

Against Foreign Capital?: The Populist Temptation in Tanzania

by Alexander B. Makulilo

INTRODUCTION

Populism has always been a contested concept. However, its core message across definitions is simply in defense of the “common people” who are often regarded as marginalized. Hence, as a movement, it claims to seek for “inclusion.” In this regard, its core assumption is just doing away with elites and establishes a more direct democracy thereby reducing inequality and exclusion.¹ As a leader, a populist is associated with “a strongly personalistic leadership style; outsiderism, or the claim that the new leader does not originate from among the existing political class; an anti-system, anti-institutions and anti-organisations rhetoric, often targeting political parties and political corruption; a call for restoring ‘the power of the people.’”² This indicates that an individual leader becomes the center of politics in a polity thereby undermining political institutions. This, in turn, suggests “decisionism” and lack of predictability in the political system. As such, a populist leader tends to free himself from any kind of institutional control hence promoting institutional decay. As such, populism is “anti-party, anti-elite, anti-establishment, anti-political.” Indeed, populists are hostile to the rich, to finance capital, and to big corporations.³

Yet, its egalitarianism is questionable since populism mobilizes support based on a specific constituency. Given that lines of cleavage vary from polity to polity, it is common therefore to find that populism manifests itself in different forms. It can be civilian or military, progressive

Dr. Alexander Makulilo is a Associate Professor in the Department of Political Science and Public Administration at the University of Dar es Salaam. He is currently the Principal of the College of Social Sciences, University of Dar es Salaam. Dr. Makulilo has published widely on comparative politics, gender, governance, democracy, and constitutionalism. His latest publication is entitled “Alexander Makulilo (2017): Rebooting democracy? Political data mining and biometric voter registration in Africa, Information & Communications Technology” Dr. Makulilo is also the Editor of the African Review: A Journal of African Politics, Development and International Affairs hosted in the Department of Political Science and Public Administration, University of Dar es Salaam.

or regressive, left or right, rural or urban, ethno-religious or secular, indigenous or foreigners, youths or elders, bourgeois-proletariat or peasant based, electoral or insurrectional.⁴ Likewise, the notion of “the power of the people” is problematic. It implies homogeneity and unanimity. Practically, however, societies are heterogeneous. In Africa where the colonial strategy of divide and rule remained an institution of ruling since the 1880s and largely remained in place for post-independent leaders, societies are highly fragile. The problems of ethnicity, abject poverty, corruption, regionalism to mention just a few are common on the continent. And therefore the “people” can be “some people.” As can be noted, populism is not always a natural phenomenon like “charisma.” It is a deliberate project created to symbolize someone as unique in leading the population. Normally, it is achieved through the use of media as a tool of propaganda. Indeed, in times of misfortune such as economic crises, poverty, and conflicts, media tend to portray populists as saviors of a country. Though they enjoy legitimacy, the same is not founded on organic values between the ruler and the ruled. Consequently, such legitimacy is only short-termism. In some cases and especially in poor societies, populism is attained by the use of corruption and patronage. It should be understood that in some instances, populists tend to attack foreigners and foreign capital to camouflage their underperformance. For example, in 1972, Idi Amin of Uganda expelled Asians on the ground that they were exploiting Ugandans. Similarly, in Zimbabwe, President Robert Mugabe has constantly used the land issue to label Britain and the United States of America as enemies of Zimbabweans. This paper examines socialist populism and its relation to foreign capital. I argue that *Ujamaa*, a form of socialism, has been foundational to the rise and development of populism in Tanzania. Socialist populism has, in turn, acted against foreign capital. Despite the fact that Tanzania adopted liberal policies since the 1980s, there is still a strong sense of nostalgia for *Ujamaa* thereby acting as a normative basis for populist actions against foreign capital in contemporary times. The paper is divided into four main sections. Section one covers the introduction. This is followed by the theoretical premise of anti-foreign capital. The third section covers the rise and development of socialist populism in Tanzania. The last part provides a conclusion.

ANTI-FOREIGN CAPITAL: THE CORE PREMISE

The theoretical foundation of populism towards anti-foreign capital rests essentially on dependency theory school of thought. Rooted in neo-Marxist political theory, dependency theory strategically adopts a historical

perspective in order to explain unequal relations between Africa and the rest of the world over time. As a departure from traditional Marxism which focuses on factors of production such as means of labor, productive forces and relations for production, dependency pays much attention to the exchange variables like trading systems and investment flows between countries. Backed with its arch proponents like Andre Gunder Frank (1969), Walter Rodney (1972), Amin Samir (1972), Fernando Henrique Cardoso (1977), Gabriel Palma (1978), Issa Shivji (2006), Daniel Offiong (1982) and Yash Tandon (1979), dependency theory asserts that political and economic failures in Third World countries and particularly Africa are by and large a function of historical phenomena. In a more precise way, Offiong argues that historical situations of dependency have conditioned contemporary underdevelopment in Africa and other underdeveloped societies.⁵ Thus, underdevelopment is not an original state. The beginnings of African underdevelopment can be traced to the trans-Atlantic slave trade, the abandoning of that trade in favor of “legitimate trade” and the eventual partition of Africa. In other words, the basis of African underdevelopment can be found in the slave trade, colonialism, and neo-colonialism.

