Economic and Social Research Foundation (ESRF) in collaboration with Research on Poverty Alleviation and President’s Office Planning and Privatization (PO-PP) organized the first biannual Forum “Tanzania Biannual Development forum: A Time for Reassessment.” This was held on April 24th – 25th 2003 at Golden Tulip Hotel and opened by his Excellency, President Benjamin William Mkapa. It drew over 200 participants from various ministries, departments, and agencies, academic institutions, non-governmental organizations (NGOs), civil societies (CSOs), religious groups and private sector.

The objectives of the forum were three fold: (1) to provide opportunity for policy actors to assess the impact of the country’s development policies in stimulating higher economic growth and poverty reduction (2) to generate information that may help policy actors in Tanzania and other countries with better understanding of development challenges facing Tanzania and (3) to disseminate to the local policy community and others, the achievements and inadequacies of development paths taken over the last forty years.

The major theme of the forum was therefore to assess Tanzania’s future, that is, the ways in which Tanzania development can be accelerated. This theme was divided into six sub-themes, which were in areas of sustainable growth, poverty, children and youth, globalization, governance and human capabilities. Papers and discussions on each sub-theme were carried out in each theme in thematic groups that took place concurrently and both commissioned and non-commissioned papers were presented.
The papers and discussions in the respective thematic areas highlighted the existing policy challenges, gaps and different ways of unblocking such challenges and gaps. The roles of different stakeholders including the government, private sector, NGOs, Civil Society and development partners were also pointed out. The key issues that emerged in each thematic group were also presented and discussed in the plenary session, which was held on the second day of the forum.

To ensure that the public gets the gist of issues discussed in the conference, the report on conference proceedings and the deliberations is now finalized by ESRF for public consumption. ESRF is also preparing a synthesis paper on the conference.

Research Activities

In the period between January and June, ESRF embarked in both short term and long-term research activities. New activities have been initiated, others are still on going while others have already been finalised. One of the completed studies is that on ‘Supply, Demand and Utilisation of Financial Services in Tanzania’. Generally, the study aimed to identify and characterise different financial services demanded and supplied to the households and enterprises in rural and urban Tanzania. The study was carried out using primary data collected from financial intermediaries using formal questionnaire. The questionnaire was also conducted in the households and micro and small-scale enterprises using focus group discussion. One of the study findings was that demands for credit are unmet. This was signified by presence of malpractices such as corruption/bribery and willingness of the borrower to bribe, high number of loan applications, duplication of services offered by financial institutions, growing number of borrowers over time and failure of financial institutions to honour applications. The study therefore came up with several recommendations. One of which was that, there should be a clear sharing of responsibilities between the state and financial intermediaries for this could enhance efficiency of the system. In this regard, the state must foster conducive environment for the intermediaries to operate and additional incentives should be created to enable them locate branches in remote areas.

Policy Dialogues Workshops

ESRF in collaboration with other institutions was able to conduct over 20 policy dialogue workshops since January 2003. The workshops drew participants from different institutions depending on the field in which the workshop was conducted. Among the workshops conducted was ‘Linking Millennium Development Goals (MDGs) and Policy Frameworks in Tanzania’. This was done in two sessions; one in Tanzania Mainland and another one in Zanzibar. The aim of the workshop was to solicit participants’ views and suggestions on the initial draft report that was prepared. Presentations were followed with questions, which asked about the relationship between MDGs and national policy frameworks as well as problems policy makers face when implementing the national policies while also confronted with the MDGs. Participants were also asked to give their suggestions on ways to resolve such problems, and also encouraged to share their own experiences in either implementing the national policies. Views of the participants were very useful in the study that among other objectives aimed to highlight on the similarities and differences that exist between the MDGs and the national policy frameworks and proposing ways to resolve the differences.
Globalisation Project

In the period under review, globalisation project carried a number of activities. They included research, internal seminars and publication. Staff from the project also collaborated with other units at ESRF as well as other institutions in areas of research and capacity building. Some of these activities are summarised below:

Research Activities
Under the project, about a number of research activities have been carried out by individual staff that work under the project members. Most of such research projects are on going while others are in the pipeline. Some of these include:

(i) Globalisation and Rural Household Welfare in Tanzania"
This study examines the impact of globalisation on rural households in Tanzania. In particular, it analyses the welfare of rural households resulting from changes occurring in the economic environment pertaining to their productive activities as the Tanzanian economy becomes more integrated globally. The changes that have occurred relate to changes in the prices of products that are sold on the international market. The study utilises household budget survey data to examine the welfare impact of globalisation.

