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## Markets and Morality: American Relations with Tanzania

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Tanzania has never been high on the list of official US relationships in Africa. And for America, this has probably not been a major problem; the two countries are economically and socially very different. Chronically poor, Tanzania has seemingly little to offer the wealthy and powerful United States. Tanzania has an annual GNP capita of \$290 for its 36.5 million people, which works out to a total GNP of approximately \$10.5 billion. Of the total national product, about \$1 billion arrives in the form of bilateral aid, little of it directly from the United States. Tanzania also produces little that is of interest in the world marketplace. As a result the United States has few aid programs designed directly for Tanzania. Rather, embassy and USAID staff peddle the grab bag of Washington-designed economic assistance programs rooted in ideologies of market economics.

Nevertheless, despite, or perhaps because of its economic disadvantages, Tanzania makes important non-economic contributions to the international system out of proportion to its economic muscle. In particular, Tanzania has a recognized capacity to make moral claims not just because of its poverty, but also because of its political stability, strong record of mediating between unruly neighbors, successful wildlife conservation policies, and hosting of refugees. Such policies focus on the moral responsibilities nations have in the world order, rather than market economics. But moral assertions are a poor fit with the trade-based relationships the United States typically seeks. An exception which perhaps illustrates the two different approaches is in the public health programs sponsored by the Center for Disease Control and USAID since the late 1990s. For the Americans, justification for such public health programs is in the “lost productivity” of ill workers, particularly the young adults who die of HIV/AIDS. For the Tanzanians, the justification is rooted in a moral obligation to assist the sick.

In the field of foreign relations, Tanzania has rarely looked toward the United States. Tanzania’s main focus has instead been on good relations with the southern African countries now ruled by parties it assisted to achieve independence between the 1960s and 1990s, and the social democracies of Europe which provide more direct financial assistance than the United

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States. Much of this European aid is directed toward sectors which are not geared toward direct market production such as public health, water systems, primary education, and wildlife conservation. Tanzania also has consistently close relations with China which built the Tanzania-Zambia railway in the 1960s when Tanzania flirted with Chinese Communism. But with the United States, irrespective of the fact that it has the biggest embassy compound in Dar Es Salaam, relationships are typically at arms length, a condition that changed only briefly following the Al Qaeda attack on the United States Embassy in Tanzania in 1998.

In short, there is a mismatch between the political, economic, and cultural interests of the United States and Tanzania. The United States seeks to use the world market system to further its global goals, and does so using the ideology of the marketplace. American foreign assistance programs emphasize entrepreneurship, and engagement in world commodity markets through programs like the African Growth and Opportunity Act (AGOA), and the Millennium Challenge Account. Even American programs implemented for humanitarian reasons, like health, education, and refugee assistance are likely to be justified in terms of lost labor productivity, rather than simple appeals to do what is right irrespective of the economic consequences. But Tanzania, which has little leverage in the world economic system, does not always use such economic dogma to justify policy. Instead, it seeks goals through ideological and moral claims. You protect refugees because it is your responsibility as a neighbor, you treat the sick because it is the right thing to do, and oppose colonialism whether or not it is profitable to do so.

#### HISTORICAL BACKGROUND: TANZANIAN FOREIGN RELATIONS

Tanganyika became independent from Britain in 1961, and in 1964 joined with Zanzibar to form Tanzania. Then as today, it was a poor country, blessed with little infrastructure. Improved roads at independence in 1961 were few, and rail transport lacking. The small capital city in Dar Es Salaam had only a shallow port. Rural areas had a rapidly growing agrarian subsistence population of about 9 million who ate much of which they produced, and marketed little in either local or international markets. Coastal areas were largely Muslim, while interior areas were Christianized by western missionaries beginning in the 19th century. Famine, which periodically threatened different parts of the country, was dealt with through relief traditionally funded by the British colonial government in cooperation with church agencies. The few available health and education facilities, were provided by a range of Catholic and Protestant missionary societies from North America and Europe which had the wherewithal to fund and staff remote operations.

The newly independent Tanzania was led by founding President Julius Nyerere and his popular Tanganyika African National Union (TANU). Nyerere quickly established an ideologically grounded foreign policy of defiant non-alignment, and a domestic policy of “African Socialism” rooted in nostalgic views of pre-colonial society. Implicitly this policy was hostile to markets which were controlled by a small East Asian merchant minority, rather than by black Africans.

