages for shaping a better future.,.

Prior to joining ACET Dr. Gatune worked at McKinsey & Co at Johannesburg South Africa office as a management consultant for both public and private sectors. He also worked at the Frederick S. Pardee centre for study Longer Range Futures at Boston University and the Frederick S Pardee Centre for International Futures at the University of Denver working on a number of projects that that looked explored the drivers of futures of Africa.

Julius has a Ph. D in Policy Analysis for the Pardee RAND Graduate School and Masters in Computer Science from the University of Cambridge. He also holds a Bachelor of Science in civil engineering and an MBA from the University of Nairobi.

ID6: **Growth of Agro-processing Firms and Labour Productivity in Tanzania: Opportunities and Limiting Factors**

Speaker: **Aida Cuthbert Isinika**
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Visent Tisimia Kipene
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Considering the dominance of agriculture in Tanzania, agroprocessing stands out as a critical path for transformative industrialization. Tanzania has had several attempts at promoting industrialization. Nonetheless, the outcomes in terms of employment creation and wealth creation have fallen short of expectation. This paper looks at the role of agroprocessing firms as avenues for industrialization in Tanzania; examining past performance in order to discern factors which have limited the growth of agroprocessing firms and their contribution towards employment creation. Looking ahead, the paper scans the prevailing opportunities as the country positions to transform and become a middle level economy with the industrial sector tacking a leading role. The performance of 102 agroprocessing firms in Mbeya and Morogoro regions was assessed using cross sectional and time series data. The findings reveal that 63.6% of the firms operated under capacity due to various factors, hence using primary resources and labour below their installed capacity (Kipene, 2014). Understanding the underlying factors for such low performance is important as the leadership and the people of Tanzania position to play their respective roles in creating an industrial Tanzania that has socio-economic impacts which will reach far and wide across all segments of the population.

Aida Isinika is a Professor of Agricultural Economics at Sokoine University of Agriculture, engaged in teaching research and providing advisory services. She has over 40 year of experience working in the agricultural sector; as an agronomy researcher, studying soils under the National wheat project; as an Agricultural Officer in Musoma and Songea District; as a rural development facilitator in Iringa and Shinyanga regions and as an academician at Sokoine University of Agriculture. She has published more than thirty articles in journals and chapters in books, focusing on productivity, resource use efficiency and rural development in general. She has provides advisory services in the same fields. She is currently the Chief Editor of the Journal of Continuing Education and Extension from Sokoine University of Agriculture.

Visent Tisimia Kipene is a Lecturer at Mbeya University of Science and Technology. He obtained his PhD from Sokoine University of Agriculture; his thesis was on growth of agroprocessing firms and their influence on employment creation in Tanzania. His prior experience includes; teaching/training and micro finance facilitation. Labour economics and enterprise performance are his current areas of research interest.

S3C:

Thirty Years in Africa's Development: From Structural Adjustment to Structural Transformation?

Speaker:

Tony Addison

Chief Economist/Deputy Director UNU-WIDER

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Africa has come a long way since the economic turmoil of the 1980s, the decade of 'structural adjustment'. Growth has been strong. Yet poverty remains high. Underlying the shortage of good livelihoods and high social inequality is the lack of diversification in Africa's economies—in contrast to Asia's success stories. Structural adjustment did not change the basic structure of economies. Many countries became mired in war in the 1980s and 1990s. This also brought about structural change, often of the worst kind. Today, structural transformation remains on the policy table, but many of the constraints, notably infrastructure and enterprise finance, have yet to be resolved. Agricultural productivity remains low. And without new manufacturing and service clusters, Africa is yet to follow East Asia in integrating with the global economy in ways that add value and good jobs. Instead, integration continues via Africa's traditional primary exports, making the region vulnerable to commodity price shocks. Today's policy agenda is subtle, and one in which the challenges have no easy answers.