Viewed from the above perspective, dependency is a “conditioning situation” whereby a certain group of countries have their economies and political systems conditioned by the development and expansion of other economies to which the former is subject. Attesting to this position, Tandon says that in the imperialist epoch proper, that is 1880s, this expansion typically took the form of export of capital from the Western capitalist countries to the less developed parts of the world.⁶ Through this process, capital has brought all production and marketing in the colonies and semi-colonies under the sway of highly centralized monopoly of finance capital. Out of that monopoly, there has arisen an international financial oligarchy in the imperialist countries, which has continued to exploit and oppress the peoples in the colonies, semi-colonies and now in the neo-colonies, no matter what political forms exist in these countries. Admittedly, this Western ability to subordinate the rest of the world did not appear overnight. It took them centuries to develop superior technology with which such subordination was gradually made possible. Rodney acknowledges this fact when he sums up that, at the 15th century the level of economic development between Africa and Europe was almost the same.⁷ However, by the second half of the same century Europeans had developed superiority over maritime technology which enabled them to gain control of all the world’s waterways starting with the western Mediterranean and the Atlantic coast of North Africa and later on the Indian Ocean. Being the first in the world to move from feudalism to

capitalism, Europeans, therefore, stood at the control of scientific knowledge of this universe. Ever since, Western countries have come to dominate the rest of the world politically, economically and socially. Arguably, the IMF/World Bank conditionalities and aid from “donor” countries are part and parcel of the mechanisms by which the rest of the world is dominated.

The fact that the African continent is still dominated by Western countries cannot honestly be disputed. Robert Kappel contends that “from an international perspective, Africa as a whole is being increasingly marginalized. Most Africans have a very low per capita income and the continent is now of only minor importance in international trade, except in regard to oil and some foodstuffs.”⁸ This means that the continent is unable to compete with the giant industrialized countries. Most exports from Africa to Europe are essentially raw materials rather than finished-goods which could otherwise add utility.

Dependency, just like any other theory has its weaknesses. By over-emphasizing on the asymmetrical relations and external factors, the theory is deprived of its analytical power to understand political and economic processes within Africa. While no one can dispute a historical account when analyzing Africa’s development, that should not be taken as an alpha-and-omega explanation. Mayer et al. posit that the logical predictions from dependency theory do not conform to the real world.⁹ The theory maintains that underdevelopment was created by the exploitative relationship between the Third World and the West. Surprisingly, those Third World nations that had the closest and most extensive relationships with the West should be the most underdeveloped, while conversely, those few Third World nations that have had minimal contact with the West should be the most developed. In fact, the opposite is closer to reality. Those nations which were never colonized and had minimal contacts with the West, such as Ethiopia and Liberia, are not relatively better off. But nations like India and Hong Kong benefited from a technological transformation from contact with the West. It is evident that there is an overgrowing tendency to wholly blame external forces for Africa’s underdevelopment situation. This would mean that internally Africa has no challenges that bar the continent from taking off.¹⁰ As I have argued elsewhere, in my view this is a misleading and dangerous account. In the long run, it may, for example, result in irresponsible and unaccountable leadership.¹¹ One can ask, what is so foreign when public media fail to act impartially during a given election? I could quickly respond by submitting that the cause of this problem can either be in the designing of the rules of the political game or simply one has failed to act professionally and ethically. In either case, the leadership is responsible. This tells us that

being under colonialism should not be taken for granted to block domestic initiatives towards development and democracy. Secondly, are there no opportunities to make a difference? If a man is believed to be an agent of political action and change, why has this situation persisted for centuries without significant development?¹²

Responding to the above puzzle, Rodney suggests that Africa's development is only possible with a radical break with the international capitalist system which has been the principal agency of underdevelopment of Africa over the last five centuries.¹³ This recommendation is attractive, yet its feasibility is far from reality. Important to note is the fact that most budgets of African countries are funded within the range of thirty to fifty percent by Western countries and their related financial institutions. Apparently, this assistance de-radicalizes efforts to realize such a breakaway. Going by Rodney's solution, it would, therefore, be seen that it is until the relationship between Africa and the capitalist world is cut that democracy could be a reality in Africa. However, Frederick List provides six ways of integrating into global capitalism based on initial protectionism.^{14,15} They include that: (a) Regulation of import duties and subsidies is one, but not the only, means of government intervention in favour of industrialization; (b) protection of manufacturing products should be on a selective and discriminatory rather than a universal basis; (c) protectionism should not only be temporary, but also the level of protection should not be excessive to eliminate competition from abroad, or too low to avoid exposing the industry concerned to the danger of foreign competition; (d) there is no general rule to determine the level of protectionism. Everything depends on the circumstances and the relations between the less and the more advanced country; (e) duties should not be imposed on imports of raw materials; and (f) absolute privilege should be provided "neither for the benefit of producers nor for the detriment of consumers" by leaving the protected industry in the hands of monopolists.

