



# **SOCIAL POLICY IN A HISTORICAL PERSPECTIVE: SHIFTING APPROACHES TO SOCIAL PROVISIONING**

*By: Jehovaness Aikaeli and Humphrey Moshi*

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# ABSTRACT

Social provisioning is a critical ingredient of human development and thus inextricably linked to economic development. With this understanding in mind, this chapter seeks to analyse, historically, the development of social provisioning in Tanzania by identifying the economic, political and social drivers which led to shifts in prioritization of either human development (social provisioning) or economic development issues in the country's socio-economic planning, policy and institutional frameworks. The analysis shows clearly that the main drivers of the shifts in priority setting ranged from the adopted development paradigm cum ideological orientation, availability of financial resources, policies of multilateral financial institutions, namely the World Bank (WB) and International Monetary Fund (IMF), to global development initiatives, such as Millennium Development Goals (MDGs), Sustainable Development Goals (SDGs), and so on.

The main observation is that the history of social provisioning in Tanzania is reflective of policies and strategies, which in most cases failed to strike an appropriate balance between the two objectives of social provisioning and economic development. This in turn led to unsatisfactory social provisioning results and outcomes, even during periods of relatively good economic performance. This manifestation indicates that positive economic performance is not necessarily a sufficient condition for achieving positive social outcomes, unless a clear strategy is adopted and the requisite measures are effectively implemented to attain envisioned social goals and objectives.

This being the case, the way forward demands the following actions: one, the need for public policies to be both economically and socially integrated; two, social provisioning policies should not only focus on quantitative but also on the qualitative aspects; three, the design of policies, strategies and programmes need to be decentralized to lower levels – regions, districts and villages – with the objective of achieving enhanced social provisioning results and outcomes; four, economic growth needs to be inclusive and equitable in order to improve availability of and accessibility to social services on sustainable basis.

# 1. INTRODUCTION

Human development is usually embedded in the socio-cultural environment of a society, which therefore determines both social and economic outcomes. The social provisioning process is about social reality, in terms of how the provisioning of goods and services to society is organized according to existing values and social structures. The concept of social provisioning emerged out of institutional economics (Gruchy, 1987; Dugger, 1996), and has been further developed by institutional and other heterodox economists (Lee, 2010; Jo, 2011). Social provisioning is guided by social policy, which is supposed to be designed in a way that fits with changing values and socio-economic structures including, among other things: gender, culture, power, politics, the economic system, and the environment. Social policy concerns all aspects that are related to social services and welfare. These are any policies guiding the administration of social services, comprising health, housing, income maintenance, education, and social work; the needs of and issues affecting the users of social services (like poverty, old age, health, disability, and family matters); and the delivery of welfare. Social policy is therefore a multifaceted concept. This means that social policy and economic policy are intertwined by design and difficult to separate according to clear-cut criteria. Indeed, creating economic policy as if it was separate from social policy would result in piecemeal interventions which may not have substantive impacts on transformation processes.

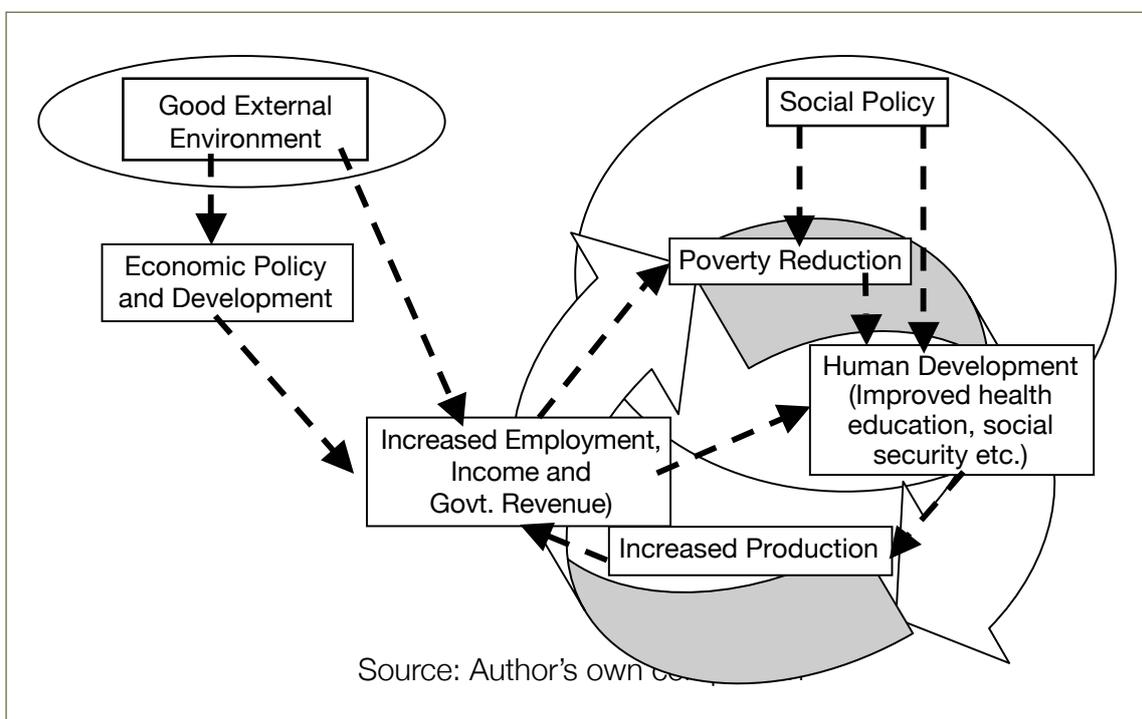
This paper looks into the historical archetype of social policy in Tanzania and the paradigm shifts in social provisioning approaches over time. As one of the background papers for the Tanzania Human Development Report (THDR), this piece suggests that development and poverty should be conceptualized from a multidimensional perspective rather than being thought through (and discussed) only in terms of economic or income aspects. Multidimensional considerations in the THDR make it important to explore issues related to historical perspectives on social policy as a way to understand the reasons, processes, and underlying factors that inform Tanzania's current state of affairs, and thus to unearth the way forward to improving human life through different public policies.

Understanding the conceptual framework of interplay between social and economic policy to guarantee human development is important. The role of social policy in human development is depicted in the conceptual framework portrayed in the diagram in Figure 1.

It is the understanding of this framework that guided the writing of this paper. The figure depicts a simple picture of the relationship between social policy and human development, cognizant of the interplay of factors other than social policy, which mean that what is referred to as the external environment is critical. Social policy contributes directly to poverty reduction and human development, and raises productive capacity and output as a result. As production in the economy improves, income increases, aggregate demand follows, and the supply side response to demand creates employment, if everything else remains right. These in turn feed into lowering poverty further and enhancing human development. Note also that there is a government revenue (tax) dividend from the expanded production resulting from employment and income growth. External environment, i.e. other factors including uncontrollable foreign

influences and market dynamics, are relevant to economic performance as illustrated above, and they have indirect implications for human development and poverty reduction.