Tony Addison, Chief Economist/Deputy Director, UNU-WIDER. He was previously: Professor of Development Studies and Executive Director of the Brooks World Poverty Institute (BWPI) at the University of Manchester; University; Associate Director of the Chronic Poverty Research Centre (CPRC), as well as positions at the University of Warwick, the School of Oriental and African Studies (London University), and the Overseas Development Institute (London). His books include: *Poverty Dynamics*; *Debt Relief, Fiscal Policy* (with Alan Roe), *Making Peace Work*, and *From Conflict to Recovery in Africa*, and articles in *World Development*, *Journal of Development Economics*, *Journal of Development Studies*, *Journal of International Development*, *Journal of African Economies* Twitter: @TonysAngle.

S3D:

What happened to local content in the Tanzanian mining sector?

Speaker:

Siri Lange

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This paper examines the factors that have influenced local content in the Tanzanian mining sector, and some of the challenges and successes of local content initiatives in mining. Local content was not an issue when Tanzania welcomed international companies in the late 1990s. We argue that the current interest in local content - which grew gradually from the mid-2000s and culminated in the revised Mining Act of 2010 - can be perceived as a form of resource nationalism resulting from disappointing revenues from large scale mining. In recent years, and partly as a branding exercise, mining companies have started to report on local content. There is a tendency, however, to focus on quantity rather than quality, and this is due to unclear definitions of 'local'. For example, companies' purchase of imported fuel within Tanzania counts as local procurement, and local procurement figures therefore look relatively good while there is limited 'value added'. As for employment, the percentage of expat employees in the sector has been quite stable, revealing that there have been limited efforts to have Tanzanians replace them. We argue that in order to enhance local content in a fruitful way, three requirements need to be fulfilled: i) Local content must be economically attractive for both parties; ii) Regulations and policies should be clear and easy to interpret; and iii) Control mechanisms need to be in place in order to ensure that local content initiatives benefit employees, not owners only. We also argue that companies that wish to enhance local content may need to invest relatively substantial resources in training programs and/or cooperatives, and that this should be done in cooperation with government bodies.

Lange holds a PhD in Social Anthropology from the University of Bergen. She has more than 20 years of experience from research and commissioned work in Tanzania and other African countries, and has published on a wide specter of themes, including public health, natural resource management, civil society, and the relationship between popular culture and politics. She is currently involved in the following research projects/programmes: 'Tanzania as a Future Petro-state' (REPOA/CMI), 'Norwegian energy companies abroad - Expanding the anthropological understanding of corporate social responsibility' (UiB/CMI), 'Evaluation of the implementation and long-term impact of performance based financing of health services' (IHI/CMI), and 'Malaria Chemoprevention for the post-discharge management of severe anaemia in children in Malawi' (U. of Malawi/UiB/CMI).

S3E:

Should Tanzania Establish a Sovereign Wealth Fund?

Speaker:

Ragnar Torvik

Norwegian University of Science and Technology (NTNU) and
Research Associate, Chr. Michelsen Institute (CMI), Norway
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Many natural resource abundant countries have established sovereign wealth funds as part of their strategy of managing the resource wealth. The paper looks into different arguments used as reasons to establish such funds, discuss how these funds are organized, and draw some policy lessons. The paper then develops a theory of how petroleum funds may affect the economic and political equilibrium of an economy, and how this depends on initial institutions. A challenge with petroleum funds is that they may produce economic and political incentives that undermines their potential benefits. In conclusion, the paper suggests that the best way to manage the petroleum wealth of Tanzania may not be to establish a sovereign wealth fund, but rather use revenues to invest domestically in sectors such as education and health. Such investments may produce a better economic, as well as institutional, development.

Ragnar Torvik is Professor of Economics at the Norwegian University of Science and Technology and Research Associate at Chr. Michelsen Institute, Bergen, Norway. He holds a PhD from University of Oslo, and has previously worked at Norges Bank (The Central Bank of Norway). His main interests are political economy, petroleum economics, and macroeconomics. The main current research field is why some oil rich countries have succeeded while others have not, and the design of policy so as to ensure that natural resource abundance contributes to a favourable economic and political development.