From the perspective of dependency theorists, Africa is a continent arising from a colonial setting. Around the 1880s, it was subjected to colonialism mostly by Western European imperialism.¹⁶ Since then, the continent was appended to metropolitan capitalism. Thus, one clear manifestation of populism in Africa and Tanzania, in particular, is anti-Westernism. This is because Africa was historically subjected to all forms of exploitation and de-humanization during the slave and colonial eras. Under the current era of globalization, it is even more risky for populists to approve of the West. Usually, populists in the continent would tend to disapprove of the West during electoral campaigns but suddenly bow down for assistance to run their respective countries once in power. It has to be noted that

every political system is potentially subject to populism. However, in most developed democracies, where institutions are relatively strong, populists are limited. In contrast, in underdeveloped societies, where institutions are usually weak, populists have adequate power to play their politics. In Africa, institutions are still weak thereby creating a potential environment for populism.

THE RISE AND DEVELOPMENT OF POPULISM IN TANZANIA

Tanganyika gained its independence on December 9, 1961 from British colonialism. At that particular time, the Tanganyika African National Union (TANU) was the ruling party which formed the government. In 1962 Tanzania became a republic. This political development was carried out to make Tanzania a “total” independent state. Unlike in 1961, where the Queen of England was considered the head of Tanganyika (represented by the governor), and the prime minister was the head of government, under the republic, the Queen ceased to be the head of the state. The president at that time became the head of state, government, and commander-in-chief of all armed forces. It should be noted that this was the first major tendency towards power concentration and centralization by the post-independent government. The reasons as to why this move was undertaken is to be found with the legitimacy crisis and the crisis of accumulation.^{17,18,19}

On April 26th, 1964 Tanganyika and Zanzibar united to form the United Republic of Tanzania (URT). It was not until 10 July 1965, the URT officially became a one-party state. The interim Constitution of 1965 recognized Tanganyika African National Union (TANU) and Afro Shiraz Party (ASP) in Tanzania Mainland and Zanzibar respectively. In 1967, *Ujamaa*, a form of socialism through the Arusha Declaration was introduced. This brought in the nationalization of private companies, and the command economy was established.

On February 5, 1977, TANU and ASP merged to form CCM. It has to be stated that between the 1970s and 1980s, Tanzania experienced economic crises triggered by factors like the oil crisis of 1973, the Kagera War 1978/1979 between Tanzania and Uganda, the collapse of the East African Union in 1977, and persistent drought conditions. To address this crisis the country approached the IMF/WB and the international donor community. The IFIs initiated the Structural Adjustment Policy (SAP) packages which demanded political and economic liberalization as well as the devaluation of currency among other things. This phenomenon was compounded with the collapse of the socialist bloc in 1989, which denied assistance to many

countries that relied on it. It was against this background that CCM and its government set off on the road to a multiparty system. On 1 July 1992, the URT officially adopted a multiparty system. Likewise, the government had since the 1980s implemented a liberalized economy based on market forces. In this section, therefore, the rise and development of populism in relation to foreign capital are discussed under three main phases: Socialist populism, liberalization and the period since 2015.

SOCIALIST POPULISM

Africans have at all the times been opposed to any form of domination. It was especially so after World War II in 1945 that the scale and scope of such resistances went beyond demands for independence. In a way, the struggle was against foreign domination which for centuries played the politics of demobilization significantly. For the first time, Africa witnessed the rise of populist leaders who tried to mobilize the masses against the colonial state. By then, it was easier for political parties to identify the colonial masters as the source of all problems in Africa, hence becoming anti-colonial regimes. During the struggle for independence, therefore, some leaders were perceived as “anti-colonial, anti-political and anti-elites.” In Tanzania, Julius Nyerere was so popular and charismatic, his political party, the Tanganyika African National Union (TANU), won all the seats during the pre-independence elections. There were two critical issues that were to be addressed by the post-independence government namely unity and development. Nyerere himself once remarked:

New nations like Tanganyika get their independence after a sustained struggle against colonialism. This is a nationalist struggle which unites all the people in the country and does not leave room for differences; and the nationalist movements after achieving independence, form the independent governments of their countries. But immediately after its formation, the new government is faced with a major task that of the economic development of the country and the general uplifting of the standard of living of all the people, through eliminations of poverty, ignorance, and disease. In order for this objective to be successfully accomplished there is as much need for unity as was required during the struggle for independence. Similarly, therefore, there is no room for differences.²⁰

However, the year 1967 is considered a critical juncture of Tanzania's development. In that year Tanzania adopted *Ujamaa*, a form of socialism through the Arusha Declaration.^{21,22} Under *Ujamaa* and particularly through the Arusha Declaration of 1967, Tanzania nationalized all major means of life, hence the introduction of the state-owned economy. As such, Nyerere

was totally against the introduction of privatization of the economy as this would have horrific consequences for the poor who were the majority in the country. Hence, the grand goal of *Ujamaa* was to introduce a society which believed in freedom, equality, and unity. Nyerere put it that *Ujamaa* was founded on a philosophy of development that was based on three essentials – freedom, equality, and unity.²³ *Ujamaa* philosophy was seen as central to the attainment of a self-reliant socialist nation.²⁴