**Figure 1: Conceptual framework of social policy and poverty reduction**



It needs to be underscored that social provisioning as a critical ingredient of human development is inextricably linked to economic development, given that human development is the primary objective of economic development. At the same time, economic development is an essential means to human development. However, in the policy formulation and implementation process, more often than not, policymakers tend to give priority to either human development or economic issues, depending on the adopted development paradigm or the scope of available financial resources in terms of budgetary constraints, coupled with multilateral financial institution's and global development initiatives such as Basic Needs, Millennium Development Goals (MDGs), Sustainable Development Goals (SDGs), and so on. In this regard, the development history of social provisioning in Tanzania is reflective of policies which in most cases failed to strike an appropriate balance between the two objectives of human development and economic development. Indeed, pursuing both objectives together, through policies which are cognizant of their inter-linkages, would have enhanced results and outcomes for both of them. Nonetheless, the nature of the balance did also vary across different historical periods.

The rest of this paper is organized as follows. The rationale and objective of the paper are presented in section 2. A discussion of the history of the country's social policy episodes is undertaken in section 3. Section 4 analyses paradigm changes in social provisioning approaches, with emphasis on changing priorities and the attendant institutional frameworks. The implications and results of the adopted provisioning approaches in relation to social indicators are the subject of section 5. The last section concludes the study, while outlining a set of policy implications for informing future generations of social provisioning efforts.

## 2. RATIONALE AND OBJECTIVES

Tanzania has come a long way since independence in its efforts to spearhead social and economic development. It is thus worthwhile to examine the country's policy process to assess progress and identify areas for improvement. As the country compares with its Asian and Pacific peers from the 1960s, for example, there is evidence of a slow pace of both economic and human development in the country. It is acknowledged by scholars, policymakers, and many others that national development is usually dependent on the public-policy and quality of governance practice.

However, it is highly contested whether the problem of slow human development processes is associated with: (a) incoherent social and economic policies; (b) inadequate implementation of existing policies; or (c) other factors altogether. In this paper we may not be able to statistically identify the exact extent to which social policy has contributed to human development in the country since independence, but we will depict the positive and negative stakes of social provisioning approaches as regards human development processes in Tanzania. We thus trace the historical paradigm changes of social provisioning approaches during the different economic systems and development programmes that the country embarked upon since independence, up to the present aspirations stipulated in the National Development Vision 2025. Therefore, the specific objectives of the paper are as follows:

- i) To present a historical perspective on social policy in Tanzania;
- ii) To underscore the rationale for and the drivers of paradigm change with regard to the adopted social provisioning approaches;
- iii) To draw lessons from the various adopted regimes of social provisioning on human development processes, in terms of identifying not only the continuities and departures of each era, but also the realized outcomes; and
- iv) To come up with policy implications aimed at the improvement of future generations of socio-economic policy design and implementation, taking into consideration the failures and successes of past and current initiatives.

# 3. SOCIAL POLICY EPISODES IN TANZANIA

Tanzania has gone through different eras of approaches to social provisioning policy since independence. Although there has been no single coherent national social policy cutting across all sectors, there are sector-specific social policies, although these are not necessarily coherent and intertwined as they were prepared and implemented by the respective sectors in isolation. Health policy, social security policy, and education policy, for instance, stand alone; they are weakly coordinated, and none are clearly linked with other social policies in the country. In most cases the process of social policy formulation has been initiated by technocrats or task forces at the ministerial level or by institutions entrusted with specific social provisioning roles. Whereas the implementing agents are communities, NGOs, and government institutions, the implementation process is basically top-down. The main funders of social policy directives include the government, donors, NGOs, individuals, and religious institutions (Mchomvu et al., 1998). The observed fragmentation and weak coordination has improved over time since most of these issues were mainstreamed in national planning frameworks such as MKUKUTA 1 and 2, which also saw enhanced coordination and consultation among key stakeholders.

## 3.1 Pre-Arusha Declaration: 1961–1967

Tanzania's social provisioning has been characterized by different regimes, although with some overlapping universal elements. During the period from 1961 to 1967 the country's social policy emphasized a developmental strategy that focused on building national cohesion while fighting the three enemies of development, which were identified as poverty, ignorance, and disease. Poverty was fought through modernization and the expansion of production of goods and services, particularly in the agricultural and industrial sectors. Ignorance was to be defeated by expanding access to education through interventions like Universal Primary Education (UPE). Diseases were to be controlled by placing emphasis on expanding access to primary healthcare and campaigns on health issues (Mujinja and Kida, 2014). These three social concerns of the time were perceived as impossible to resolve under the existing economic system, which was entirely market oriented. In view of this, social provisioning was private in nature, and the acquisition of social services was therefore limited to those who could afford to pay for it. Social and economic policies were thus interlaced to serve the purse of the inherited capitalist economy, although this was fundamentally contrary to the thinking and philosophy of President Julius K. Nyerere. In this regard, the period witnessed a transformation from a less to a more inclusive economic system and social provisioning, as evidenced by the subsequent nationalization of the means of production.

Since the means of production were in the hands of the private sector in the early 1960s, efficiency trade-offs with equity and inequalities were apparent across the country. The economic structure of the day was such that plantation/commercial farming was done by European settlers who remained in the country after independence; a few industries had been established by colonial capitalists and they continued to own them; financial elites owned banks and other financial intermediaries; and trade and commerce were generally private. During this period social services were provided privately and a state redistribution function was performed through conventional

taxation. Government paternalism was at a minimum, and the state's authority over the means of production was limited.

Despite economic and social efforts in the early years of independence, the major social and economic characteristics of Tanzania remained the same as they had been during the colonial period. The economy's structure in terms of production relationships, ownership, and the priorities of commodities were still oriented to the industrial countries (Ruhumbika, 1974). In order to address this state of affairs, the notions of Africanization and socialization of the economy were hatched, including the need to change the social and economic attitudes of the people. It was in this context that Mwalimu Julius K. Nyerere saw the widening gap in social provisioning, and became eager to establish a more equitable society. President Nyerere believed in the equality of the people and had in mind the idea of vesting the critical means of production in the hands of the majority/nationals, hence ensuring collective ownership and social provisioning to all nationals in an equal way.

This thinking, as discussed later, led to the economic system and policy paradigm change from a capitalist to a socialist approach, and thus the social provisioning archetype also had to change accordingly. The basic tenets of the Tanzanian vision were laid down by Mwalimu Nyerere in his "Ujamaa – The Basis of African Socialism", which was published as a Tanganyika African National Union pamphlet in April 1962. Nyerere translated the Ujamaa concept into a political-economic management model through several means, including, inter alia, the institutionalization of social, economic, and political equality by creating a central democracy, abolishing discrimination, and nationalizing the economy's key sectors, namely production, service provision, and distribution.

