



By Boyce Sarokin



Dar es Salaam, Tanzania - THE STRATEGY: CHANGING HEADS

JPM's key policy concerns are tackling official waste and corruption, enhancing tax compliance, and creating large numbers of jobs through industrialisation. In the past 12 months, he has dismissed numerous senior officials in central and local government and state corporations for suspected corruption or poor performance, removed thousands of ghost workers from the government payroll, slashed unnecessary spending on out-of-office meetings, foreign travel, and official functions, increased tax compliance, and declared war on corruption and waste in the ruling party and, for good measure, the East African Community!

JPM's strategy sees corruption as a matter of personal shortcomings rather than a systemic institutional problem. The solution is replacing corrupt with honest officials. As opposition legislator Zitto Kabwe puts it: 'Changing heads alone means that the president is more interested in perfecting the existing system than overhauling it.'[\[1\]](#)

In our view, continuity rather than change characterises the engagement of the new government with rent-seeking behaviour of all kinds. The current government has moved to reduce the space for party political debate and action, passed legislation on access to information, cybercrime, and, most recently, the media, which may be enforced to limit access to information, and private freedoms.[\[2\]](#)

Bloggers and Facebook users have been arrested for expressing 'treasonable' views or insulting the president. Here it is argued that moves to limit transparency and accountability predate the arrival of JPM.

CAPACITY TO DELIVER: SELECTIVE CONTROL

Opposition parties describe JPM's governance style as 'authoritarian.' Impatient with due process, the president and Prime Minister Kassim Majaliwa have issued countless decrees, not all of which are congruent with official policy, spending priorities, or due process. Though suspicious of the integrity of the courts, JPM still relies on the Prevention and Combating of Corruption Bureau (PCCB) to investigate and prosecute grand corruption cases. In January, JPM dismissed Dr Edward Hosea, the Director General of the Bureau, ostensibly for ignoring major corruption in the port and the Tanzania Revenue Authority. His removal was supposed to clear the way for PCCB to bring some major corruption cases to court.^[3] PCCB's problem is that political pressures prevent certain cases from being investigated or prosecuted, and the most corrupt politicians and businessmen are simply untouchable. The Director of Public Prosecutions (DPP) routinely returns files to PCCB citing 'inadequate evidence' to bring a case to court.

Tanzania's longest-lasting and most ruinous corruption case, the infamous Independent Power Tanzania Ltd (IPTL) power plant and the plunder of the Tegeta Escrow Account in the Bank of Tanzania in 2013, was thoroughly investigated by PCCB but no charges were ever brought. President Magufuli has complained bitterly about the cost of procuring power from private producers such as IPTL, vowing to put an end to corrupt public-private partnerships (PPP).^[4] When asked why the IPTL case was not being prosecuted, Hosea's replacement, Valentino Mlowola, said the case was 'still active.'

If Magufuli wanted to make an example of IPTL he would simply order Mlowola to bring charges immediately. But against whom? The Kikwete government was heavily implicated in the escrow scam, as were other 'untouchables' including Andrew Chenge, one of IPTL's key supporters for two decades, and James Rugemalira, who owned the minority 30 per cent of the power plant.^[5]

One of the heads that rolled as a result of the investigation of IPTL/Escrow by the Public Accounts Committee in 2014 was that of Prof Sospeter Muhongo, Kikwete's minister of energy and minerals. Magufuli's reappointment of Muhongo to the same ministry in December sent out the message that it was business as usual in the power sector, and IPTL, under its new owner Harbinder Singh Sethi, continues to supply overpriced electricity to power utility Tanesco, despite Magufuli's strictures on the subject. Other examples could be cited that suggest a selective approach to corruption control.

On becoming Tanzania's fifth post-Independence president just over a year ago, John Pombe Magufuli (JPM, aka 'The Bulldozer') wasted no time in attacking tax-evasion by big business and waste, corruption and laxity in government, earning him plaudits both at home and abroad. Given the entrenched cronyism in business-government relations and pervasive rent-seeking within the state apparatus, can he succeed where so many African leaders before him have failed? To succeed, Magufuli needs a clear strategy, the capacity to deliver, and sustained support from both inside and outside parliament. All are problematic

To deal with the rapidly growing number of corruption cases, the government has set up the Economic, Corruption and Organised Crime Court, which has just begun operations. Time will tell whether the ECOCC has more teeth than Tanzania's existing courts, which are routinely

manipulated by the wealthy and the corrupt to make sure that justice is rarely if ever done in prosecuting major scams such as IPTL/Escrow.