The first sectors to be nationalized were the banks and industries. By the end of 1967, the “commanding heights” of the economy had come under the direct control of the state. As a reaction, three large British banks – Barclays, Standard, and National and Grindleys – adopted a strategy of noncooperation aimed at ensuring that public sector banking in Tanzania failed. Rapid withdrawal of personnel, instructions to staff to “work to rule” and highly polemical statements apparently designed to destroy international confidence in Tanzania’s export economy, followed in quick succession. Their concern was to prevent the spread of bank nationalizations in Africa – a spread they justifiably feared would be inevitable if Tanzania’s nationalized public sector banking turned out to be a success.²⁵

Despite the policy of nationalization many of the nationalized corporations went into partnership with a number of foreign firms, some of which were the original owners of the companies that had been nationalized. It is partly for this reason that some commentators argued at the time, that in spite of the nationalizations, control over Tanzania’s most important decisions was still in the hands of foreigners.^{26, 27} Shivji aptly holds that the process of nationalization neither really gave the government complete control over the “commanding heights” of the economy nor did it successfully exclude the continued penetration of foreign capital into Tanzania’s political economy.²⁸ Certainly, Nyerere once remarked “It seems that independence of the former colonies has suited the interests of the industrial world for bigger profits at less cost. Independence made it cheaper for them to exploit us. We became neo-colonies. Some African leaders did not realize it. In fact, many argued against Kwame (Nkrumah)’s idea of neo-colonialism.”²⁹

Ujamaa was therefore geared to be anti-foreign capital since this was interpreted as foreign exploitation. Indeed, it was inward looking in perspective. It is thus argued that *Ujamaa* was the populism of the first post-independence president (Julius K. Nyerere) of Tanganyika and later Tanzania. This version of populism was overwhelmingly agrarian and even anti-industrial.³⁰ Being rural in nature, *Ujamaa* was implemented through among other means, villagization. The policy led to creation of “*Ujamaa*” villages where people were persuaded to live together in communes. The rationale behind

“*Ujamaa*” villages was to make sure that the benefits from agricultural development could be shared communally.³¹ By 1974 there were 2.5 million people living in 5000 villages. This number increased to 13 million people by 1976.³² Notwithstanding, things did not turn out as planned. Instead, productivity fell in relation to population growth. For example, agricultural output increased only by 2.7 percent between 1967 and 1973.³³ The government even resorted to the importation of food. Consequently, government expenditure leapfrogged. For example, in 1973 Tanzania spent 27 million Tshs in foreign exchange while in 1974 and 1975, 733 million Tshs and 766 million Tshs were simultaneously spent to import food. More particularly, about 25,000 tons of maize in 1973 and 483,000 tons in 1974 was imported.^{34,35}

It is not a secret that *Ujamaa* failed. The socialist period encouraged a tenfold expansion of the number of parastatals, from 42 in 1967 to 425 in 1984, which captured considerable rents and stifled incentives for innovation and entrepreneurship. Although by 1993, public enterprises accounted for about 25% of non-agricultural employment, they were highly inefficient and only contributed to 13% of GDP.³⁶ Similarly, the villagization project was not successful. Notwithstanding, it was due to his populism that Nyerere remained head of the state and government from 1961 to 1985 when he decided to resign from active politics. It is said that one of the reasons to explain this phenomenon was the economic crisis of the 1970s which needed him to appeal to the International Monetary Fund (IMF) and the World Bank for assistance.

FROM SOCIALIST POPULISM TO LIBERALISM

After independence, most African leaders opted for strong centralized states.³⁷ It was believed that such states would hasten development. The dual impact for this was simply concentration and centralization of power into a single hand. However, the outcome of centralization was a failure in the 1980s. National governments tried to restructure economies, but it did not work out. This led them to appeal to Western powers for some help. The package of this assistance is commonly known as the Structural Adjustment Policies (SAPs). SAPs were given by the IMF and the World Bank. Associated with SAPs were the mandatory requirements by recipient countries to introduce economic as well as political liberalization.³⁸ African countries had no choice. However, instead of providing relief, SAPs deepened crises.³⁹ Arguably, SAPs created fertile grounds for the emergence of populism. In Zambia, for example, the situation was so critical that riots on basic needs

like foods took place.