The first Five-Year Development Plan (FYDP) was launched in 1964, which understood that raising literacy levels especially among the adult population was essential in the drive to achieve the national objective of human development. The most important goal of the plan was to raise the literacy levels of rural peasants in an effort to improve agricultural production. Emphasis was also placed on improving the quality of secondary and higher level education, to speed up the process of replacing foreign expatriate workers with local Tanzanians. It was well known that before independence large companies and the public sector had depended on expatriates as managers, technicians, and administrators, while Tanzanians performed the more menial activities. To achieve an economic system with socialist and self-reliance orientation, the provision of services, notably education, took into account the national social and economic development perspective as the underpinning pillar. Therefore, economic and social policies were interlinked to serve a single national development objective, namely the direction that had to be set by the pending nationalization process which would follow in the next few years.

In 1965 a Presidential Commission was appointed to institutionalize the country's socialist approach, and its findings led to the adoption of a single-party system and initiated a process of socialism that was inaugurated by President Nyerere in what is usually referred to as the Arusha Declaration. Nyerere considered socialism to be essential in achieving human equality, and a means to reduce the exploitation of man by man. The President advocated for public control of the means of production, and self-reliance became the call and a concept that was to infiltrate all facets of government policy, whether social or economic. To demonstrate the government's commitment and to "serve as an example to the people", party and government leaders were not allowed to hold shares in private companies, receive rent on property, or claim more than one salary at a time.

## 3.2 Socialist policy era, 1967–1985

This period was characterized by a number of strategic measures and policy changes: first, the adoption of the Arusha Declaration in 1967; second, the adoption of the second Five-Year Development Plan; third, the announcement of a variety of policies contained in a number of publications by Mwalimu Nyerere, namely Education for Self-reliance, Social and Rural Development, and Freedom and Development; fourth, the launching of campaigns targeting both economic and social development, for example Mtu ni Afya (Man is his Health) and Kilimo cha Kufa na Kupona (Agriculture as Means for Life and Death); fifth, the adoption of the National Emergency Programme (NEP) and the National Economic Survival Programme (NESP) in response to the first food and oil crisis of 1973/74 and the second oil crisis of 1979; and sixth, the crafting of the Twenty-Year Perspective Plan (1980–2000), placing heavy emphasis on social provisioning in terms of education (universal primary education), water, and basic medical services in urban and rural areas.

From 1967 to 1985 Tanzania's social policy was broader as it focused on the equity aspects of socialism and self-reliance. The major means of production were nationalized following the Arusha Declaration which put production and social provisioning under the state. The government invested in different economic activities and provided almost all types of social services centrally. The development process was guided by the basic needs strategy by focusing on providing social services such as education, health, water, and sanitation to enhance human development. Social provisioning was largely funded by foreign inflows through the instruments of aid and debt, especially during the crises of the 1970s and 1980s. By design, this paradigm change sounds good as regards social development and equity. Nevertheless, the policies pursued in the 1970s and 1980s led to poor economic performance. Indeed, this performance in turn undermined or weakened the capacity of the government to provide adequate social services, not only in terms of quantity but also in quality. All these indicators showed signs of deterioration.

Although there are well known reasons why external factors were partly responsible for the economic crises in the 1970s and 1980s, one should not underplay the domestic causes. One of the factors that slowed the economy was the neglect of agricultural investment in the wake of the need to spur industrial development as a way to achieve quicker progress. This was rather a paradox given the fact that the majority of the people were still employed in agriculture and the country was far less export-competitive, thus exacerbating misalignment in the balance of payments. Although agriculture continued to be the main sector contributing to real output and the key generator of foreign exchange, investment in agriculture declined by 37% from 1976 to 1981 (Ndulu and Hyuha, 1984). In an attempt to reverse the worsening macroeconomic condition, repressive policies were introduced with a significant negative effect on agricultural producer prices, and this resulted in a decline in the production of cash crops. Other policy and strategic measures which compounded the problem included: the villagization programme (1972–1975); the abolition of cooperative unions (1976), which were replaced by cumbersome, inefficient crop authorities; and the siphoning of scarce resources into costly state farms. In addition, repressive financial sector policies were enacted to facilitate credit rationing and foreign exchange control, inter alia. These domestic policy options, in conjunction with the uncontrollable international turmoil resulting from the oil crisis, left Tanzania in a difficult economic state. Consequently, social provisioning deteriorated and the coherence of its policies weakened.

In an attempt to address these economic and social crises, in the early 1980s the Government of Tanzania held talks with financial institutions, especially the International Monetary Fund (IMF),

as well as improvising home-grown recovery programmes like the National Economic Survival Programme of 1981/1982 and the Structural Adjustment Programme of 1982. While the state wanted to mobilize more resources for its use, at the same time it maintained the control-cum-exclusionist stance that it had adopted since independence (THDR, 2014). The concentration of power at the centre continued to be a concern, financial institutions were repressed, and for these reasons donors were pushing for both economic and political liberalization.

It should be noted that during this period Tanzania achieved some advances in social development, particularly before the peak of the economic crisis in the 1980s. In 1978, for example, the government passed an Education Act making education compulsory for children between the ages of 7 and 13 in line with the Universal Primary Education (UPE) programme. Among the notable accomplishments during this time were a rise in the literacy rate from only 33% in 1970 to 90% in 1985 owing to Universal Primary Education (UPE) and adult education programmes; a decrease in the infant mortality rate from 146 per 1000 live births in 1960 to 120 per 1000 live births in 1980; and an increase in life expectancy from 41 years in 1960 to 52 years in 1980. Nevertheless, to date some challenges to establishing an effective and stable education system persist, most especially in terms of the quality of education (Al-Samarrai and Peasgood, 1998).

Notwithstanding these achievements in some of these social indicators, the country did not sustain its economic growth rate, which was at an average of 3.5% in the 1970s. Although agriculture played an important role as the backbone of the economy, its growth slackened during economic crises due to numerous administrative control measures. As mentioned earlier, the villagization programme (1972–1975) and the abolition of cooperative unions (1976) were among the major interventions that became a hindrance to the development of the agricultural sector. Further, the sector was accorded less priority when the country embarked on an import industrialization policy; government size increased without sufficient resources for funding social services, among other things, while at the same time inefficiency worsened in the production and distribution channels of the public sector. Following the consequences of economic crises and the lack of sustainable flow of resources for the provision of social services, the impressive social indicators of the late 1960s and the early 1970s became unsustainable. By the mid-1980s the country had been seriously affected by deep economic crises and the key macroeconomic variables were no longer balanced.

The budget was in deficit, inflation was at around 30 percent, and underutilization of productive capacity was exacerbated by a shortage of foreign exchange which had been financing imported goods. The government resorted to over-taxation of agriculture, thereby reducing the incomes of farmers. In view of these difficulties, the provision of social services dwindled and the status of human development worsened. Since the crisis affected the economy negatively, state provisioning was halted, and subsequently policy initiatives started to be undertaken with a view to changing the approach from a centrally planned and organized economy to a market oriented system. Likewise, the social policy paradigm changed towards the accentuation of privately provided social services.