POLITICAL SUPPORT: RESORT TO 'DIRECT' RULE

One of JPM's self-declared strengths is that he is not beholden to any network (*mtandao*) of wealthy businessmen and political brokers within the current ruling elite. This is at once a strength and a weakness. It is reasonable to suspect that the majority of Tanzanian politicians are uneasy with the Magufuli strategy as it threatens their own rent-seeking activities. This is also the case for many lower level central and local government officials for whom 'rent-scraping' assures a significant proportion of their livelihoods. JPM has also declared his intention to clean up CCM.^[6] Anecdotal evidence suggests that the wheels of the bureaucracy are turning even slower than usual as senior officials try to remain under the State House radar.

JPM aspires to marginalise opposition parties and to eliminate party politics in local government. There are stories of virtual 'direct rule' by Regional and District Commissioners in opposition-run councils. Many new District Development Directors are said to have been recruited from among CCM cadres and 'operatives.' Both CCM and opposition MPs have complained about their 'incompetence' and the powers usurped by the new DCs and RCs, many of whom are retired army officers.^[7]

Magufuli has confounded those critics who expected a much messier transition from Phase 4 to Phase 5. Still, it remains unclear how he can maintain his anti-corruption momentum in the absence of a solid base of support both inside and outside parliament and the ruling party.

BUSINESS SUPPORT: FOLLOW THE SUGAR

JPM has expressed his dislike of companies that practise state capture and tax evasion. One of his first moves was to trace more than 300 containers to inland depots that had been cleared at Dar es Salaam port without paying duty. One of the depots and some of the containers belonged to Said Bakhresa, founder of the Azam group of companies, who also had a consignment of sugar impounded.

For year, sugar imports have been a contentious issue. The local sugar industry was almost bankrupted by massive sugar imports and smuggling during 2012-13. In February this year, the government announced the suspension of sugar imports so that local producers could market unsold stocks. It was announced that further import licences would only be granted by State House. Sugar prices shot up to over Tsh2,000 (about one US dollar) a kilo, compared with the government's 'indicative price' of Tsh1,800. Local importers were blamed for creating artificial shortages to sabotage the president's initiative. The stand-off lasted until May.

JPM's stand-off with segments of the Asian and Arab business community over smuggling and tax evasion was resolved in October, when he opened a fruit canning factory near

Dares Salaam built by Azam's Bakhresa. His consignment of sugar was also released from the port, and JPM promised to allot him land to set up a large sugar estate.^[8] Asian and Arab conglomerates are key players in Tanzania's ambitious industrialisation plans, an issue requiring separate coverage.

POPULAR SUPPORT: SCRATCH MY BACK...

The Tanzanian voter is generally characterised as a potential ally in the fight against corruption. Certainly, polls suggest that JPM's anti-waste and graft project has really impressed many people, after years of poor governance. But we should be wary of assuming too much. There is a widespread

popular view that a politician or official who fails to 'eat' when the opportunity arises (or is created) is a fool who will die poor after retirement for failing to abuse his or her public office.^[9] In a 2014 Afrobarometer survey, respondents were asked: 'In your opinion, what are the most important problems facing this country that the government should address?' The main problem areas mentioned were health, education, agriculture, water, infrastructure/roads. Corruption ranked 7th, equal with fighting poverty.^[10] In a more recent survey, Tanzanians aged 18-35 were asked whether they would be prepared to give or take a bribe: Some 44% said they would; 58% agreed that 'It doesn't matter how you make money as long as you don't end up in jail'; and 39% said they would only vote for a candidate who bribed them. Finally, three-quarters said that they were 'afraid to stand up for what is right for fear of retribution.'^[11]

Though numerous NGOs have a mandate to promote transparent and accountable government, Tanzanian civil society has generally not (with a few notable exceptions) played a major role in fighting corruption, even though many 'governance'-oriented organisations exist. The Legal and Human Rights Centre has consistently challenged JPM's governance practices, but there has not been a popular mobilisation of support for his anti-corruption policies or against his human-rights record.