Even in the 1960s, Nyerere’s foreign policy emphasized moral responsibilities including opposition to apartheid in Rhodesia and South Africa, decolonization, and the reception of refugees. Relations with Britain were severed in 1965 following Rhodesia’s declaration of independence, and relations with the United States were downgraded to protest American involvement in Vietnam. Both moves involved the loss of development aid assistance to Tanzania. In the late 1960s, the few manufacturing and agricultural enterprises, most of which

were controlled by the East Asian minority, were also nationalized by Nyerere's government, and re-organized into state-owned firms. Production which was already miniscule, declined even further.

Nyerere also believed that it was better to leave natural resources—whether mines, or even Tanzania's outstanding parks—unexploited, rather than permitting foreign companies to make investments and then expatriate profits. It was said that Nyerere once commented that he did not want Tanzania to become a nation of waiters in spectacular national parks where even napkins were imported.

But the most significant part of ujamaa socialism was the re-organization of the vast numbers of subsistence farmers. Beginning in the 1960s, Tanzania also re-organized its rural population, often forcibly, into co-operative farms. This was continued in the 1970s with the support of western donors particularly the Nordic countries, Germany, and the Netherlands. This support continued in large part because Nyerere's hard edged "African Socialism" of the 1970s was tempered by Tanzanian leadership which emphasized the protection of human rights. Despite costs to its economy, Tanzania led the economic boycott of South Africa, and freely admitted refugees from Rwanda, Mozambique, Burundi, and Uganda.

The late 1970s and early 1980s were the darkest hours for Tanzania and what remained of its market economy. A successful war with Uganda's despotic and brutal President Idi Amin in 1978-79, further burnished Tanzania's reputation as a moral leader in the international community. Unfortunately for Nyerere, the gratitude of the international community for eliminating Amin did not include picking up the bills from the war, which were instead paid for with deferred maintenance of roads, state-owned factories, and other government infrastructure. As a result, Tanzania became even more of a backwater. The few facilities at renowned national parks like Mt. Kilimanjaro, the Serengeti, and Ngorongoro Crater deteriorated. Paved roads crumbled, and graveled roads became impassable. Electrical generation diminished, and the few remaining industrial mines closed.

Increasing impoverishment of the market sector led in the 1980s to ever-harsher government controls on economic activity, justified by the nationalist ideology of *ujamaa* socialism. Trading in foreign currency was forbidden, agricultural sales to private traders banned, and businesspeople (many of them Asian) were arrested for "economic crimes." Artificially low prices were fixed for food and commodities needed by the urban population, even as migration into Dar Es Salaam was restricted.

Secondary education also declined, as schools established by mission societies were nationalized, and funding switched to basic literacy programs for the rural villages. This led to high rates of basic literacy for subsistence farmers. But few of these farmers were prepared to enter the modern industrial workforce where higher levels of literacy and numeracy were important. Notably, it was not enough education to stimulate the well-known relationship between female education and declining birth rates; much of the rural population responded simply by retreating deeper from the market where the subsistence lifestyle expanded along with a growing population.

So as the Tanzanian economy stagnated and shrank in the 1980s, the size of the rural population soared. What little improvement in gross national product there was—and during the 1970s and 1980s there was often negative GNP growth—was quickly consumed by a population growth rate of upwards of 3% per year. By the early 1980s, the original 9 million had doubled, and by the 2002 census it almost doubled again to 35 million. Sustaining growth were continued

appeals to donors for famine relief as drought limited harvests of subsistence farmers who had pushed into areas of erratic rainfall and poorer soils. The rudimentary road system, still inadequate for truckers to haul surplus grain to market profitably, was instead used for the distribution of relief grain produced abroad.