For example, the rural development strategy of the Arusha Declaration implemented policies with enormous distortions that compromised the human development objective. Orders came from above, as was the case with the villagization programme as a way to revamp rural development, which in the end disrupted production and the way people organized production in their localities (Hyden, 1980, p. 119; Coulson, 1982, p. 246; Chazan et al., 1988, p. 251). Cooperative societies

were providing efficient economic services to their members in the production, collection, processing, and marketing of crops. For these services to be realized, cooperatives focused on the following key functions: providing crop finance; providing market information on prices to members, and helping them to secure optimal prices; facilitating collection, transport, grading, processing, packaging, and marketing; providing information on input prices and seeking the lowest prices for the best quality inputs; supplying farm equipment and inputs (seedlings, fertilizers, and chemicals) to members; and providing cooperative education and extension services to members of cooperative societies. Further, cooperative societies assumed other social functions including, among other things, health services through union assurances; education and training; and other social responsibilities in their specific areas. The implementation of strategies, such as the villagization programme, which translated into every village being designated as a cooperative society regardless of whether or not it was economically viable (and voluntary), were highly disruptive. As a result, regional cooperative unions were created which ended up draining resources from peasants to run their unproductive bureaucracies.

Most unions became indebted to the extent that in 1984 the government abolished them in favour of specialized nationwide Crops Authorities. Despite this corrective action, “these Authorities were no better as they drained peasants’ resources to the same extent” (Maliyamkono and Bagachwa, 1990, p. 5–6). This led people in rural areas to revert to subsistence farming and abandon cash crop cultivation, to the disadvantage of the economy and human development (Hyden, 1980, 2005; Riddell, 1992).

In 1974 the government adopted pan-territorial pricing for maize, paddy, wheat, tobacco, cashew nuts, and pyrethrum. Every year the cabinet would announce uniform producer prices for these respective crops across regions, regardless of location and other factors. This came just two years after the government had announced “Politics is Agriculture” (Siasa ni Kilimo) declaration in Iringa in 1972. The “Agriculture as a Matter of Life and Death” (Kilimo cha Kufa na Kupona) policy was enacted in 1975 as another initiative to push agricultural sector development, which had not made significant progress since the Iringa Declaration. The policies and initiatives that were made in relation to agriculture show that the country had placed priority on the sector as a way to revamp the economy. The linkage of agriculture, industry, and trade was recognized. Tanzania adopted an import substitution industrialization strategy and facilitated trade by establishing the Board of Internal Trade in 1973 and the Board of External Trade in 1978 as an attempt to create an integrated economy. The economic development strategies that were designed within the socialist system were an attempt to provide all social services for all people in the country. Despite the good intentions of the policy initiatives of the time, the interpretation and implementation of those policies and declarations left the country in a complex situation with scarcity of basic commodities due to production deficiencies and inefficiencies. This was the product of the mismanagement of parastatal organizations. Ultimately, this state of affairs led to the poor provision of social services.

Amid this situation, the economy experienced shortages of basic commodities because factories could not buy inputs due to the scarcity of foreign exchange, unreliable markets, the unavailability of basic goods for daily use, a decline in export crop production, and deterioration in service provision. Corruption increased and made access to basic services even more difficult for the majority who could not dance to the tune of the time. The government was losing legitimacy, resulting in a mushrooming of self-help civil society organizations that emerged to ease the difficult conditions people were experiencing as human development almost came to a standstill.

It is worth noting that the relationship between economic policy and social policy was clear. As the government embarked on the socialist path, and so became socially obliged to provide basic social services to its citizens, it had no alternative other than to adopt a state monopoly of the economic process. The social aspirations of the government led to its capture of the economic system to avail itself with the means for social provisioning. Nevertheless, as explained earlier, a number of internal and external factors did not provide the requisite environment for the realization of the intended development objectives.

### **3.3 Efficiency and growth emphasis, 1986–1995**

During the 1970s and 1980s Tanzania, like most other developing countries, was hit by oil and debt crises. The first oil crisis in 1973 and the second in 1979 exacerbated the external debt crisis, which was later compounded by the Tanzania-Uganda war in 1978/79.

Following the difficulties that besieged the economy, living standards were declining and poverty increasing. In attempt to find a solution to the economic upheaval, Tanzania formulated a short-term policy measure, the National Economic Survival Programme (NESP, 1981/82) to ease the economy from the current hardships while finding a lasting solution. Throughout the early 1980s President Nyerere was involved in disagreements with the IMF and the World Bank. These multilateral financial institutions were of the opinion that Tanzania should change its socialist policies. However, Mwalimu was not ready to lead such a turnaround. Nevertheless, he yielded and willingly retired from active politics in 1985 to let his successor, President Ali Hassan Mwinyi, champion the anti-socialist reforms.

The country designed short-term reforms to revamp the economy through a different paradigm approach in terms of policies and strategies. In this regard, in 1986 Tanzania adopted the IMF's Economic Recovery Programme (ERP), and the World Bank sponsored a Structural Adjustment Programme (SAP). The programmes' emphasis was on liberalization, privatization, and stabilization. The liberalization policies continued to reverse some human development gains in education, health, incomes, and so on (Commander, 1989; Wagao, 1992). The Structural Adjustment and Stabilization Policies' instruments of fiscal, monetary, and exchange rate policy distortions affected economic activities and human development. There were several conditions embedded in the programmes, which the government had resisted. However, adoption with these conditions was inevitable given the pressure of the IMF and the World Bank pushing towards devaluation, the liberalization of crop marketing, the liberalization of export and import trade, and the removal of subsidies to peasant farmers.

During the period from 1986 to 1989 stabilization measures, macroeconomic policy reforms, and reforms in trade and the exchange rate regime were emphasized under the ERP. The reforms increased access to additional external support, and later the economy started to recover as it registered an average economic growth rate of 4% per annum during the 1990s. However, the social dimensions of adjustment programmes did not get enough policy attention. Indeed, it was not until the end of the 1980s that the Economic and Social Action Programme (1989–1992) was formulated as an addendum to the reform process, and not actually as one of the core policy agendas of the time. The Economic and Social Action Programme was adopted in cognizance of the fact that serious action was necessary to tackle the problem of poverty. Indeed, its implementation demanded a broader multi-dimensional perspective. Reforms were intensified in the late 1980s and early 1990s, in line with the recommendations of the World Bank's Berg

Report (1981), when the following actions were undertaken: rolling back the role of state in the national economy; ending the free provision of social services, which also marked the introduction of user fees; the freezing of wages and employment in the public sector; the retrenchment of public sector workers in an attempt to control their wage bill; and a restructuring of parastatals, aimed at reducing numbers since they had various performance problems (Nellis, 1986; Moshi, 1989). In pursuit of the reforms process the country reverted from a controlled economy to a semi-market oriented system amid infrastructural bottlenecks and the absence of a strong institutional framework for supporting the change process.

