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# Corruption and anti- corruption policies in Tanzania

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# Overview

- Synopsis
- Anti-corruption responses in Tanzania
  - Institutional policy responses
  - Fiscal policy responses
- Impact on corruption measures
- Future challenges

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# Synopsis of Corruption in Tanzania

- Anecdotal evidence of increasing corruption and reduction of civil service morale during 1970s and 1980s
- 1994: Number of donors freeze aid
- 1995: President Mkapa comes to office as Mr. Clean
- 1999: National Anti-Corruption Strategy and Action Plan (NACSAP)

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# Institutional reforms

- Leadership Code of Ethics Law (1995)
- Wariobi Commission (1995)
  - Petty corruption and grand corruption
- National Anti-Corruption Strategy and Action Plan (1999)

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# Fiscal anti-corruption responses in Tanzania

- Revenue-side reforms
- Expenditure-side reforms
- Local government finance reform

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# Revenue-side reforms

- Introduction of autonomous Tanzania Revenue Authority (1996)

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# Expenditure-side reforms

- Introduction by National Treasury of integrated financial management system (2001)
- Tender reform

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# Local government reform

- Public expenditure tracking survey (PETS)
- Elimination of a number of poorly administered local revenue sources
- Publication of disbursements
- Introduction of formula-based grants

# Impact on corruption measures

<b>Year</b>	<b>Tanzania CPI</b>	<b>African Average CPI</b>	<b>Tanzania CPI Ranking</b>	<b>Tanzania CC</b>	<b>Tanzania CCI Ranking</b>
1998	1.9	3.6	16	-0.96	42
1999	1.9	3.5	16	-	-
2000	2.5	3.5	14	-1.01	40
2001	2.2	3.3	14	-	-
2002	2.7	3.4	11	-1.00	35
2003	2.5	3.1	11	-	-

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# Future challenges

- More energized implementation of NACCSAP
- Shift focus from grand corruption to petty corruption
- Increase reliance on “bottom-up” anti-corruption approaches (transparency and grass-roots involvement)

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# Controlling Corruption

Second Presentation on Controlling Corruption

Corruption and Over-Regulation Walk Hand-in-Hand

Consider the Principal Findings of “Doing Business in 2004”

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# Birds of a Feather

## Corruption and Over-Regulation

1. “Poor Countries Regulate Business the Most”
2. “Cumbersome Regulation is Associated with Lower Productivity”
3. “More Regulation is Associated with Higher Costs and Delays”
4. “Heavier Regulation is Associated with Informality and Corruption”

Source: “*Doing Business in 2004: Understanding Regulation,*”  
The World Bank and IFC