Despite grim economic prospects in the early 1980s, Tanzania continued to attract large sums of aid from Europe. Meanwhile, the Reagan administration which was hostile to Nyerere's policies of non-alignment and socialism, distanced itself. Much of the aid came from Scandinavia, which had sympathies with the non-alignment of Tanzania as well as its socialist philosophy. But by the mid-1980s, these donors too began to withdraw support, citing mismanagement of donor-funded projects and corruption. Nyerere retired in 1985 and a new government under his chosen successor, Ali Hassan Mwinyi, began acceding to demands of the creditors at the International Monetary Fund (IMF) and World Bank to loosen the socialist-era controls on the Tanzanian economy. During the late 1980s, and 1990s, free trade in foreign currency was legalized, the assets of hundreds of state-owned companies (most of which were non-producing) were sold to local and foreign investors, and price controls removed from grain trading. Sleepy Dar Es Salaam which had a population of just over 100,000 at independence in 1961 increased in population some thirty-fold to a population of about 3 million in 2005, largely as a result of growth since 1985.

Irrespective of problems with corruption and inefficiency, Tanzania's continued positive role in the anti-apartheid movement and refugee relief added to its international prestige in the 1990s. Indeed, international refugee relief, and programs organized in Tanzania on behalf of Rwandans, Burundians, and Congolese, were to give a major boost to the Tanzanian economy in the mid-1990s when over \$100 million in cash and foodstuffs was injected into the country to support the refugee relief program. Tanzania also continued to be viewed as an honest independent broker, and played a leading role in peace negotiations among factions from Rwanda and Burundi in particular. In the 1990s, Tanzania became the site for the UN's International Criminal Tribunal on Rwanda, as well as regional groupings from southern and eastern Africa. Former President Nyerere became a mediator in Burundi's on-going civil war until his death in 1999.

IMF-inspired economic experiments also continued in the context of shifts from a single party state to one in which several small but noisy parties emerged alongside the dominant successor to Nyerere's TANU, "Chama Cha Mapinduzi" or CCM. CCM is popular particularly with the vast conservative rural population which seeks to preserve a status quo which includes access to agricultural land, a modicum of education and health care, and the provision of famine relief.

By 2005, it was unclear whether the economic reforms of the 1980s and 1990s had paid off. Despite structural adjustment, the 1990s had only a tepid economic growth rate of about 0.1% per year, well below the 2.3% population growth rate. But, since 2000, economic growth rates have improved, particularly in the cities. GNP growth rates in 2002-03 were pegged at about 5.8%. Although population growth rates slowed from highs of the 1970s, it still continued to climb rapidly. Such population increase has the practical effect of "eating up" many of the advantages of such robust economic growth. The rapidly developing economy reflects an expanding but impoverished urban sector. Rural youth rushed into the city to take jobs supported by tourism, a burgeoning development aid industry, and minor manufacturing. Much of this growth was stimulated by a new tourist sector in Tanzania's national parks and tropical Zanzibar which attracted European tourists. But American tourism remains muted, in part due to

continuing U.S. State Department warnings to tourists that Al Qaeda has been active in Tanzania.

## AMERICAN -TANZANIAN RELATIONS

Official America today often treats Tanzania as a mildly annoying child, complaining about lack of security, open markets, a persistently large public sector, and corruption in the management of aid money. Tanzania continues to respond with a masterful game of playing rich donor countries off against each other. Development projects rejected out of frustration by one donor, are often funded by another. Such moves permit the persistence of the ruling CCM elite which needs the aid infusion to sustain power.

Despite frustrations, the American government persists in their attempts to make friends in Tanzania, utilizing the grab bag of programs and assistance like African Growth and Opportunity Act (AGOA), and the Millennium Challenge Account designed in Washington for countries with more established market economies like Mauritius, South Africa, Swaziland, and Ghana. There is perhaps no better illustration of how limited the Tanzanian economy is than in the country's response to the United States' aggressive economic outreach program AGOA. In 2004, after five years of aggressive promotion, only \$3.6 million was exported under the Act, which according to U.S. data represented 15.6% of Tanzania's exports to the United States that year. Given such economic weakness, it is not surprising that Tanzanian foreign policy continues to focus on an assertion of moral legitimacy, whether in opposition to colonialism and apartheid, support for refugee protection, conservation, and human rights, rather than economic power.