The reform measures did not seem to immediately favour human development, especially for poor and vulnerable groups. Retrenchment of public employees and the divestment of parastatals affected those who were seeking jobs to earn income. The introduction of user fees and the removal of agricultural subsidies put peasant farmers and other poor groups in a difficult position as agricultural production declined. Farmers were unable to purchase fertilizers and other agricultural inputs. The retrenchment of workers was extended even to social sectors that needed more employees, like education and health. Although not unusual for the early stages of a restructuring process, the results of these reforms were in conflict with the objective of enhancing human development. All these negative outcomes were counted as the price paid for the envisaged long-term stability and growth, which downplayed human development aspects in economic development, consequently harming social provisioning. In view of this there was a significant need for the establishment of safety nets for weak, poor, and vulnerable groups in the provision of goods and services (URT, 2014a). As a way of achieving an economic transformation that would not bring quantitative macroeconomic outcomes at the cost of high policy distortions, institutional reforms were a prerequisite to smoothly support the economic transformation for balanced human development.

Despite the fact that reforms triggered some efficiency improvements and growth started to regain its momentum, ordinary people in rural areas remained poor and the provision of social services was inadequate. While there was consideration of social aspects in the reform process, the bifurcation between economic and social policies as separate sectors was still apparent. The view that social policy achievements would come as an ultimate end endured. There was no coherent integration of social goals into economic policy formulation as part and parcel of the transformation process. A lot of emphasis and effort was devoted to structural changes and economic stabilization, assuming that social provisioning would automatically emanate from an efficient market system once this was achieved. However, in fact this was not the case.

### **3.4 Integration of social policy into economic reform initiatives, 1996–2004**

It was not until the mid-1990s that Tanzania realized that its economic reform process had compromised the country's earlier achievements in social development. During this time the IMF and the World Bank emphasized that development should be approached in a more comprehensive way than just focusing on economic growth alone. It became clear that although the economy was performing well in terms of revamped growth, this was accompanied by increased inequality, poverty, and youth unemployment. In this regard and with the assistance of these international financial institutions, the country started to restructure its development strategy by incorporating social and political aspects of the reform process. To accommodate these elements of transformation, the country prepared a Poverty Reduction Strategy Paper (PRSP), which was tied to the Highly Indebted Poor Countries (HIPC) debt relief initiative. The document

was supposed to detail the intended adjustments and to convince both multilateral and bilateral development partners about how the country could transform, enhancing growth and reducing poverty as conditions for accessing HIPC resources. The PRSP was a kind of participatory approach to public policy making, whereby the country created its road map with a commitment to address socio-political issues in addition to economic concerns. In terms of issues, the PRSP entailed more than just structural adjustments and stabilization. In other words, it constituted an attempt to integrate other policies with the core economic policy, targeted at increasing efficiency and growth. Fiscal discipline was monitored through a Public Expenditure Review (PER) process which was facilitated by the World Bank, while macroeconomic policy formulation was supported by the IMF as a way of realizing better socio-economic outcomes.

As a result of the PRSP, public resource management was improved and resources were made available for some social sectors: primary education fees were eliminated; a Medium-Term Expenditure Framework (MTEF) was introduced as a way to strengthen links between sectoral policies and resource allocation, among other things; and the National Strategy for Growth and Reduction of Poverty (NSGRP),<sup>1</sup> the second national organizing framework for putting the focus on poverty reduction, was drafted to guide the country's development agenda. The NSGRP expanded the policy scope to include human development and social well-being, inter alia. This strategy was drafted through a national consultative process. However, one of the concerns about the NSGRP was that sectoral prioritization was not well done, causing incoherence in focus during its implementation. It is important to note that it was during this period that Tanzania crafted the Development Vision 2025, which was launched in 1999 with the ambition to transform the country into a middle-income economy with a high level of human development by 2025. Basically, the Vision's aspirations are: high quality livelihoods; peace, stability, and unity; good governance; a well-educated and learning society; and a competitive economy capable of producing sustainable growth. As can be deduced from these aspirations, human development is part and parcel of Tanzania's transformation to achieve the Vision's goals.

The interpretation and implementation of the Vision was, by design, meant to be carried out through the five-year development plans. However, the five-year development plan approach was not adopted immediately. Instead, shorter-term strategies and policies like the NSGRP were adopted. It was not until 2010 that the Long-Term Perspective Plan (LTPP) and subsequently the first Five-Year Development Plan (FYDP-I) were prepared as frameworks for the implementation of the Vision 2025.

### **3.5 Inclusive growth, equity, and quality of life emphasis: 2005 and beyond**

The government recognized that it should play a central role in social services sectors to achieve the goal of improving quality of life and social well-being. In this regard, efforts were made to increase expenditure on pro-poor social services. However, the intended levels of resources were not fully realised. From 2005 onwards the government recognized a need to reduce vulnerability and increase the involvement of Local Government Authorities (LGAs) in the provision of social services. The first NSGRP (2005/06–2010/11) came with a number of social indicators that were targeted to ensure equity and quality issues in the delivery of social services. This strategy was intended to reduce disparities between rich and poor, across age groups, and between urban and rural citizens in accessing and using social services (URT, 2005). The non-income part of the poverty reduction guidance aimed to achieve two broad outcomes:

<sup>1</sup> In Kiswahili, the acronym is MKUKUTA (Mkakati wa Kukuza Uchumi na Kupunguza Umaskini).

- i. Improved quality of life and social well-being, with a particular focus on the poorest and the most vulnerable groups; and
- ii. Reduced inequalities (e.g. in education, survival, and health) across geographical areas, income, age, gender, and other dimensions.

In view of the NSGRP, Tanzania's focus from 2005 seems to have been more on the enhancement of social provisioning, given that equity, well-being, and quality of life have both income and non-income dimensions. During this period the GDP growth rate was in the range of 6% to 7%. However, poverty declined relatively slowly and inequality remained high. Among the reasons for this is the disproportionate distribution of assets, opportunities, and income. It is worth noting that there are conventionally two ways through which growth can reduce poverty: (i) by developing the human capabilities of the poor to enable them to harness the dividends of growth; and/or (ii) by concentrating growth in sectors that directly benefit the poor. The poorest people in Tanzania are employed in agriculture (i.e. the peasantry), and around 75% of the country's population is dependent on agriculture for their livelihood. Agriculture has been growing at a slower rate (4.5%) than the overall economy, which means that the sector is not one of the drivers of growth, although it accounts for the largest chunk of the national output. In a nutshell, the quality of growth has not been inclusive to address the challenges of poverty and inequality.

