

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

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’.