



**Embassy of Sweden**  
Dar es Salaam

# The Dar es Salaam Statement

May 2018

*The Stockholm Statement was devised in 2016 as a basis for consensus on the key principles of good policy making. It encapsulated the changing understanding of the main constraints and challenges for development that have emerged since the decline of the Washington Consensus. In May 2018 a new group came together in Dar es Salaam, Tanzania under the auspices of a dialogue convened by the Economic and Social Research Foundation (ESRF) and Embassy of Sweden to reflect on a set of principles that draw on the Stockholm Statement but also reflect on the long history of thinking about people-centered development in Tanzania. The title of this conference which was convened on 2nd to 3rd May 2018 was Equitable Growth and Human Development in Resource Based Economy for Tanzania. The output of this conference is wrapped up in the Dar es Salaam Statement.*

## The Challenges of Development

Inclusive and sustainable economic development is a key objective in national policy agendas in Tanzania and other countries in the region. The challenges of inclusive economic development however change over time and are shaped by the interaction of local, national and global circumstances. In Tanzania, two decades of GDP growth and the beginnings of structural change have led to declining poverty, but there is also widespread recognition that the inclusiveness and sustainability of recent processes of economic transformation need to be strengthened.

There is an urgent need for the economy to generate more good jobs that provide a decent future for the region's growing and youthful population. Global economic integration on the basis of expanding natural resource exports presents particular development challenges that need to be addressed in order to promote the inclusiveness of the growth process going forward. Good policy making needs to move away from the one-size-fits-all approaches of the past and must reflect nationally determined development priorities.

The Dar Statement provides a basis for common understanding of good policy making and promoting policy debate and rethinking about the drivers of development more broadly.

1. The concept of people centred development that Mwalimu Nyerere eloquently elaborated in the Arusha Declaration lives on after him. The principle of people centred development presupposes that policy should help ensure that development is socially and economically inclusive, and leaves no one behind — whether identified by gender, race, ethnicity, or other social indicators.
2. GDP growth needs to go hand in hand with a deeper process of economic transformation in order to secure sustainable development. The potential for GDP growth to enhance development depends on the emergence of an economy that can sustainably produce greater wealth for Tanzania's growing population. This greater wealth will improve human development if it is used to fulfill individual and collective needs by expanding human capabilities and extending human freedoms. Economic inclusion is not simply the outcome of economic development but it can also promote a robust growth path where poverty reduction, greater equality and wealth creation progress together. Tanzania's Development Vision 2025 envisions a development path consisting of high and shared growth and eradication of abject poverty. This vision provides the foundation of good policy making.
3. Poverty and individual wellbeing is multidimensional. Effective poverty reduction involves policy that addresses overlapping deprivations. There should be particular focus on extreme deprivation as well as on individuals who suffer simultaneous deprivation on many dimensions. Time series multidimensional poverty data at the national and subnational level is vital. It can help to track progress and barriers in specific areas and guide policy to address poverty. The spatial implications of economic change are important. Economic transformation influences migration (intra-rural, rural-urban)

and shapes patterns of movement in the country. In addition, demographic dynamics that vary across regions. Local economic development strategies and policies need to take into account specific demographic dynamics and processes of economic change. Greater inclusivity and greater equality can lead to robust growth. Thus, policies can address both inequality and growth in a complementary manner. Promoting gender equality is key to addressing poverty and closing the gender gaps in human development achievements. Good quality and reliable data and measurement are critical for good policy making. Measurement is not an end in itself but a way of enhancing accountability and ensuring that our development goals are met. Reliable data provides a feedback loop so that unsuccessful policies are identified and good policies can continue to emerge over time.

4. Development policy has to build on a judicious balance among market, state, and community actors. Markets can be powerful forces in driving economic change. However, it is important to recognize that markets are themselves social institutions that need a framework of effective regulation to deliver on development goals and to create conditions for make markets and communities to work for more inclusive development. The state has a key role to play in the economy by establishing effective regulatory frameworks, addressing market failures directly, directly providing goods and services in some circumstances and in promoting opportunities for all. The state itself needs to have the capacity to operate efficiently in setting the rules of the game, promoting transparency and shaping industrial policy and effective agricultural and service-sector policies. Communities deserve requisite space and capacity to provide systems of checks and balances and to produce the needed local public goods in contexts where the wellbeing of the most deprived is best served by actions by local groups at the community level. Encouraging community participation and ownership can directly address the constraints of multidimensional poverty from income generation to security and voice.
5. Achieving equitable growth in a resource based economy presents particular challenges. Mwalimu Nyerere stressed that natural resources belong to all citizens and future generations. There are many examples of countries that have suffered from a developmental ‘curse’ due to an overdependence on natural resources. However, this outcome of natural resource curse is not destiny but depends on how these resources are managed. In particular, encouraging diverse local content initiatives in consultation with the private sector and developing robust institutions to regulate and redistribute the benefits of natural resources towards social provisioning and infrastructure are vital. Considering that contracts are negotiated under conditions of imperfect information, circumstances can arise where there is need to renegotiate natural resource contract. Drawing on international comparisons and best practices from around the world should inform the creation of contracts for natural resource use. Good policy making also requires questions of environmental sustainability to be given great importance.

6. Macroeconomic stability remains critical for sustainable economic development. However, there are a range of policy approaches for achieving macroeconomic stability, with different costs and benefits for the people within an economy. Macroeconomic policies have long term implications for economic dynamism as well as stability. Careful consideration of the impact of macroeconomic policies on poverty, inequality and human development needs to go hand in hand with attention to overall macroeconomic stability. This also involves considering the demand side of macroeconomic policy where patterns of production and consumption can be shaped to achieve human development goals.
7. Changes in the nature and pace of technology present important opportunities and challenges for good policy making. Without careful attention, the rise of automation across sectors could lead to greater inequality and reduced opportunities for global economic engagement. However, advances in technology can also be harnessed to provide the opportunity for rethinking of labour market policies, engaging labour linking technology, and mitigating risks while harnessing opportunities for boosting employment possibilities and improving livelihoods. A key challenge is to ensure adequate skills and human capital to take advantage of these changes. There is need to invest in human capital and increase skills in ways that complement technology and hence boost labour income in response to advances in technology.
8. Social norms, values and mindset matters for development. As indicated in Tanzania Development Vision 2025, the mindset of the people can promote self-initiative, confidence, dignity and ownership of the development agenda. The mindset of the leaders and people can be supportive of hard work, ingenuity and creativity and provide a conducive environment for these attributes to emerge. More broadly, our values and culture are important in shaping the path of economic development. We must develop a society in which people have trust in one another. Social norms and values also play an important role in curbing corruption.
9. The Tanzania experience of the past shows that political will and committed leadership matter in achieving economic transformation with human development. Under the visionary and committed leadership of Mwalimu Julius Nyerere, the first President of Tanzania, people-centred development was enshrined in the national policy framework and participation of the people in development programmes was promoted. Past experience in Tanzania provide Tanzania with the foundations of political will and committed leadership that matter for good policy making and deserve to be preserved and consolidated.