It is quite unclear how Tanzanian voters assess corruption in politics. Systemic rent-seeking in the CCM government was the main opposition political platform prior to the 2015 elections. One prime target was Monduli MP Edward Lowassa, who was forced to resign as prime minister over the Richmond power scandal during Kikwete's first term. Nevertheless, Lowassa was by far the most popular candidate vying for the CCM nomination, perceived as a man of the people who was generous in rewarding his supporters out of his considerable fortune, however acquired. After being rejected by CCM's Ethics Committee during the vetting process for the CCM candidature, Lowassa defected to Chadema and promptly became the opposition alliance's^[12] joint candidate for the presidency! This suggests that Lowassa's image as a man of the people carried more weight than his reputation for corruption. He took his wealth and popularity to the opposition camp, and the opposition quickly forgot about his corruption.^[13]

While polls suggest that Tanzanians are highly supportive of Magufuli's policies to date, it is unlikely that the war on corruption will assure continued mass popular support in the absence of more material benefits to ordinary people.^[14]

DEVELOPMENT PARTNERS... AND CHINA

The traditional multilateral and bilateral donors are hamstrung when it comes to engaging with what they see as the authoritarian JPM approach to fighting corruption and waste. Still heavily influenced by the proposition that democracy=development, many 'development partners'^[15] continue to finance programmes and projects designed to enhance transparent and accountable government. There is a strong case to be made that donor-inspired economic and political liberalisation since the mid-1980s have contributed to the competitive money politics that characterises the current political settlement. Arguably, JPM is right to discredit oppositionist politics: From a developmental point of view, party politics is a costly and often frivolous distraction of no obvious public utility. Whether it is JPM's right to decide on the issue is another matter altogether.^[16]

While the influence of established donors on policy has declined significantly since the beginning of this century, the influence of China as a major trade and 'development partner' has increased. Unlike OECD donors, the Chinese government deals exclusively with the central government and its agencies, and does not tie aid to concerns with human rights or 'good governance,' JPM recently signed off on a \$7.6 billion soft loan to build a new standard gauge railway (SGR) to replace the existing Central Line. This and other projects bypass public procurement laws and regulations and

parliamentary perusal. Projects such as the SGR have been criticised for their cost and their economic rationale. Magufuli's infrastructural ambitions are again a subject for another day.

Many aid agencies continue to employ a normative approach to corruption. The notion that corruption is the result of personal ethical shortcomings is implicit in the widely used definition of corruption as the abuse of official position for personal gain.^[17] Defining petty corruption in terms of 'need' and grand corruption in terms of 'greed' is equally normative and judgmental. Arguably, 'corruption' of all kinds is largely the consequence of competitive clientelism, or patronage, where inter-personal trust is lacking and formal institutions are weak. The widespread failure of traditional 'supply-side' approaches to corruption control through institution and capacity building, and on the 'demand-side' through 'empowering' citizens, civil society and the media is testimony to how difficult donors find it to go beyond the 'good governance' paradigm.

Unfortunately, JPM's equally normative approach to governance is unlikely to work unless it can change the underlying incentive structure governing intra-state and state-business relations. Without massive popular support and a change in the way politics is done (the 'political settlement'), the Magufuli approach to fighting corruption is likely to disappoint its supporters. As President Obama put it: 'Africa doesn't need strong men, it needs strong institutions.'^[18]

REGIONAL SUPPORT: BUILDING BRIDGES

Space prevents a full treatment of this dimension of 'Magufulism,' but East African regional relations have been changing rapidly since JPM came to power. In particular, JPM has built bridges with Rwanda's Paul Kagame, whose relationship with the previous Tanzanian regime was particularly testy. Observers note the parallels between Kagame's and Magufuli's undemocratic governance styles. Those who see human rights as the basis for sound development strategies cannot accept that Kagame and Magufuli are potentially more 'developmental' than their fellow presidents in the region. The intricacies of inter-EAC relations are a subject for future reflection.

THE LIMITS OF THE POSSIBLE?

What some see as an apparent resort to authoritarianism continues a recent trend to unwind governance gains achieved during the Kikwete administration that had allowed parliament *inter alia* to address the Escrow scandal and for the Constitutional Reform Commission to produce a new draft constitution with stronger controls on executive power.^[19] After the Escrow debacle in 2014, conservative elements within CCM decided that the open government business had gone far enough, and took steps to reinforce executive power at the expense of parliament. In this respect, Magufuli can be seen as part of an underlying trend to shore up the ruling elite against its opponents, including the political opposition, and the traditional and social media. The 2016-17 budget saw a 50 per cent cut in the budget of the Controller and Auditor General (CAG), whose reports were frequently used by parliamentary committees to make life uncomfortable for certain senior officials.^[20]

President Magufuli bears comparison with Tanzania's first president of the competitive era, Benjamin Mkapa (1995-2005). Like Mkapa, Magufuli was a compromise candidate, not the frontrunner. Both he and Mkapa were 'selected' by the incumbent president to prevent other contenders from acceding to the presidency.^[21] Though both were seasoned politicians, neither was particularly well-known by the public or highly networked within the ruling party. Mkapa was under pressure to clean up the mess left by his predecessor Ali Hassan Mwinyi's casual approach to governance, just as JPM is doing in relation to Kikwete.