KM1:

Short and Longer Run Impacts of Kaizen Management Training: The Case in Tanzania

Speaker:

Tetsushi Sonobe

National Graduate Institute for Policy Studies (GRIPS) in Tokyo
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Most managers in developing countries think that their management skills are well above average. Policymakers and advisers tend to assume that managers are knowledgeable about management because they have operated businesses for years. This is a common pitfall that these stakeholders fall into. Management must be improved so that workers work more efficiently and proactively. Why do many businesses remain so disorganized and inefficient? I hypothesized that managers knew little about better management. I did an experiment in which business consultants taught basic management skills to managers with management experiences of at least several years in Ghana, Kenya, and Ethiopia in 2007 and 2008. Consistent with the hypothesis, the training participants were happy and admitted that they had not known the basics. In Tanzania, I provided a training program featuring Kaizen, a Japanese-style common-sense approach to management, for garment producers in 2010. This presentation reports the latest assessment of training impacts on the business practices and performances of training participants based on the data collected through four follow-up surveys. I would also like to talk about a survey of government officials, which is being conducted in Tanzania with a similar motivation.

Vice president of the National Graduate Institute for Policy Studies (GRIPS) in Tokyo and a professor of development economics. **Tetsushi Sonobe** is an expert in industrial development in developing countries and has conducted more than 25 case studies of the development of industrial clusters in Asia, Africa, and Central America for 25 years. Since 2007, he has conducted randomized controlled trials of management training in Ghana, Kenya, Ethiopia, Tanzania, and Vietnam to assess the impacts of management training programs featuring Kaizen on business practices, performance, and the well-being of workers and business people. In Tanzania, he conducted a basement survey of garment enterprises and provided randomly selected sample enterprises with an experimental Kaizen management training in 2010, followed by four follow-up surveys for the examination of long-run impacts. Mr. Tetsushi Sonobe is a co-author of three books on the issues of industrial development: *Cluster-Based Industrial Development: An East Asian Model* (Palgrave Macmillan, 2006), *Cluster-Based Industrial Development: A Comparative Study of Asia and Africa* (Palgrave Macmillan, 2011), and *Cluster-Based Industrial Development: Kaizen Management for MSE Growth in Developing Countries*. He holds a Ph.D. in economics from Yale University.

KM2:

KAIZEN and its implementation in Tanzania:

Speaker:

Takao Kikuchi

Unico International Corporation

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Following the presentation about KAIZEN and its contribution to industrialization and economic development addressed by another speaker, professor Sonobe, the snapshot of KAIZEN project in Tanzania is exposed by the speaker. KAIZEN, continuous improvement based on PDCA business cycle and analysis of workplace and products, has been the source of competitiveness in Japan and the other new industrialized countries including Africa. Ministry of Industry, Trade and Investment (MITI) and Japan International Cooperation Agency (JICA) have implemented KAIZEN since 2013. Tanzania KAIZEN Unit (TKU) of MITI, Small Industries Development Organization (SIDO), College of Business Education (CBE) have worked closely to promote KAIZEN to improve the quality and productivity of industrial sector in Tanzania. Up to now, 42 enterprises have implemented KAIZEN in Dodoma, Morogoro and Dar es Salaam. Trained 13 KAIZEN Master Trainers and 2 KAIZEN Trainers have been authorized by MITI. KAIZEN Trainers will be multiplied and thousands of enterprises will improve its performance by implementing KAIZEN.

Takao Kikuchi is the Senior Consultant of Unico International Corporation. He has been dedicated to KAIZEN Project in Tanzania with Ministry of Industry, Trade and Investment (MITI)-Japan International Cooperation Agency (JICA) since 2013.

His academic background is formulated in the area of international economics and marketing. He focused on marketing and economic development in Japan and Latin America in the Graduate School of Latin American Regional Studies at National Autonomous University of Mexico. He completed international economics at Graduate School of Global Policy Studies in the University of California, San Diego.

Mr. Kikuchi's professional career has been developed through marketing and international development. He started his career as Marketing Specialist in Hibiya Kadan Co., Ltd. Which is the biggest flower retail company in the world. After his study in the graduate school of Mexico, he worked as a Marketing Instructor in Sun Group University in Mexico City. Experience as Economic Attaché in the Embassy of Japan in Costa Rica reoriented his career toward international development.

