

**Speech by Dr. Donald Mmari, Executive Director,
REPOA On the Occasion of REPOA's 22nd Annual
Research Workshop 29-30th March, 2017 at the
Ledger Plaza Bahari Beach Hotel, Dar es Salaam**

*Guest of Honour, Honourable Dr. Philip Isdor Mpango, MP, Minister of
Finance and Planning of the United Republic of Tanzania,*

Honourable Members of Parliament present,

*Your Excellency Ambassador Roeland Van der Geer, Head of the
Delegation of the European Union in Tanzania and the East African
Community*

Excellences Ambassadors and Heads of Diplomatic Missions present,

Permanent Secretaries

Prof. Yadon Kohi, Chairperson of REPOA

Prof. Lant Pritchett, our Key Note Speaker

Members of the Press,

Distinguished Participants,

Ladies and Gentlemen,

1. I am very pleased and privileged to welcome you all to the 22nd REPOA Annual Research Workshop. **Karibuni sana.** I must also express REPOA's sincere appreciation to the Guest of Honour, Honourable Dr. Philip Mpango, for setting aside the time to grace this occasion. We all know how heavy the workload is for our leaders, as they contend with many development challenges facing our country. Our country is relatively large, and the task of supervising development in the context of uneven resource endowment, diversity of geography, population distribution, and infrastructure development is not easy. We appreciate efforts and hard work that the 5th phase Government is putting to accelerate socioeconomic transformation, led by industrialization.

2. The core business of REPOA since its establishment in 1994 has been to generate knowledge through **research, and to contribute to policy research capacity.** While the institution's initial focus revolved around the understanding of causes and means of eradicating poverty in its multidimensional forms, it became apparently clear that efforts to eradicate poverty can only be sustained if economic growth is accelerated, and the economic structure transforms in ways that promote inclusive development. This recognition has shaped the growth of REPOA over the last 22 years, the design of our current research programme, and the strategy of our engagement with our partners.

The ultimate purpose of what we do is to improve the quality of life of the people of Tanzania, and beyond. While many actors contribute to this ultimate purpose, our role of carrying out independent and credible research, and share our findings through publications, policy briefs,

policy seminars and roundtables, and media briefs remains important. But this is not enough. We also engage very proactively and directly with the government and other actors in reviewing and developing policies and in designing of development interventions. We provide independent views and assessments on what is working and what is not, and propose options for achieving better results. The Annual Research Workshop is our land mark event that brings together policy makers and other development actors with researchers and academicians from Tanzania and around the world.

3. We have continuously reviewed our research programme to make it relevant and responsive to the national development agenda. Industrialization, enterprise growth, trade, and employment dynamics form an important pillar of our research agenda. We consider these as critical pillars to supporting structural transformation, grounded on the foundation of our natural resource endowment. The analysis of the changing structure of the economy and the underlying drivers of structural transformation is an important work we do to inform policy direction for enhancing inclusiveness and participation of citizens in the development process. Our social protection work has focused on the transformative role of social protection to promote income stability, human capabilities and to prevent deprivation. Finally, governance and accountability are equally important aspects our research programme, as it is our conviction that an inclusive and participatory system of governance is fundamental for transparent, accountable, and efficient delivery of public goods.

4. As an evolving and growing national think tank, REPOA works in collaboration with other national, regional, and international research and

policy organizations, some of which are represented at this workshop. Our core values that revolve on objectivity, quality, professionalism, and steady proactive engagement in contributing to policy development have earned us a very high reputation nationally and globally. It is for this reason that a global survey conducted by the Think Tank and Civil Societies Programme at the University of Pennsylvania have ranked REPOA as the top think tank in Tanzania for three consecutive years. REPOA has also moved up the rank in Sub-Saharan Africa, up from 18th to 13th position out of 92 think tanks.

I feel obliged to recognize in public those organizations that are supporting our work in different forms, particularly the core institutional support, capacity development, and long-term financing of research collaborations. These are Embassy of Sweden, Embassy of Norway, IDRC Canada through the Think Tank Initiative (TTI), and the Bill and Melinda Gates Foundation through the African Capacity Building Foundation (ACBF). Others are supporting us through collaborative research grants, and these include Irish Embassy, Bill and Melinda Gates Foundation, IDRC, DANIDA, The World Bank, AERC, World Food Programme, UNICEF, Centre for Democratic Development (CDD) Ghana, Institute of Development Studies (IDS) Nairobi, Oxford Policy Management (OPM), ODI, World Economic Forum, IFPRI, the Prime Minister's Office (Labour and Employment), Poverty Eradication Division in the Ministry of Finance and Planning, President's Office–Planning Commission, and other Ministries, Departments and Agencies. I may not have mentioned all of them, but we very much appreciate the support from all the partners we have worked with.

I am also tempted to recognize the role played by our significant past core funders, the Embassies of the Netherlands and Denmark. I believe they will support us again in the days to come, and many others will join too. Core financial support to think tanks is still critical for sustained provision of public goods such as the production of knowledge, research capacity building, publications, and evidence based policy dialogue. It is a known fact that endowments and foundations in Africa are rare, and public and private sector funding of research is also very limited.