(ii) "Determinants of FDI Inflows in Africa: A Panel Data Analysis"
The study examines the key determinants of FDI inflows to African countries. Given that African countries are increasingly being asked to improve the stance of governance in their countries, the study incorporates governance factors as determinants of FDI inflows to Africa. In terms of methodology, the study utilises panel data methods of estimating the model.

(iii) “Labour Migration in Tanzania: Patterns, Issues and Policies”
The study has been initiated from the fact that, in the increasingly globalised world, international (labour) migration is now an issue of growing concern to the international community. The study has two primary objectives. The first is to analyse the trends and patterns of labour migration in Tanzania due to the fact that with the rising globalisation and regionalisation, labour migratory pressures will most likely increase in the country. The study’s second objective is to understand government responses on international labour migration at national level in Tanzania.

(iv) "National Entrepreneurship in the Export of Horticultural Products in East Africa"
The study is a continuation of the research on Development of National Entrepreneurship in East Africa. This particular case study is on the development of national entrepreneurship in the agricultural exports sector and specifically the horticultural sector. A draft report based on the literature review has been finalised. What remains is to collect data (through a field survey), conduct data analysis, and finally, writing up the research report. This report will be combined with earlier ones done on tourism and petroleum to make up one report on “National Entrepreneurship in East Africa”.

(v) “South African Investment in East Africa: the Case of Tanzania”
The main purpose of this paper was to address the questions “how” and “why” the South African stake in the Tanzanian economy had increased so dramatically over the last decade and to explore possible explanations for the phenomenon. The paper found some of the possible factors, which set the stage for the expansion in South African investment.

(vi) "Technology Transfer and South African Investment in Tanzania"
The purpose of the study is to find out how local firms have benefited indirectly from modern technology brought about by the South African companies. The results to be obtained can have significant implications for devising FDI incentive policies. The fact that most of the modern technologies are largely controlled by industrialized
countries in the North and are mostly directed to address the problems and needs of rich countries, implies that the South, which contributes little to modern science and technology, has to forge a North-South cooperation, which is vital to enable the developing nations gain techno-managerial capabilities. However, this cooperation should be complemented by South-South cooperation to enhance its indigenous capacity to generate, manage and utilize science and technology in ways that address its own basic needs including poverty alleviation. Thus, the paper takes the case of South African Investment, as one aspect of the South-South cooperation, in which the government has been undertaking deliberate efforts over the past decade to attract.

**Collaborative Work**

Earlier this year, the ESRF agreed to collaborate with Dr. Aloyce Kaliba (a Tanzanian, who is currently working with the University of Arkansas as a policy analyst) on his research on ‘Potential Impact of AGOA on Poverty Alleviation: The Case of Tanzania’. The study will employ a computable general equilibrium model (CGE) where the 1992 Tanzania Accounting Matrix (SAM) will be a benchmark data. Data Analysis will involve the use of the GAMS software. George Kabelwa and Ummy Mwalimu participated in the preparation of the proposal, which was sent to the Strategies and Analysis for Growth and Access (SAGA) project for approval. The proposal was approved in May this year, George and Ummy are expected to commence work on this research in August 2003.

Between February and March 2003, Ummy Mwalimu assisted the Department of Commission studies of ESRF in the preparation and finalisation of the Draft National Immigration and Naturalization Policy of 2003. Ummy presented the Draft Policy, on behalf of Professor Wangwe, before the Annual Meeting of Principal Immigration Officers in Bagamoyo on 28th March 2003.

**Publications**

The project launched a “Globalisation and East Africa” Working Paper Series. The first one was published in October last year, namely, “To What Extent Is East Africa Globalised?” (B.K. Mkenda). The second Working Paper Series published in May 2003 is on “Good Governance, Markets and Donors”, by Brian Van Arkadie). The following paper were planned to be published in the first two quarters of this year:


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**To subscribe or for more information, please contact:**

**The Economic and Social Research Foundation (ESRF)**

51, Uporoto Street
Ursino Estates
P.O Box 31226
Dar es Salaam
Tanzania

Tel: +255 22 2760260/
+255 22 2760752
Fax: +255 22 760062,
+255 741 324508
Email: esrf@esrf.or.tz
Website: www.esrf.or.tz