The challenge of inclusive growth, i.e. growth that ensures a better quality of life for the majority, has been the preoccupation of the NSGRP I and II. Subsequently the government drafted the FYDP-I to run concurrently with the NSGRP II, the LTPP, and later the Big Results Now (BRN) initiative in pursuit of the achievement of the goals of Vision 2025. In all these policy frameworks and initiatives social provisioning issues are prioritized, among other things. Nonetheless, disjoints in policy designs and fragmentation of the frameworks for the implementation of the country's development Vision have led to challenges in terms of managing too many frameworks which are weakly coordinated, overlapping, and poorly implemented. This state of affairs seems to be changing since the crafting of the second Five-Year Development Plan (2016/17–2021/22), which not only incorporates the NSGRP frameworks but is also underpinned by Vision 2025, while being more focused on achieving structural transformation through the development of agriculture and industrialization. Its effective implementation will definitely result in inclusive growth and improved social provisioning.

The debate on inclusive growth has also encompassed another dimension: that of linking poverty, inequality, economic insecurity, poor health, and poor economic performance on the one hand, and poor human development on the other. Accordingly, although Tanzania has maintained a GDP growth rate of around 6.5% for almost a decade now, the incidence of poverty has only declined marginally from 35.7% in 2001 to 33.6% in 2007, further declining to 28.2% in 2011/12 (URT, 2009b; 2014b). Poverty is accompanied by a variety of inequalities across categories of gender (male-female), geographical locations (rural-urban), age groups (adult-youth), and employment (informal-formal). Further, inadequate social provisioning not only leads to undernourishment and poor health, but also to low educational attainment, thereby creating a vicious circle which undermines a country's progress, both socially and economically (Moshi and Mtui, 2015). For example, whereas poverty inhibits human development, it also undermines labour productivity and reduces investment and thus undercuts economic development. Weak economic performance in turn limits the ability of a country to achieve poverty reduction and to augment its resources for the provision of social services.

## 4. PARADIGM CHANGES IN SOCIAL PROVISIONING APPROACHES

The approach that the country adopts as its political system determines the kind of social provisioning embraced by the government. This means that the coherence of policies and strategies is crucial for the realization of any intended impacts. If the priority of the time is the attainment of the efficiency objective, there is the possibility to trade off equity, thus leading the government to commit a sin of omission in some social services. Otherwise, if the government commitment is to accomplish the equity objective, it is possible to trade off efficiency and invest more in the provision of basic services to raise the well-being of the majority. Neither of these is better than the other, but striking an appropriate balance between the efficiency and equity objectives is necessary given the interdependent relationship of the two variables. Experience shows that even capitalist states care about social provisioning in order to seek benefaction legitimacy from the public. The only difference between the capitalist and socialist extremes, as far as social provisioning is concerned, is the extent to which they intend to achieve social indicators. That is, socialists will prefer higher social outcomes than capitalists if other factors remain the same, and vice versa. Besides these two extremes, there are states that have been connotatively referred to as “welfare states”, such as most of the Scandinavian countries. These are mixed economies which have put adequate weight on social provisioning for their citizens’ well-being. Among the distinguishing features of those countries are their high scores in the human development indicators that are guaranteed by social policies. The existence of such cases means that there will always be an opportunity to change social policy paradigms to allow a better provision of social services, regardless of the underpinning political ideology.

However, it is important to note that ideology is crucial in informing a country’s development paradigm and the attendant socio-economic policies, strategies, and mindset. Towards the end of the 1990s Tanzania had no clear development vision to guide economic and social development through forging people’s minds, and diverting efforts and resources towards the attainment of specific goals. This was a reason behind the incoherence in policy frameworks that blunted the outcomes of development initiatives implemented throughout the liberalization process. Notwithstanding its weaknesses, the Ujamaa system, for example, had an ideological perspective in alignment with what the country wanted to attain, which was not the case during the liberalization era, and this is an important missing link in the contemporary development process in Tanzania. While the country strived to achieve a high rate of growth, the sharing of growth gains was not well thought out, which led to a slow rate of poverty reduction. Indeed, the socio-economic reforms of the 1980s and 1990s were not guided by a clear long-term development perspective or vision (Moshi, 2016).

The other misleading part of Tanzania’s policy-making process is related to a loss of focus as the country went through different policy regimes. A number of policies and strategies that were implemented in an attempt to reform the economy were either incoherent or involved a duplication of effort and the dilution of economic and social policy stances. This was evident in the formulation of policies that implicitly meant the abolition of others without clear notice of the motives behind the changes. Some policies were replaced even before they had been appropriately implemented and assessed in terms of their impact on human development. For example, in the course of the implementation of MKUKUTA, the Five-Year Development Plan 2011/12–2015/16 was formulated as another medium-term policy framework to operationalize the Vision. This constituted the replacement of MKUKUTA

with a five-year plan, but MKUKUTA remained as a kind of concurrent effort. The formulation of the plan was a clear duplication of MKUKUTA, albeit with a broader focus. However, attention was diverted to the plan rather than remaining with MKUKUTA, which stayed in the list of existing policy frameworks. The two frameworks were officially merged during the preparation of the second Five-Year Development Plan (2016/17–2020/21). The argument in this paper is that a paradigm change in social policy has to be underpinned by the desire to achieve a high level of shared growth and welfare in a country. Social provisioning for Tanzania is not destined to remain unchanged, since it has obviously varied through different policy regimes. Nevertheless, any change has to be well thought out and based on the endeavour to place the human development objective in the forefront. Furthermore, the objective has to be consistently founded on a national policy framework which is not confused by concurrent multi-programmes aiming at the same goals. Among the factors that might explain a change in the social provisioning approach are:

a) Public policy and real conditions on the ground: An approach to a specific social provisioning system should be based on a number of factors, some of which are economic and others social and political in nature. For example, if the government is keen to seeing growth in conjunction with notable improvements in the quality of life for the majority, then it has to put in place a mechanism that creates capabilities – especially for the poor – as a way to allow them to benefit from the available national resources in a meaningful way. That is, instead of using redistributive means like taxes and subsidies, public policy should target the creation of economic opportunities that can equitably allow people to obtain higher disposable incomes. For instance, if the labour market policy reduces unemployment significantly and there is equity in the distribution of resources; people can access several social services at their own cost, thereby making it important to adopt cost-sharing models and/or to privatize the provision of services to a large extent. On the contrary, if unemployment is high and incomes are low, there is an uneven income distribution, or taxes are high, this means that people can't easily afford social services privately, implying that the government provisioning role becomes vital. Regarding these possible situations, it is clear that any change in the social service provisioning approach has to be in tandem with the realities on the ground. Economic and social policies should therefore be tied together in the sense that whatever is economically achieved are a cause and an effect of the adopted approach to social services provision. This argument means that the poverty situation is critical in determining the social provisioning approach. That is, changes in poverty also entail changes in the social provisioning approach.

b) Resource availability: Sometimes the level of income and its distribution status may not matter vis-à-vis the adopted social provisioning approach. An exceptional case could be a resource-rich economy with fiscal discipline, which can invest in the provision of social services as a tribute to the citizens for the extraction of their country's natural resources. Fiscal arrangements for how to distribute income (i.e. the horizontal and vertical equity issues) have to come into the picture. However, a major challenge that needs to be considered is the cost of mobilizing such resources, while striking a balance between higher tax rates and affordability by individuals. If the government is sure there is a sustainable flow of resources for the provision of basic social services, then it should undertake that role. In the case of limited resources, for whatever reason(s), then cost-sharing models or the private provision of social services may be adopted. It is important to note that assurance of finance may not necessarily be from natural resources; it could also stem from the efficiency of the country's tax machinery. This means that the poor provision of basic social services due to a resource gap may imply either that the government is ineffective in collecting revenue, or else that there is an irrational public expenditure situation. This implies that as resource mobilization efficiency increases, there may be leverage for more public provision of basic social services, coupled with enhanced fiscal indiscipline.