As Small and Medium Enterprise Development Specialist in the United Nations Development Program in Angola, he had struggled to execute his duty for 3 and half Years living in Luanda. Experience of International Development Consultant has been accumulated through Private Sector Development and Rural Development in Bangladesh, Nepal, Bolivia, Ecuador and Tanzania for more than 10 years.

He is fluent in English, Spanish, Portuguese, French and Japanese. Lecture was provided in these languages in the countries mentioned above.

KM3: **Towards More Inclusive Business Formalisation a Study on the Experiences and Lessons in Business Formalisation**

Speaker: **Donath R. Olomi**
Institute of Management and Entrepreneurship Development (IMED)
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Despite past efforts in addressing business informality in developing countries, it continues to expand with millions of mostly poor people engaged in unrecorded and legally unrecognized and unprotected economic activities, with poor access to basic business services. The study examined the nature of informality and lessons from past formalisation initiatives in order to capture new insights and practical ideas for making formalisation more inclusive. Findings suggest that informality is a product of historical, economic, political and cultural factors. The regulatory framework and the public sector service delivery mechanisms are not designed for and therefore do not work for a majority of informal enterprises. As a result, formalisation measures implemented directly by the public sector work for a small fraction of the private sector. A paradigm shift is taking place with governments developing special policy and regulatory frameworks for micro enterprises and adopting an indirect approach to formalization in which the public sector partners with business associations which facilitate traceability (registration), control (self regulation) and access to workspace and other services for members. Tanzania should embrace this emerging approach to realize more inclusive formalisation. Specific interventions, as well as future research areas, are also presented.

Donath R. Olomi is the CEO of the Institute of Management and Entrepreneurship Development (IMED). Prior to founding IMED, he worked with in industry and as an academic member of staff of the University of Dar es Salaam Business School until 2011. He is a leading expert in entrepreneurship and private sector development with substantial experience in consulting, teaching, research and publication earned in the past 26 years. He has worked in this area in Botswana, Djibouti, Ethiopia, Kenya, Sudan, Tanzania and Uganda. His clients have included governments, multilateral development agencies, international NGOs and corporate organizations. He recent consulting engagement has been around public-private advocacy, business environment reforms, enterprise education, business formalization, strategic planning, ICT for SME development, and equity investment for SMEs.

IP4: **Industrial Development in Tanzania: Re-Engaging the Reverse Gear and Charting the Way Forward**

Speaker: **John A.K. Jingu**
Department of Political Science & Public Administration/
University of Dar es Salaam
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Industries constitute a fundamental pillar of development for any country for industries perfect the extent to which natural capital, human capital and financial capital interact to provide for development of a country. Unfortunately, Tanzania has been going through deindustrialization process since the adoption of liberalization policies in 1990s. Most industries which were introduced as part of the resolute measures of the newly independent country collapsed due to removal of protective barriers and strategic deficits in coping with forces of globalization. Consequently, the country development processes still largely depends on the produce of peasant farms and continue to be shackled in the yoke of foreign dependency, unemployment and poverty.

The coming into power of President John Magufuli has renewed the country's urge to engage the reverse gear and re-embark on the industrialization process as a 'neem medicine' of development challenges facing the country. The paper proposes adoption of 'buildup and opening up' strategy toward industrialization process. The buildup part of the strategy will strive to consciously address deficits in internal capabilities on critical areas such as human capital, financial capital and indispensable infrastructure for industrialization to take place. The opening part entails approaching the world in a coordinated and strategic manner to acquire requisite technology, financial capital, skills and markets.

John Jingu is a lecturer in Political Science at the University of Dar es Salaam. His area of scholarship includes political economy, strategy, china studies, governance and public policy analysis. He has published several articles in referred journals and contributed more than seven book chapters. He is currently working on a book manuscript with the title "state capture and Existential Threat to the State in Africa."

John Jingu has been a consultant to a number of government agencies, international and national organizations. Dr. John Jingu served as a researcher to the Constitutional Review Commission (Warioba Commission) from 2012-2014. He is currently the Director of the newly established Centre for Strategic and Peace Studies at the University of Dar es Salaam.