In Tanzania, the period from 1985 to 2015 marks clearly a shift from *Ujamaa* to liberalism. Under this period, all the three presidents Ali Hassan Mwinyi (1985-1995), Benjamini Mkapa (1995-2005), Jakaya Kikwete (2005-2015) supported neo-liberalism mainly in favor of foreign capital. It was Mwinyi who through the Zanzibar Declaration of 1991 officially abandoned socialism in favor of the market-led economy. He indeed opened up the country for foreign capital by accepting the SAPs and IMF/WB conditionalities. The state, therefore, ceased to have a monopoly over the economy. He is popularly remembered as *Mr. Ruksa i.e. laissez-faire*. On the other hand, Mkapa was the one who actually consolidated this phase by adopting several policies and institutions to privatize the public parastatals. He initiated several investment regimes such as the National Investment Promotion Policy of 1996 which opened almost all sectors to foreign and private participation. The Tanzania Investment Act of 1997 is the backbone of the legal investment regime by making provisions related to the establishment of enterprises, investment benefits and guarantees, transfer of capital profits, guarantees against expropriation, dispute settlement, and employment of foreign staff. The 1997 Act also establishes the Tanzania Investment Centre (TIC) as a “one-stop” office for investors. TIC provides information about land acquisition, taxes, and investment incentives in priority sectors, and spearheads investment promotion and facilitation efforts in the country. Under Mkapa, the country was hailed for making positive progress to the extent that Tanzania qualified to benefit from the Millennium Challenge Account. Kikwete further made sure that a conducive environment was in place to ensure smooth implementation of capital. Capital was attracted and foreign countries were highly welcomed. Under him, the Tanzania’s foreign economic diplomacy was highly pursued. It has to be understood that after liberalization foreign direct investment (FDI) was minimal prior to 1992 but has rapidly increased since then. After remaining below \$200 million a year throughout the 1990s, net FDI inflows have especially accelerated since 2000, standing at \$1 billion by 2011.⁴⁰ Over 1990-2011, the leading source of FDI was the United Kingdom, followed by India and Kenya.⁴¹

It should be noted that of the three former presidents, Kikwete was regarded as a populist.⁴² However, his populism unlike that of Nyerere was not ideological. It was essentially meant for political mobilization during elections. The populism of Kikwete has no long history. In 1995, Kikwete unsuccessfully aspired for the presidential post within his party. It is said that Mwalimu Julius Nyerere had Benjamin Mkapa as his favorite candidate. It was towards the end of the second term of Mkapa in 2005 that Kikwete

started to rebuild himself as a “man of the people.” To achieve that he and his colleagues in the party initiated a working network of support popularly known as “*mtandao*.” Acting like a tsunami, the “*mtandao*” used every means to portray Kikwete as the people’s choice. It used a lot of money to mobilize support from all walks of life particularly the youths. In the first place, Kikwete was symbolized as a “youth candidate.” This campaign went hand in hand with the excessive use of media and overambitious promises. This was the first time in the history of the country where under the multiparty system, the president was able to get elected by 80.28 percent of the popular votes.⁴³ Towards 2005, Kikwete’s populism gained momentum as media and polls described him as the most trusted leader in the government. His slogan of “*Maisha Bora kwa kila Mtanzania*” literally meaning “Better life for every Tanzanian” and “*Ari Mpya, Nguvu Mpya na Kasi Mpya*” literally meaning “New Zeal, New Vigour and New Speed” (see Nyang’oro, 2011) were among other aspects that made his populism real.⁴⁴ To be sure, one of his overambitious plans was on agriculture and employment of the youths. With regards to promises and policies, Kikwete used agriculture, which is regarded as the backbone of Tanzania’s economy. This is because about 80 percent of the population live in rural villages and about 90 percent of them depend on agriculture for their livelihood. Yet, agriculture contributes about 30 percent of the total GDP of Tanzania’s economy. Therefore, in the 2005 elections, Kikwete and his party pledged that for the economy to grow to 10 percent it, required the agricultural sector to grow to least 20 percent by the year 2010. Hence, Kikwete came up with his innovation, the “Green Revolution.” Associated with this, he also promised to create 1 million new jobs, especially for the youth. The USAID report on democracy and governance assessment of Tanzania provides an insightful observation about Kikwete’s populism:

*Kikwete’s victory was due first and foremost to his personal charisma, youthful looks, and charm. A second important factor was his superior campaign organization (network, or mtandao) as it has come to be known. He started organizing soon after he lost the CCM presidential nomination to Benjamin Mkapa in 1995. Over a 10-year period, he amassed many friends and allies, money, and political capital, all of which came to his aid in 2005. Third, he also developed very clear messages captured by his lead slogan “New Zeal, New Vigor, New Speed” (which sounds much better in Swahili) and (ii) “Better Life for All is Possible.” He promised everything to everybody—a fact which has come to haunt him in recent years.*⁴⁵

The government generally has a favorable attitude toward foreign direct investment and has had success in attracting FDI historically. The 2015

World Investment Report of UN Conference on Trade and Development's (UNCTAD) reported that Tanzania attracted \$2.142 billion of FDI inflows in 2014, a 14.5 percent increase from the previous year, accumulating FDI stock of \$14.86 billion, the highest in the East Africa region.⁴⁶ Notwithstanding, in 2009 the Netherlands suspended aid to Tanzania over the move by the government to deny a Dutch investor named Roland De Jong more forest land for harvesting 'raw materials.' The Dutch Embassy in Dar es Salaam said the aid in question was €30 million in direct support for the country's 2009/10 (July-June) fiscal budget. The then Natural Resources and Tourism Minister, Shamsa Mwangunga, explained that her ministry had allocated up to 75% of the total raw material available in Shume Forest Plantation to Tembo Chipboards Ltd, more than enough to run the project profitably. She maintained that all countries have their own laws and procedures. She puts, "The country very much needs investors for its development and we have high regard for them, but they have to respect us."⁴⁷

SINCE 2015 - THE RETURN OF POPULISM?