Irrespective of the mismatched policies, the current American response is only to intensify efforts to implement Washington-designed policies on the assumption that project failure is due to public relations issues, rather than the mismatch between American and Tanzanian world views. The result in recent years is why study trips for politicians to study democracy, police officers to study anti-terrorism techniques, and Asian businessmen to encourage participation in AGOA. Other Washington-designed programs include assistance for rural agriculture designed by American agricultural economists and improved security for facilities frequented by official Americans. The USAID budget for Tanzania itself is consistently less than \$30 million per year, with much of the assistance going to American NGOs and companies to promote small business development. A focus on national parks and conservation fills out the short list of programs coordinated by USAID and the US Embassy during the last five years. Newer programs for the treatment of HIV/AIDS are also being established in the context of the President Bush's 2003 Emergency Plan for AIDS Relief programs.

Part of the problem is that American vision for Tanzanian relations has been obscured by its own pre-occupation with the 2001 attacks by Al Qaeda. As a result, the Americans have an overwhelming interest in security issues, which while dominant for the Americans, are irrelevant to the mass of poor rural Tanzanians. Al Qaeda cells may well be active in Muslim areas, but from the perspective of Tanzanians, State Department travel advisories only slow the growth of the still small tourist sector in the country's game parks without a clear improvement in security. Indeed, Tanzanians typically grumble that East Africa is singled out for such blanket warnings and pointing out that unlike Spain or the United Kingdom, there have been no known terrorist attacks in Tanzania since 1998.

In response to the 1998 embassy bombing in Tanzania, between 1999 and 2003 the United

States has spent about \$100 million for a new twenty-two acre embassy complex, airport security, FBI investigations, armored vehicles, construction of diplomatic facilities, and rehabilitation of Embassy staff housing. The amount dwarfs even the export trade between the countries, much less the smaller amount of trade stimulated by AGOA or provided in official aid. Very little of such security spending trickles down to the mass of rural poor who do not frequent Dar Es Salaam, and certainly do not fly in and out of the newly secured airports.

Also damaging to official American-Tanzania relations is the role of consular regulations in granting visas to Tanzanians visiting the United States. Visa applications cost a non-refundable \$50 for a process which is opaque from the Tanzanian perspective, particularly given that people sponsored to attend conferences in the United States by US government agencies and NGOs are routinely denied visas. Such a response is perhaps particularly mystifying in a society like Tanzania which considers hospitality to be a moral indicator of friendship.

But again, urban infrastructure of embassies, airports, visas, and the rhetoric of security is a moot point for the vast majority of Tanzania's rural and urban poor. The fact of the matter is that whether the government in Dar Es Salaam leans towards the capitalist right, or socialist left is largely irrelevant to the 20-25 million Tanzanians who live on subsistence farms, or the millions more moving into the fast-growing cities. Indeed, an uncomfortable fact for the agricultural economists hired by USAID is that their expertise in highly mechanized American agriculture has little to do with subsistence agriculture in Tanzania, where fields are tilled with a hoe and most production is consumed on-farm, never reaching the marketplace. Complicating aid programs is Tanzania's assertion of its place as an "agricultural country," because of the large subsistence sector. It is an agricultural country, but not one which participates extensively in international markets.

Oddly, despite the at-times frosty relationships between official America and official Tanzania, and the general lack of business opportunities, person-to-person relationships between Americans and Tanzanians are often quite good. In large part this reflects relationships outside the marketplace and established by non-official Americans working in Tanzania. American mission societies particularly the African Inland Mission and the Southern Baptists, have had a presence in up-country Tanzania since the late 19th century. Returned American missionaries provide a small constituency for Tanzania in the United States. Peace Corps volunteers have been present in substantial numbers since the late 1980s and have assisted with the revitalization of Tanzanian secondary schools during the last 15 years. Wildlife researchers working in the magnificent game parks and reserves, and even paleontologists working at Olduvai Gorge and other sites, also provide areas of mutual interest. American academics have passed through the University of Dar Es Salaam since 1962, and return as advocates for academic exchange programs. Many Tanzanian faculty have studied in the United States. In recent years, a growing tourist trade means that both tour operators and tourists are developing a familiarity with Tanzania's national parks and the beach resorts on Zanzibar. Notably though, such shared activities have little to do with direct production of manufactures or services for the international marketplace. Such relationships are instead rooted in morals, hospitality, aesthetics, concern for the sick, humanitarianism, education, and other issues of only tangential issues to the international business interests typically focused on by official U.S. policymakers.