IP3: **Investment and trade in post-conflict Northern Uganda.**

Speaker: **Madina Mwangale Guloba**
Economic Policy Research Centre
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This paper presents a critical review of investment and trade in post-conflict Northern Uganda. The paper utilises trade (formal and informal) and investment (foreign and domestic) annual data from Uganda Bureau of Statistics and Uganda Investment Authority from 2006 to-date. An identification of opportunities and challenges together with key policy strategic options as a means of establishing the North as an industrial hub for the economy is undertaken. A number of policy and programme initiatives by government have been undertaken to revamp and rebuild the North such as Northern Uganda Social Action Fund (NUSAF) and the Peace Recovery and Development Plan (PRDP) and several other sub projects. Despite both government and donor interventions in the region, public and private sector investments continue to be piece-meal and largely driven by small scale traders and investors (shops, kiosks). Financial, security of access to land, environment, finance, strong cultural norms-attitude towards work and infrastructural factors are still poor and continue to impede growth in these sectors in the North. Hence, the region becoming an industrial hub to enhance livelihoods is still that, a dream.

Madina Guloba is an Economist, with a PhD and Masters of Arts in Economics from University of Dar es Salaam, Tanzania under the Collaborative Postgraduate Programme of the African Economic Research Consortium (AERC), Nairobi-Kenya. She also at the UNU-WIDER, Helsinki, Finland under PhD internship programme in 2013. Madina is currently a Research Fellow at the Economic Policy Research Centre (EPRC). She has more than eight years of research experience in which she has worked on several projects and published in the field of development economics, gender, climate change, education, environment, natural resources and labour markets. Madina is a member of the International Association of Feminist Economist (IAFFE), AERC alumni, member of the National Advisory Committee on Monitoring and Evaluation representing Research and Academia and the National Sub-committee of Evaluations in the Office of the Prime Minister. She is also a member of the National African Statistical Society. She sits on the National Technical Steering Committee of the Green Growth Strategy for Uganda. Recently she was the Project Coordinator on the UNDP project to produce the Uganda Human Development Report 2015 and lead author for UNEP's project on SWTICH Africa Green: Uganda.

IP6:

What Does It Take to Attain The Desired Industrialization by Tanzania's Fifth Phase Government? Selected Economic Thoughts

Speaker:

Honest Prosper Ngowi

Mzumbe University

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The paper makes an interrogation on what it takes to attain the desired industrialization by Tanzania's fifth phase government. This is done by outlining selected economic thoughts on the kind of the envisaged industrialization. A general overview of industrialization plans by Tanzania is given followed by specific industrialization desires by the fifth phase government in particular. The focus of the paper is on the desired industrialization as stated in the ruling party's (Chama Cha Mapinduzi – CCM) 2015 election manifesto and in President Magufuli's inaugural speech in the Parliament of the United Republic of Tanzania on 20th November 2015. The author gives some economic thoughts on what it takes for the various industrialization desires by the current government to be actualized. Inter alia, it is argued in the paper that for the desired employment-creating industrialization to be properly actualized, the focus should be on various nodes of value chains in the backward and forward linkages of the industrial sector. This is due to the fact that modern and state of the art industries are likely to be highly capital – rather than labour – intensive thereby providing few direct employments. Likewise, for the envisaged industries for mass domestic consumption production to see the light of the day, Tanzanians' consumer behavior in favour of imported industrial goods needs to be clearly interrogated. There is also a need to fix what is broken in Tanzania's general investment climate and as applied to industrial investments in particular.

Honest Prosper Ngowi is Associate Professor of Development Economics, researcher and consultant in Economics and Business at Mzumbe University in Tanzania. He is heading the Department of Short Courses, Research and Consultancy. He has researched, consulted, lectured and published widely (over 60 academic publications, over 80 research and consultancy reports and over 400 newspaper and magazine articles in economics, business and related areas). Ngowi has been external examiner in a number of Universities and seats in various boards as a member of board of directors. Professor Ngowi is a distinguished fellow at the African Centre for Technology Studies and member of consortium of senior scholars at the University of Lusaka Zambia. He is also economics columnist and commentator in various newspapers, radios and television stations on economic and business issues. He is multilingual with fluency in English, Norwegian, Kiswahili and working languages in Danish and Swedish.