The new government under this phase came to power after the 2015 general elections. This election, unlike all the previous ones since the return of multi-party system, was very competitive. President John Magufuli won this election by 57 percent of the popular vote. Since he came into power, President Magufuli has managed, first of all to work against the elites – the bureaucratic, political, and business elites. Among the measures he has been able to take include, cutting down expenditures especially after reducing foreign trips by about 96 percent for the civil servants and politicians in his government as well as banning allowances for meetings and workshops for the same. Previously, civil servants and politicians earned a lot of money out of allowances paid for meetings and foreign trips. In a way, this measure has denied resources that such elites used to enjoy. Members of Parliament and civil servants have since Magufuli's government came into power lamented this kind of starvation. Moreover, President Magufuli has banned public political rallies. He ordered that politics has to stop until the next elections in 2020.

Again, President Magufuli has been able to fight against corruption and institute ethics within the civil service. Some civil servants occupying senior positions have been fired owing to underperformance or for going against the leadership's ethics. This, in turn, has raised fear among those who serve under President Magufuli. For example, President Magufuli fired the Chief Anti-Corruption officer immediately after he came into power; he also

fired about five Permanent Secretaries; he also fired two ministers as well as one regional commissioner. Moreover, President Magufuli has been able to ensure that all business which is conducted in Tanzania is properly registered and pay the required taxes. This, in turn, has frustrated the business elites who used to enrich themselves using illegal means. He has strengthened mechanisms to monitor the port and Tanzania Revenue Authority (TRA) to ensure effective revenue collections.

An opinion poll survey published by Twaweza in September 2016 found the president had the approval of 96 percent of Tanzanian citizens, higher than any approval rating for any African head of state ever reported by Afrobarometer, an Africa-wide opinion polling initiative. The same survey found high levels of support for the president's actions against corrupt public officials, against ghost workers, and for the removal of school fees. The president has positioned himself as being on the side of the ordinary citizens, taking on big business, corruption, and waste, and his actions and slogans have captured the public imagination.

With regards to foreign capital, President Magufuli's government employs the same investment regime. During his inaugural speech of Tanzania's Parliament, President Magufuli remarked that:

I understand that there are many people who now want to come and invest in Tanzania, there were some others even in previous years, but there are times when we – including us leaders by cooperating with scrupulous traders – have sabotaged plans and desire of these investors in their endeavors. Even though they had the hope and readiness to invest in Tanzania we put stumbling blocks on their way and fought them thus forcing them to go and invest in other neighboring countries. For our part in the Fifth Phase Government, we will strive and remove all these disturbance and red tape and work harder to mobilize both domestic and foreign investors to build industries in our country... We will continue and nurture cooperation and friendship with our Western, Far East and Middle Eastern friends, and we will continue furthering relationship for the purpose of protecting the interests of our people... We will do so also through the international cooperation by furthering our relationship with the United Nations (UN) and its agencies, the Commonwealth Community, World Bank (WB); the International Monetary Fund (IMF) and the African Development Bank.⁴⁸

Notwithstanding the same investment regime, the fifth phase government has acted more like it is heading towards socialist populism. Recently, the President imposed a surprise export ban on gold and copper concentrate thereby forcing several Australian mining firms to seek urgent assurances about the future of their operations in the African nation. The export ban is seen by some as the latest manifestation of a populist drive

affecting politics worldwide, amid a backlash to globalization most obviously characterized by Donald Trump's rise to the White House.⁴⁹ The President's main concern is that Tanzanians are not benefiting from their own resources. He, therefore, formed a special committee of experts to deeply investigate how much gold and copper has been shipped abroad since 1998. During a swearing event of the members of the committee on 11 April 2017, the President said, "Make a follow-up on the number of containers that have been shipped from our country starting from 1998, and find out if these containers had gold, silver or copper and establish how many tonnes were exported every month."⁵⁰

This phenomenon has shocked the foreign investors. US investors have always commented that while the business climate has generally improved over the past decade, in certain sectors the legacy of socialist attitudes have not fully dissipated, sometimes resulting in suspicion of foreign investors and slow decision making.⁵¹ *Ujamaa* has been retained in the country's constitution. Principally, *Ujamaa* is anti-neo-liberalism. It is likely that in times of conflicts, the government may use the *Ujamaa* clause in the constitution to nationalize foreign capital, which undermines the on-going efforts to attract foreign investments. In 1999 a special presidential committee on constitutional reforms conducted a study, and one of its findings was that 88.8 percent of Tanzanians identified themselves with *Ujamaa* and therefore wanted it to remain in the constitution as a national vision. However, the committee recommended that *Ujamaa* being the ideology of one party, under the current multiparty system, favors CCM at the expense of other parties and it should be removed.⁵² Despite the fact that *Ujamaa* is no longer a practical ideology, it remains a significant mobilizing tool for the ruling party during elections. This observation is consistent with the findings by the Afro-Barometer survey and its conclusions of 2002 that Tanzanians are "uncritical citizens" partly oriented towards the socialist ideology and one-party structures inherited from the old regime. The ordinary people have not yet developed a healthy skepticism about authority, independent preferences, and the courage to take action that are the lifeblood of functioning democratic and market systems.⁵³

CONCLUSION

Socialist populism is among other things anti-foreign capital. Responding to the crisis of developmentalism after independence in 1961, Julius Nyerere initiated *Ujamaa*, a form of socialism. Nyerere which insisted that Tanzania's task was to become 'self-reliant' and to develop its traditional economy.

