

## TANZANIA

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## MONTH YEAR

FEBRUARY 2020

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## The social market economy as a recipe for Tanzania

Chances and perspectives for Tanzania's economy and youth.

**The Konrad Adenauer Foundation in Tanzania and the Civic Education Forum Tanzania (CETA) are working together to raise awareness on the question: what opportunities does the social market economy offer for young Tanzanians? For this purpose they organized a symposium in Morogoro on February 21 and 22, and invited 300 pupils and students from the region. Experts from business and education discussed with them about the social market economy and its significance for Tanzania.**

After independence, Tanzania's economy was initially organised in a capitalist manner. During this time, the inequality grew. The first president of Tanzania, Julius Nyerere, therefore led the country into socialism to enable a policy of redistribution. In addition to the restrictions on individual freedom and the inefficiency of centralized planning, the lack of productivity and the poor conditions for innovation damaged the economy enormously, so that the people lost confidence in the system. After the end of the Cold War, the government under President Ali Hassan Mwinyi was forced to liberalize some parts of the economy

again but did not yet offer a clear strategy for economic policy.

Tanzania still lacks a model that formulates economic and social policy goals and defines the framework conditions. The idea of a social market economy could therefore also be interesting for Tanzania.

The so-called SMET model (Social market economy in Tanzania) was developed by local experts and KAS Tanzania in the context of the East African economy, which takes into account the cultural and economic context of the country.

The biggest challenges at present are the dysfunctional state apparatus, a rapidly growing population, the inadequate health care system, the inequality between urban and rural development, crime, access to education and the high level of corruption.

Richard Jackson Ndila, expert for economy and entrepreneurship presented the model of the "third way" between socialism and capitalism.

The long-term goal is to achieve social justice and reduce poverty through the creation of jobs, access to education for all and social security mechanisms.

Konrad-Adenauer-Stiftung e.V.

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The second part of the event dealt with the possibilities and challenges of self-employment. Dr. Lihoya Antony Chamwali from the School of Business at Mzumbe University informed the participants about the tools and possibilities of state financing from which founders could benefit. Tanzania has high youth unemployment rates and access to quality education is limited.



Therefore, it is particularly important for the Tanzanian economy and especially for the young people themselves to become innovative and implement their own ideas. Dr. Chamwali is convinced that everyone can create a better situation for everyone involved by having a good idea and committing effort.

Although one cannot speak of a social market economy in Tanzania, the government has already partially recognized the importance of supporting young people and is accommodating them with founder credentials. In addition, there are non-governmental organizations as well as private institutions that grant microcredits. The fact that only a few knew about these possibilities underlines the importance of education in this topic.

A lot of time was reserved for the contributions of the young people and they

made active use of it. The young people had the chance to share the individual challenges they are facing, to learn from each other and to encourage each other.

Wishes were also expressed to the politicians and institutions: Education should prepare pupils and students more for the real demands of economic life, there is a lack of opportunities for democratic participation at all levels and, above all, more opportunities should be created for training young people in the labour market and in setting up businesses.



The event was not only designed to gather information and exchange views, but also to encourage concrete measures to be taken. As a result of the event, volunteer students will pass on what they have learned at their schools and universities and discuss problems, so that other students will benefit. KAS Tanzania and CETA will keep in touch with the competence teams and evaluate the cooperation.



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