ID7:

Potential of Industrial Development for Tanzania to Transform Socio-economically

Speaker:

Gerald Runyoro

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The paper highlights the richness of Tanzania including land, wildlife, water resources, minerals and the recently discovered gas. It also refers to the favourable climate for production of a wide range of crops and livestock. The paper points out that Tanzania's population is an important resource and acknowledges not only the several frameworks, policies, strategies and plans which Tanzania has formulated but also the efforts made to put in place institutions to facilitate implementation of the policies, strategies and plans.

The paper notes that, despite the resource endowments and the efforts Tanzania has so far made, it still is one of the least developed countries, with approximately a third of its population living below the basic needs poverty line. An attempt is made to highlight factors which may have contributed to this lag. Finally, the paper looks at the recent decline contribution of the agricultural sector to GDP and increasing contribution from services, industry and construction. Acknowledging that this is possibly a begging for Tanzania to be on track towards attaining her objective of becoming a semi industrialized, middle income country by 2015, the paper concludes with recommendations which can help it to leapfrog towards socio-economic development through industrialization.

Gerald Runyoro is a National Programme Officer working for the United Nations Industrial Development Organisation (UNIDO) since 2013. Earlier on he worked with the Food and Agriculture Organization initially as a Programme Assistant and later as Assistant Representative (Programme) in the Tanzania Field Office. He obtained his Masters of Philosophy degree from the University of Glasgow (1990).

ID8: **TIRDO Role in Development of Sustainable Energy Technologies for Supporting the Industrialization Process in Tanzania**

Speaker: **Lugano Wilson**
Tanzania Industrial Research and Development Organization
(TIRDO)
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It is an accepted fact that energy is prerequisite for development as it is positively linked to the different sectors of the economy. The link has been shown by a direct correlation between per capita energy use and real per capita income throughout the world economies. On an aggregate basis, higher use implies higher income and vice versa. Consequently, the low per capita energy consumption in the developing countries is negatively affecting economic opportunities, and the provision of social services like health, education, and safe water. However, developing countries like Tanzania are vested with abundant energy resources both renewable and conventional ones. Besides their great potential contribution to the socio-economic development of the country, these energy resources have not been harnessed sufficiently. As the envisaged industrialization process for Tanzania is highly dependent on availability of energy, efforts in increasing energy access and reliability are indispensable. In contribution to these efforts, Tanzania Industrial Research and Development Organization (TIRDO) have embarked on developing coal energy technologies. This takes into consideration that this resource is marginally contributing to Tanzania energy balance. The current work therefore presents TIRDO efforts in the development of coal utilization technologies, which targets the energy sector, industries and households.

Lugano Wilson is the Director of Engineering Development (DED) and Head, Energy Technologies Division with Tanzania Industrial Research and Development Organization (TIRDO). While with TIRDO in a period of over 20 years, he has supervised and implemented energy research projects; and consultancy projects in the field of energy management (industrial, commercial centres, and households), renewable energy technologies and environmental management.

He holds a degree of Licentiate of Philosophy in Engineering (Furnace Technology) from the Royal Institute of Technology (KTH) in Stockholm Sweden and a Doctorate of Philosophy (Ph.D.) in Energy Engineering from the University of Dar es Salaam Tanzania where he was also awarded a Masters degree (Mechanical Engineering). He has attended various professional trainings. As a result of his professional work, Dr. Lugano has produced over 60 papers and technical writings.