Tanzania's *Ujamaa* and its legacy, in turn, have been foundational to the rise and development of socialist populism. Despite the fact that *Ujamaa* was "replaced" by neo-liberal policies since 1980s, Tanzania's leadership has sometimes acted in a populist fashion mainly due to the strong legacy of *Ujamaa*. This has in turn affected foreign investments. Foreign investors are still not often certain of the future of their capital in Tanzania.

NOTES

- ¹ Paul Lucardie, "Populism: Some Conceptual Problems," *Political Studies Review* (2009): 319-21.
- ² Giovanni Carbone, "Populism' visits Africa: The case of Yoweri Museveni and No-party Democracy in Uganda." (Working paper No. 73, Università degli studi di Milano, 2005).
- ³ Marc Plattner, "Populism, Pluralism, and Liberal Democracy" *Journal of Democracy* Vol 21, No.1 (2010).
- ⁴ Philippe C. Schmitter, "A Balance Sheet of the Vices and Virtues of 'Populisms.'" (European University Institute and Central European University, 2006).
- ⁵ Daniel A. Offiong, *Imperialism and Dependency: Obstacles to African Development*. (Washington, D.C.: Howard University Press, 1982).
- ⁶ Yashpal Tandon. *In Defense of Democracy*. (Dar es Salaam: Dar es Salaam University Press, 1979) 26.
- ⁷ Walter Rodney, *How Europe Underdeveloped Africa*. (Dar es Salaam: Tanzania Publishing House, 1972).
- ⁸ Robert Kappel, "Africa's Marginalisation in World Trade: A Result of the Uruguay Round Agreements," *Intereconomics*, Vol 31No.1(1996): 33-42.
- ⁹ Lawrence C. Mayer, John H. Burnett., and Suzanne Ogden. "Comparative Politics: Nations and Theories in A Changing World." (New Jersey: Prentice Hall, Englewood Cliffs, 1993).
- ¹⁰ Mohamed A. Bakari, *The Democratization Process in Zanzibar: A Retarded Transition* (Hamburg: Institute für Afrika-Kunde, 2001).
- ¹¹ Alexander B. Makulilo "Tanzania: A De Facto One Party State?" (M.A Dissertation: University of Dar es Salaam, 2007).
- ¹² Mohamed A. Bakari, *The Democratization Process in Zanzibar: A Retarded Transition* (Hamburg: Institute für Afrika-Kunde, 2001).
- ¹³ Rodney Walter, *How Europe Underdeveloped Africa*. (Dar es Salaam: Tanzania Publishing House, 1972).
- ¹⁴ Frederick List, *The National System of Political Economy*. (New York: Augustus M. Kelley, 1966).
- ¹⁵ Shafaeddin, Mehdi. 2000. "What did Frederick List actually say? Some clarifications on the infant Industry argument" United Nations Conference on Trade and Development (UNCTAD) Working Paper No. 149, July 2000.
- ¹⁶ Alex Callinicos, *Imperialism and Global Political Economy*. (Cambridge: Polity Press, 2009).
- ¹⁷ Harrison G. Mwakyembe, 1985. "The Parliament and the Electoral Process". In: *The State and the Working People in Tanzania*, ed. Issa G. Shivji, (Dakar: Council for the Development of Economic and Social Research in Africa (CODESRIA) Book Series, 1985) 16-56.
- ¹⁸ Archie Mafeje, *In Search of an Alternative: A Collection of Essays on Revolutionary*

Theory and Politics. (Harare: Southern African Political Economy Series (SAPES) Books, 1992).

¹⁹ James S Wunsch, "Centralization and Development in Post-Independent Africa" in *The Failure of the Centralized State : Institutions and Self-Governance in Africa*, ed. James Wunsch S. and Dele Olowu (Boulder, San Francisco, & Oxford: Westview Press, 1990) 43-73.

²⁰ TANU: 1965 TANU Annual Report, Dar es Salaam.

²¹ Gavin Kitching, *Development and Underdevelopment in Historical Perspective: Populism, Nationalism and Industrialization* (London: Routledge, 2012).

²² Sam Maghimbi, *Populist Theory in Russia and Tanzania: A Collage of Ideas* (Dar es Salaam: Institute of Kiswahili Studies-University of Dar es Salaam, 2012).

²³ Julius Nyerere 1964. "Freedom and Unity", *Transition*, 14: 40-45.

²⁴ B. Ibhawoh, and J. I. Dibua 2003. "Deconstructing Ujamaa: The Legacy of Julius Nyerere in the Quest for Social and Economic Development in Africa," *Afr. j. polit. sci.* Vol 8 No. 1 (2003).

²⁵ Ibid.

²⁶ Christopher Clapham, *The Third World Politics: An Introduction*. (London: Croom Helm Limited, 1985).