Let me also extend our sincere gratitude to the Delegation of the European Union in Tanzania for the generous financial support for organizing this workshop. We also thank the International Growth Centre (IGC), CRDB Bank PLC, and Commercial Bank of Africa who have covered some costs of this workshop. I believe the support will be extended towards our core support for research capacity and policy dialogue in the near future.

5. The presentations in this workshop are structured around the theme “**Why Institutions Matter for Industrialization Led-Development**”. This is a very logical extension of our last year’s workshop whose theme was **Making Industrialization Work for Socioeconomic Transformation**”. The decision to pursue this subject further was informed by two factors: First, the emphasis our government is putting on industrialization, and second, the evolution of industrialization and industrial policy around the globe. The national drive towards accelerated industrialization is well articulated in the Second Five Year Development Plan, which REPOA engaged very actively in informing its development.

6. Despite the effects of slow global growth in the aftermath of financial crisis and economic recession, Tanzania has remained one of the fastest-growing countries in Africa, with GDP growth rates averaging 6.9% annually over 2011-2015. This is above 5.3% average growth for East Africa during the same period. The manufacturing share of GDP, however, has remained low, at 5.2% of GDP in 2015. Elsewhere in Africa, industrialization growth has not been rapid enough as aspired. However, efforts to promote manufacturing industries have intensified in countries like Botswana, Rwanda, Ethiopia, and Mauritius. The challenge for these countries and for Tanzania alike is on how to make this agenda successful, and at pace that can rapidly engender sustained economic growth, job creation, and poverty reduction.

Africa have received many policy advises at different periods. In the mid-1980s, policy advice revolved around a departure from state-driven investments in industries towards market-oriented development dictated by prices and other market incentives. This narrative evolved to the so called “Washington consensus” in the 1990s, which emphasized on the set of good governance practices by the state, including the provision of conducive business environment and good infrastructure for the private sector to thrive. The continued market failures and persistent coordination failures have led to renewed interests in the discourse of industrial policy. Drawing from the success of South East Asia, advocates of new industrial policy argues that that states can play crucial roles to address persistent development challenges. The challenges confronting Sub-Saharan Africa include low productivity, growing urbanization and expanding informal economy, which cannot easily be dealt with in a pure market structure.

In seeking the answers to the paradox, of failures of markets or of

governments when working in isolation, the broader aspects of institutions and political economy underpinning the development process in general, and the industrialization agenda in particular is central. That is why this topic is both timely and relevant in the discourse of Tanzanian development at this time.

7. Guest of Honour, we are very confident that your **opening address** will provide some guidance to our deliberations on the institutional foundations and change we need to foster for the noble drive towards industrialization to succeed. We are pleased to have Professor **Lant Pritchett from the Kennedy School of Government at Harvard University** who has travelled from the United States to deliver a keynote paper on the subject. Prof. Pritchett is also a Senior Fellow of the Center for Global Development. He was co-editor of the Journal of Development Economics and worked as a consultant and advisor to many large and reputable organizations, including the World Bank and Google. He is well travel around the world and has authored many articles and books relevant to the subject we are discussing.

The keynote address will be discussed by three speakers: Professor Benno Ndulu, Governor of the Central Bank, Mr. Gwakisa Bapala, Manager Research and Planning of the National Economic Empowerment Council (NEEC) - representing his Executive Secretary Mrs. Beng'i Issa and Dr. Ramesh Shah, Chief Economist /Consultant / SME / Marketing / Training Specialist (Private Sector).

The first session this morning will be chaired by Dr. Servacious Likwelile from the Economics Department at the University of Dar es Salaam who has previously served as the Permanent Secretary in the Ministry of

Finance and also the Director of Research at REPOA, and a former member of the Board. We do hope that your schedule will allow you, the Guest of Honour, to listen to the key note and the views of the discussants.

Apart from the keynote presentations during the opening session, there will be other paper **presentations and panel discussions from experts and distinguished leaders and scholars** from Tanzania and from other countries, selected strategically to share their experiences on this subject.

8. Guest of Honour, please allow me to recognize those who travelled over long distances to share with us their experiences and insights on this subject. I will not attempt to mention each one by name, but will recognize the countries they have come from, though from different institutions. These are the United States of America, United Kingdom, the Netherlands, France, South Africa, Vietnam, Mozambique, Kenya, Norway, Ghana, Uganda, Nigeria, Canada, and Zimbabwe.

9. I believe each one in this workshop expects that the diverse knowledge and experiences represented here will generate informed exchange and recommendations that will subsequently be synthesized to inform policy makers and other development stakeholders in the efforts to promote industrial transformation for inclusive economic and social progress in Tanzania. We encourage all of you to participate fully and share your views during the two days of the workshop. I take this opportunity to thank most sincerely all the speakers, panelists, chairpersons, discussants, and all distinguished participants for sparing your valuable time to be part of REPOA's 22nd Annual Research

Workshop during the next two days.

10. At the end of the workshop we expect to have achieved the following:
 - a. Shared knowledge and experience on the institutional foundations for industrialization led transformation for inclusive development
 - b. Generated a synthesis report of key policy recommendations
 - c. Supported research capacity through the poster presentations
 - d. Generate new ideas to inform our future research agenda.

I once again express our sincere gratitude to the Guest of Honour and welcome you all to this workshop.

Thank you for your attention.