S3G:

Policy making in the Tanzanian petro state - building a statistical basis

Speakers:

Blandina Kilama / Fred Matola / Jan Isaksen

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This paper starts by briefly sketching various aspects of the resource base, spatially, in terms of geology, investments, operators and production, also giving a brief historical survey of the petroleum sector in Tanzania. The paper then highlights the economic contribution of the gas resource in terms of GDP, investment, external trade and balance of payments, employment and fiscal contribution. The main part of the paper deals with the needs and challenges of petroleum statistics and is based on a survey of stakeholders' statistical needs, international recommendations and Tanzania's conformity in reporting energy statistics for international comparison. The paper then looks at the production of relevant statistics in Tanzania considering how it measures up to needs in terms of data collection and definitions as well as institutional arrangements regarding energy data production. For comparison, the subsequent chapter outlines salient features of the Norwegian experience of statistical supply from the start of Norway's "oil age" to the present. In conclusion, the paper presents ideas for development of statistics for analysis and policy-making related to the petroleum/gas management in Tanzania, outlines the research programme's statistical needs and considers issues of cooperation between the partners in the programme and other stakeholders.

Blandina is a senior researcher with over ten years of practical experience in research and policy analysis particularly in the areas of poverty, public policy, value chain and service delivery. In her various engagements in research, she has been involved in all stages research processes, not only in Tanzania but also in Vietnam. She has also been involved in analysis of data from national surveys and has undertaken analytical work related to nutrition, poverty mapping work for the Tanzania Poverty and Human Development. Being a senior researcher her current research work includes poverty mapping, child mapping, economic transformation, Post 2015 agenda and interactions between financial sector and investment. Blandina is a Joint Director and a team member of the five-year research programme on "Tanzania as a future Petro State" working on the component on Data for Policy Making and Public Engagement.

Fred is a Statistician and Economist with 22 years' experience in the field of statistics. His contributions range from social, demographics to economic statistics. He has been engaged in various capacities such as field operation coordinator and quality assurance expert in the Household Budget Surveys (2000/01, 2006/07, 2001/12), data processing and quality expert and Editor in the DHS rounds up to 2006. He has also contributed to survey designs and coordination of census of industrial production, distributive trade, Foreign Direct Investment and national accounts of Tanzania. Fred is a member of National Macro Economic Modeling Team (MACMOD) and the Financial Programming group coordinated at the Central Bank. He is currently an Acting Manager for Tax statistics at the NBS. Fred is a team member of the five-year research programme on "Tanzania as a future Petro State" working on the component on Data for Policy Making and Public Engagement.

Jan is an economist and econometrician with 43 years' experience in research, research management, policy advice and public sector technical assistance. His experience includes operational work as an international civil servant in the Norwegian Foreign Service and as United Nations HQ staff (UNIDO), in-country advisory positions, consultancies with UN and the World Bank as well as other international organisations. He has formerly worked in the Statistics Norway as a research assistant and as Head of the Trade section in the Kenya CBS. He has been involved in the evaluation of a number of statistics institutional support programmes. He is since January 2014 an Emeritus at the Chr. Michelsen Institute. He is a team member of the five-year research programme on "Tanzania as a future Petro State" working on the component on Data for Policy Making and Public Engagement

S3H: **Managing the Resource Curse: A survey Experiment on Expectations about gas Revenue in Tanzania**

Speakers: **Alexander W. Cappelen, Odd-Helge Fjeldstad, Donald Mmari, Ingrid Hoem Sjursen and Bertil Tungodden**

Resource rich countries with weak institutions face the danger of a “resource curse”, but few studies have empirically investigated the micro-level mechanisms that explain how resource wealth may hamper development. This paper reports results from a randomized survey experiment of 3004 household members in Tanzania that sheds light on some possible micro-level mechanisms underlying the resource curse in contexts of weak institutions. We use informational videos to generate exogenous variation in citizens’ expectations about future gas revenues. Our preliminary analysis indicates that expectations about future gas revenues causally increase expected corruption, which in turn is likely to increase individual propensity to engage in corruption. Furthermore, we find the effect of increased expectations to be driven by older respondents. From the 1990s, the Tanzanian economy experienced a mineral resource boom, but the general public benefited little and corruption increased. Thus, a possible interpretation of this finding is that older respondents are affected by their previous experiences with natural resource revenues. Initiatives to strengthen trust among older Tanzanians in the could therefore be important part of the Government’s petroleum policy in managing the resource curse. We find no effect of expectations about future gas revenues on attitudes toward paying taxes.



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