²⁷ Walter Rodney, *How Europe Underdeveloped Africa*. (Dar es Salaam: Tanzania Publishing House, 1972).

²⁸ Issa G. Shivji, *Accumulation in Africa Periphery: A Theoretical Framework*. (Dar es Salaam: Mkuki and Nyota Publishers Limited, 2009).

²⁹ Interview with Julius Nyerere *The Internationalist* 1999.

³⁰ Sam Maghimbi, *Populist Theory in Russia and Tanzania: A Collage of Ideas* (Dar es Salaam: Institute of Kiswahili Studies-University of Dar es Salaam, 2012).

³¹ V. Makulilo, "Where is Socialism in Tanzania?," *Elixir Soc. Sci.* 46 (2012) 8170-8180.

³² Gavin Kitching, *Development and Underdevelopment in Historical Perspective: Populism, Nationalism and Industrialization* (London: Routledge, 2012).

³³ Kimse Okoko A.B, *Socialism and Self-Reliance in Tanzania* (London and New York: KPI Limited, 1987).

³⁴ Zaki Ergas "Why Did the Ujamaa Village Policy Fail? – Towards a Global Analysis", *The Journal of Modern African Studies*, Vol. 18 No. 3 (1980).

³⁵ M. A. Sendaro *Planning and Management in Tanzania' in Hodd, Michael (ed.)*, (Tanzania After Nyerere, London and New York: Printer Publishers Limited, 1988).

³⁶ Brian Cooksey 2011. "Marketing Reform? The Rise and Fall of Agricultural Liberalisation in Tanzania" *Development Policy Review*, Volume 29, Issue s1, (2011) 57-81.

³⁷ James S Wunsch, "Centralization and Development in Post-Independent Africa" in *The Failure of the Centralized State : Institutions and Self-Governance in Africa*, ed. James Wunsch S. and Dele Olowu (Boulder, San Francisco, & Oxford: Westview Press, 1990) 43-73.

³⁸ Peter J Schraeder, *African Politics and Society: A Mosaic in Transformation*. (London: Macmillan Press Limited, 2000).

³⁹ Issa G. Shivji, *Accumulation in Africa Periphery: A Theoretical Framework*. (Dar es Salaam: Mkuki and Nyota Publishers Limited, 2009).

⁴⁰ World Bank

⁴¹ OECD *OECD Investment Policy Reviews: Tanzania 2013*

⁴² V. Makulilo, "Where is Socialism in Tanzania?," *Elixir Soc. Sci.* 46 (2012) 8170-8180.

⁴³ NEC (National Election Commission), *The Report of the National Electoral Commission*

- on the 2005 Presidential, Parliamentary and Councilors' Elections. (Dar es Salaam: Dar es Salaam University Press, 2006).
- ⁴⁴ Julius E. Nyang'oro, *A Political Biography of Jakaya Mrisho Kikwete*. (Eritrea: Africa World Press, Inc, 2011).
- ⁴⁵ USAID/Tanzania, *Democracy and Governance Assessment of Tanzania (Final Report)*. (Dar es Salaam: USAID, 2010).
- ⁴⁶ US Department of State "2016 Investment Climate Statement: Tanzania" July, 5 2016 <https://www.state.gov/e/eb/rls/othr/ics/2016/af/254253.htm>.
- ⁴⁷ Joyce Kisaka "Minister: Disrespect by Donors unacceptable" *The Guardian*, July 8, 2009 (<http://www.ipppmedia.com/> (accessed: 19 April 2017)).
- ⁴⁸ John Pombe Joseph Magufuli, "The Speech by H.E. John Pombe Joseph Magufuli, Officially Inaugurating The 11th Parliament of The United Republic of Tanzania" November 20th 2015 <http://tz.one.un.org/media-centre/statements/186-the-speech-by-h-e-john-pombe-joseph-magufuli-officially-inaugurating-the-11th-parliament-of-the-united-republic-of-tanzania>.
- ⁴⁹ Daniel Flitton "Australian mining firms closely watching after Tanzania imposes an export ban" *Sydney Morning Herald*, March 20, 2017 <http://www.smh.com.au/business/australian-mining-firms-closely-watching-after-tanzania-imposes-an-export-ban-20170317-gv0kvy.html>.
- ⁵⁰ Phila Mzamo "President appoints committee to clarify mineral exports uncertainty" *Mining News* April 19, 2017, <http://www.miningnews.com.au/2017/04/19/president-appoints-committee-to-clarify-mineral-exports-uncertainty/>.
- ⁵¹ U.S. Department of State, "Tanzania Investment Climate Statement 2015" <https://www.state.gov/e/eb/rls/othr/ics/2016/af/254253.htm>.
- ⁵² Jamhuri ya Muungano wa Tanzania .1999. Kamati ya Kuratibu Maoni Kuhusu Katiba, Kitabu cha Kwanza: Maoni ya Wananchi na Ushauri wa Kamati, Dar es Salaam, p.7.
- ⁵³ Amon Chaligha et al "Uncritical Citizens or Patient Trustees? Tanzanians' views of Political and Economic Reform" *Afrobarometer* Paper No. 18. (2002).