## 5. IMPLICATIONS OF PROVISIONING APPROACHES FOR SOCIAL INDICATORS

Tanzania has implemented different social provisioning approaches following various policy episodes since independence. Because social provisioning approaches have changed over time, one might wish to assess social indicators to gauge the achievements of these different approaches to human development, with a view to drawing lessons from the different approaches and making suggestions for the way forward to improve national welfare.

At independence Tanzania pursued a capitalist approach, and the state's role in the provision of most basic social services was limited. The country inherited colonial economic and public sector structures. The health sector in the country had only a few hospitals, which were mainly private or owned by religious organizations; schools were segregated on the basis of race with very poor quality African schools; most of the people obtained water from natural sources without charges or purchased it from kiosks; and sanitation and social protection issues did not receive serious policy attention.

Some social indicators were very low after independence. Recognizing that situation, the government from the 1960s onward turned its attention to the supply of basic social services. From 1969 to 1978 the number of health centres operated by the government tripled, and the number of dispensaries doubled. Under the Regional Water Master Plan water delivery systems were significantly expanded during the 1970s, and the percentage of the population with access to an improved water supply increased from 12% to 47%. Initiatives to improve sanitation were also pursued; for example, in 1973 the Mtu ni Afya campaign emphasized building and cleaning latrines for health purposes. As a result, latrine coverage in rural areas increased from 20% in 1973 to 50% in 1980. The literacy rate rose substantially following UPE and adult education programmes starting in the late 1970s. These were the social provisioning achievements attained during the socialist policy period.

However, the successes achieved in the 1970s were not sustained through the 1980s because of the government's resource constraints, which stifled the attainment of the ambitious target for high levels of improvement in the supply of social services. Economic crises and the war between Tanzania and Uganda in 1978/79 exacerbated deficits, while at the same time donors did not continue supporting the country adequately due to unfavourable global economic conditions, as well as ideological differences with some countries such as West Germany. In view of this, investment in education, health, water supply, energy, and the training of personnel dwindled. Problems in the expansion of social services were compounded by over-importation of goods, including oil, amid economic crises, and unfavourable terms of trade. Between 1976/77 and 1981/82 the prices of the country's major export crops (coffee, tea, and cotton) decreased by 40%, 29%, and 12% respectively. Despite the promising social service provision status of the early 1970s, the country's social indicators in the 1980s were the worst they had been since independence. The government faced severe strains that hampered the supply of services. A good lesson to be learned here is that the presence of an economic system (such as a socialist regime) which is friendly to social services provisioning may not be a sufficient condition for accessing quality social services. Without improvements in the financial and material position of the country,

the provision of social services cannot be sustained.

Stress on social services delivery in the 1980s was reflected in the poor outcomes among social indicators in the 1990s. The primary school enrolment rate declined, and basic health and allied services, including the provision of water, sanitation, and nutrition, worsened. The overwhelming HIV/AIDS pandemic, an increased fertility rate, and population growth pressure reversed the improved social services provision achieved in earlier periods. Poor primary school pass rates, low intakes to secondary schools and universities, the presence of a number of inadequately qualified teachers in classrooms, and the horrendous state of many schools and weaknesses in management/leadership in the sector created a clear crisis in the educational system. Health service access was very low owing to limited facilities, insufficient essential drugs, and the small number of medical personnel. This situation affected all levels of health service delivery, including primary healthcare, preventive and curative services, MCH services, and referral hospitals. A clear change that did occur in the health sector was a growth in non-government healthcare facilities, particularly as the result of initiatives among health entrepreneurs during the liberalization era in the 1990s. For example, health facilities increased in number from 3,577 in 1995 to 4,961 by 1999, out of which about 39% were privately owned (URT, 1999). The water and sanitation situation was also not encouraging, since water-borne and water-related diseases accounted for over 50% of all the diseases that affected the country's population.

It is important to note that during the 1990s Tanzania had embarked on a reform process which altered its social and economic system from socialism to a market orientation. This being the case, social services provision was largely market-driven. However, the government was still playing a primary role in supplying some basic services. As with the previous socialist approach, where the quality of services was not so important because other fundamentals were not yet right, in this case of a seemingly free market approach the downplaying of quality in the provision of social services was carried forward. That is, it remained a challenge. Resource constraints remained a key factor undermining social provisioning since the economic reform process had not effectively integrated social policy as synergic and complementary for the achievement of human development.

During the 2000s the government realized that there was reason for a turnaround to emphasize transformative growth, which impacts on human development. It was at this time that concepts like pro-poor growth and shared growth were embraced, and different welfare-enhancing initiatives and prioritizations were established. Social sectors, including education and health, received priority in public policy and the government budget. Public secondary and tertiary education enrolment increased as the numbers of schools and higher learning institutions, notably universities, were increased. Regarding the public expenditure rationalization, the challenge of making expenditure pro-poor demanded the setting of priorities and the allocation of expenditure according to programmes that were focused on enhancing welfare. There were some opportunities to enhance allocations to social sectors following HIPC debt relief, and this improved the performance of some social sectors.

Subsequent to the government's programmes that targeted growth and poverty reduction, a number of social indicators improved significantly during the 2000s (URT, 2012). For example, access to education increased, with the net enrolment rate (NER) for primary schools rising from 66% in 2001 to a peak of 97% in 2007 and 2008. Gender parity in access to primary education was also achieved. However, since 2008 the NER steadily declined to 94% in 2011, although

this trend is currently expected to reverse following the free education policy which has been implemented. During 2004/05–2010/11 the literacy rate for women rose from 67% to 72%, while the rate among men improved marginally from 80% to 82%. Transition from primary schools to secondary schools went up sharply from 12% in 2002 to 60% in 2006, although it later declined. Higher education expanded even faster during the 2000s, with the number of students in higher learning institutions improving from less than 31,000 students in 2002/03 to around 140,000 students in the 2010/11 academic year. However, an analysis of learning outcomes paints a worrying picture of the quality of education received, and in the past few years the government has been attempting to address this critical issue which stems from a range of factors related to teaching quality, infrastructure and equipment, incentives, and so on.