But there the comparison ends. Mkapa's anti-corruption policies were strongly influenced by donors,

and the path-breaking Warioba Report (1996) on the state of corruption in the country was never implemented with any conviction. By contrast, JPM hit the ground running, and has kept running, with homegrown rather than donor-driven momentum. Many of his 'governance' initiatives are clear indictments of his predecessor's performance, yet there is no evidence of serious friction between the two.^[22] JPM's selective approach to anti-corruption may help explain why.

[1] Zitto Kabwe 2016. 'Will the real opposition emerge under Magufuli's presidency?' *Citizen on Sunday*, August 7.

[2] Stakeholders are urging the president not to sign the Media Bill.

[3] PCCB prosecutes very few large corruption cases and loses most of the cases it initiates, including the small ones, which are the majority. See www.policyforum.or.tz for details.

[4] PPP has also been dubbed 'Personal and Political Preferences'. The PPP model is uncritically embraced by most policymakers. IPTL was one of Tanzania's first PPPs.

[5] In late 2014, Mr Rugemalira received \$70m (in local currency) for his company's 30 per cent share in IPTL. See: <http://www.policyforum-tz.org/sites/default/files/TGR2014OnlineVersion.pdf> for details.

[6] Polycarp Machira 2016. 'JPM now to cleanse CCM', *Guardian on Sunday*, Dar es Salaam, 24 July.

[7] Athuman Mtulya 2016. 'Lawmakers criticise 'incompetent' DEDs', *Citizen*, Dar es Salaam, 11 November.

[8] Mohamed Enterprises, another Asian conglomerate, has also announced plans to open a large sugar estate.

[9] Mwassa Jingi 2016. 'Setting leadership integrity pace', *Citizen*, 24 January.

[10] REPOA interviewed a nationally representative, random, stratified probability sample of 2,386 respondents. The question cited was open-ended. Respondents were asked to list three problem areas. All three responses were weighted equally in calculating the ranking. See: afrobarometer.org/sites/default/files/publications/.../tan_r6_sor_en.pdf.

[11] Aga Khan University 2016. 'The Tanzania Youth Survey Report' October. Only a third of 18-35 year olds (34%) thought it was important to pay taxes.

[12] The UKAWA/Umoja alliance was made up of four opposition parties, the most important being Chadema and CUF.

[13] Rumours that Lowassa bought the opposition candidature are circumstantial, though figures for who got how much are bandied about in social media. Only two senior opposition leaders resigned on principle upon Lowassa's move to the opposition, Chadema's Dr Wilbrod Slaa and CUF's Prof Ibrahim Lipumba, both former presidential candidates.

[14] A recent Twaweza poll revealed that 58% of respondents did not consider Magufuli a dictator, while 60% supported the ban on political rallies. See: <http://twaweza.org/uploads/files/DemonstrationsFinal-EN-web.pdf>

[15] Including UN agencies, the IFIs, the EU, other multilateral and bilateral donors, international NGOs, presidential/state initiatives (Feed the Future, PEPFAR, Power Africa), private foundations

(Gates, Soros, Aga Khan), and others.

[16] Many criticised the termination of full-time coverage of parliamentary sessions as undemocratic.

[17] This definition has been used by Transparency International, the World Bank, and many other international development agencies for the past two decades.

[18] <http://www.sundaytimes.lk/090712/International/sundaytimesinternational-03.html>

[19] See Policy Forum 2016. 'Tanzania Governance Review 2014: the Year of Escrow', July, Chapter 1.

[20] Some committee members abused their oversight role and accepted or demanded bribes. Rosina John 2016. '3 MPs arraigned over Tsh30m bribe request', *Citizen*, Dar es Salaam, 1 April.

[21] Nyerere thought Mkapa was the least bad of a rather mediocre group of candidates. Kikwete was bent on preventing his former prime minister from replacing him, preferring his minister of foreign affairs, Bernard Membe, for the job. Kikwete had to sacrifice Membe in order to block Lowassa.

[22] JPM's accession to the CCM Chairmanship in July took place without incident.

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