#### WHICH WAY AMERICA'S RELATIONSHIP WITH TANZANIA?

As long as U.S. diplomatic goals in Tanzania are focused primarily on markets and terrorism, there is likely to be little basis for the type of political, economic, and cultural activity that tie countries together. By the same token, as long as Tanzania is dependent on international largesse for national budgets, it is unlikely to have the independence needed to truly be an effective partner even for the moral issues which both countries value.

Nevertheless, the United States and Tanzania do share some values which are central to international relations. Shared goals include disease control, protection of human rights, conservation, public health, education, and an interest in religious faith. Tanzania's greatest international resource is probably its political stability relative to other countries in the region. The country's role as an "honest broker" in the reception of refugees, hosting of international organizations, and sponsorship of peace talks is an important non-economic resource.

Other areas which are "natural" for US-Tanzania relations include higher education. The University of Dar Es Salaam has a long history of receiving and hosting American university students, faculty, and researchers. There are shared interests in peaceful relationships between Christianity and Islam, too. But perhaps public health is the area where cooperation can be greatest. American institutions, starting with missionary societies in the late 1890s have a long history of involvement with public health in Tanzania. The political stability of the country means too that long term public health data are available. This is valuable for both the humanitarian, and commercial interests of the two countries.

But this range of shared interests and strengths is not now reflected in official United States programs in Tanzania which instead emphasize traditional American commercial interests in agro-business, and industrial production. In the short and medium run, such commercial activities are more important in countries which have a work-force, natural resources, and transportation infrastructure suited to such production. More to the point, Tanzania needs programs which will help it to preserve the value in wildlife reserves for the long run, solidify its "honest broker" position in regional relations, provide secondary school training particularly for females, develop a public health sector which is a model for other countries, and cope with growing urban congestion. Such programs require the development of modern institutions and a workforce as surely as businesses do. Among programs likely to match shared American and Tanzanian interests more closely are:

- Sponsorship of female secondary and tertiary education which has the effect of bringing down birth rates and developing trained and disciplined workers for governmental, civil society, and private sectors.
- Preservation of outstanding park lands and wildlife. This has few economic rewards in the short-run, but potentially outstanding rewards in the long run.
- Tanzania's political stability contributes to a capacity for evaluating long-term public health measures. This is a resource not found in many other countries of central Africa.
- Tanzania's stability also provides an opportunity for the coordination of international humanitarian relief efforts, which has already included both the reception and resettlement of refugees, coordination of diplomatic efforts for the settlement of disputes among neighboring countries, and establishment of international bureaucracies like the regional office for the U.S. Centers for Disease Control, and the International Court in Arusha.
- The long relationship between American mission societies, and the alleviation of rural

Tanzanian poverty, provides a mutual interest in the fields of health care, and education.

- Refugee reception and relief contributes to the stability of the eastern and central Africa, and given continuing instability of neighboring countries like DR Congo, Burundi, Rwanda, and Uganda, is likely to do so in the future.
- The long relationship between university students, faculty and researchers trades on strengths of both countries. In large part because of Tanzania's stability, the university system continues to have a strong faculty with a rapidly growing student body.

But, for the Americans, there is another question about whether an effective relationship between the two countries is in the United States' broader interest. There are many other countries which for geographic, political, and historical reasons can and should have a higher priority. But, new buildings for the U.S. State Department, and Center for Disease Control in Dar Es Salaam office send a different message. The message it sends is that Tanzania should be an effective partner with the Americans. But an effective partner for what? Again, the small size of the Tanzanian economy mitigate against traditional economic relations, at least in the short and medium run. But the United States could focus more on Tanzania's strengths, rather than solely on the immediate global interests of the United States. Tanzania will have 50 million people by about 2015, with tens of millions seeking entry into the world economy, even as their brethren continue to live on subsistence farms. This would mean tailoring programs and relationships with a closer eye to the unique role Tanzania plays in Africa and the world. The strengths both countries share are commitments to good governance, refugee relief, education opportunities, political stability, and the eradication of disease. Tilting policy towards Tanzania in such a fashion is more productive than continuing to preach the gospel of markets and investment in a place which has yet to participate in world markets in a significant fashion.

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