Likewise, health indicators showed improvement during this period. Life expectancy increased from 51 years in 2002 to 58 years in 2010 (57 years for men and 59 years for women), a trend that was closely associated with a fall in the under-five mortality rate which declined from 147 deaths per 1,000 births in 1999 to 81 deaths per 1,000 births in 2010, missing the MKUKUTA target of 79 for 2010 only marginally. These gains in child survival were largely due to progress made in Tanzania's health system; however, the contribution of nutrition was sadly negligible. There have been notable advances in malaria prevention, diagnosis, and treatment and the use of insecticide-treated mosquito nets increased substantially.

Efforts were also devoted to reducing maternal deaths and to campaigns against HIV/AIDS, which reduced HIV prevalence in adults (aged 15 to 49 years) from 6.3% in 2003/04 to 4.7% in 2007/2008, although the national average rose to 5.1% in 2011/12 (URT, 2014). Tuberculosis (TB) treatment in Tanzania exceeded the global target of 85%, reaching 88% in 2008 and remaining consistently high in recent years.

Water supply indicators improved in the 2000s, evidenced by an increase in water services in rural areas by 7.5 percentage points, rising from 40.4% in 2007 to 47.9% in 2010. This outcome owed much to the Water Sector Development Programme which commenced in 2007. In the 19 regional urban centres other than Dar es Salaam and Kibaha (which are collectively referred to as "other urban areas"), the coverage of water supply services rose to 86% in 2010 from 80% in 2007. Nevertheless, for all urban areas there was a negligible increase in water access, from 80% in 2007 to 81.2% in 2010. In addition, a downward trend was witnessed among sanitation indicators, since household access to basic sanitation dropped from 93% in 2007 to 86% in 2010. School sanitation and hygiene remained poor.

In terms of social protection outcomes, the country has not made satisfactory progress despite the government's initiative to put in place a Social Protection Framework. In this regard, the Tanzania Social Action Fund (TASAF) III has attempted to address some social protection problems through government financial interventions for the most poor, especially in rural areas. There are challenges in social provisioning for the most vulnerable children and other disadvantaged groups for which there are still no lasting solutions, especially in healthcare and other basic social services. Old age welfare packages are not available, except for a few formal employees who are covered by social security funds. Even these existing funds are far from financially secure in terms of providing adequate income to their beneficiaries as a way of preventing old age poverty by smoothing consumption without destabilizing public finances or imposing an excessive burden on future generations.

## 6. CONCLUSION AND POLICY IMPLICATIONS

This paper has attempted to account for Tanzania's historical changes in social provisioning approaches. It has underscored how social provisioning approaches have changed over time as Tanzania experienced different social, economic, and political systems, with the attendant structural changes and reforms. The fact that the existing economic system has a bearing on the approach to social provisioning cannot be disputed, but experience shows that the outcomes of social indicators do not depend entirely on the economic system of the time. During the socialist era the country scored quite highly on some social indicators, such as literacy rates and the supply of health services, but the emergence of crises and resource constraints undermined the sustained provision of social services. The adoption of reforms and structural changes in the economy in the 1980s, with the economic system changing from a socialist to a mixed economy, reduced the role of government in social provisioning. However, this turnaround did not ensure the adequate provision of social services despite the private sector commitment to social provisioning. From the mid-1980s to the late 1990s there was still a wide gap in the outcomes of social indicators.

All these factors point to the imperative of an economic system as a matter of principle, but indicate that an economic system is not a guarantee for achieving positive social outcomes unless a clear strategy is adopted and requisite measures are undertaken to achieve the desired goals and objectives. The positive achievements in social indicators during the socialist period were underpinned by an ideology that believed in equity, and consequently there were attempts to redistribute the meagre available resources in a manner that would socially benefit the majority. Nevertheless, resource constraints did not enable sustainability in social provisioning. During the early years of the economic reforms involved in the change from the socialist system, the reform's social dimensions were not emphasized, which compromised social outcomes. By the early 2000s the country had learned that economic policies targeted at enhancing growth cannot provide social dividends if social policies are not explicitly integrated. It was this understanding that led to a paradigm change in national development programmes in the recent past to include social dimensions.

Changes in social provisioning in Tanzania have been influenced not only by the country's Vision 2025 but also by the drive to meet international commitments such as the Millennium Development Goals (MDGs). This means that basic social indicators were mainstreamed in the country's policies and programmes, implying that a specific policy direction should be pursued towards the achievement of human development targets if the targeted economic and social indicators are to be realized. Economic growth is one of the most important national policy objectives. However, sustainable growth requires the sustenance of social services provision. Hence, it is a matter of striking a right balance between positive and normative views during public policy making.

It should also be noted that Tanzania has experienced a number of policies and strategies that have been implemented in attempts to revamp the country. Nonetheless, the observed incoherence of such policies and strategies has limited their outcomes. Duplication of effort and

the dilution of economic and social policy stances have been exacerbated by the formulation of policies that indirectly involved the abolition of others without an effective cost-benefit analysis. In addition, some policies were replaced before being appropriately implemented and evaluated in terms of their impact on human development.

The implications drawn from Tanzania's experience include:

- i) Public policies should be economically and socially integrated. The policies have to show, in addition to their economic ends, the way in which they will contribute to the achievement of social/human development goals.
- ii) While emphasis has been placed on quantitative goals in the provision of social services such as education and health, quality aspects in the provision of these services has been downplayed. To address this anomaly, quality targets for social services have to be set and factored into the social provisioning to ensure significant transformations in the living standards of the people, with the ultimate objective of enhancing their welfare. Therefore, qualitative approaches should be employed in analyses of the public policy achievements in social provisioning.
- iii) Because socio-economic development differs across geographical areas, there is good reason to design local development programmes in addition to national ones, in order to localize national goals at the regional, district, and village levels. This approach will not only fast-track socio-economic transformation, but will also promote ownership of the development agenda at various levels of governance. Indeed, to the extent that local potentials and demands are different, the domestication of economic and social goals can be fruitful in the achievement of overall national goals.
- iv) The adoption of an inclusive growth approach is necessary, given that despite two decades of sustainable growth in Tanzania, these economic gains have not translated into significant positive social outcomes. This suggests that growth has not been sufficiently inclusive and equitable for all sections of society. Inequalities are observable across gender, geographical areas, and age; social protection remains inadequate and inaccessible to many people, particularly the poorest and most vulnerable groups, thereby reducing their participation in the development process and lowering their gains from economic growth. Integrating these groups into the decision-making process and increasing their capabilities becomes an imperative in transitioning to a sustainable and inclusive equitable growth.

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To become a national and regional centre of excellence in policy research and capacity development for policy analysis and development management.

**Objectives:**

The overall objective of ESRF is to conduct research in economic and social policy areas and development management, and use its research outcomes to facilitate the country's capacity for economic development and social advancement.

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