

## **A two-day Expert Roundtable Discussion and Critical Review of the Social Market Economy Model for Tanzania (SMET) as an alternative economic model for Tanzania.**

---

### **List of Institutions present:**

1. Centre for Foreign Relations (CFR)
2. Institute of Accountancy Arusha (IAA)
3. Institute of Rural Development Planning (IRDP)
4. Kampala International University in Tanzania (KIUT)
5. Mwalimu Nyerere Memorial Academy (MNMA)
6. Mzumbe University (MU)
7. Open University of Tanzania (OUT)
8. REPOA
9. Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA)
10. Tanzania Coalition for Debt and Development (TCDD)
11. Teofilo Kisanji University (TEKU)
12. Tumaini University Dar es Salaam College (TUDARCO)
13. University of Dodoma (UDOM)

### **Introduction**

The two-day experts' roundtable discussion held on the said date aimed at bringing social market economy into the lens of economists and think tanks for critical analysis and proposing strategies for rolling it out and adoption in Tanzania. The event gathered economists and tank thinks from the universities, civil society organization organizations and private sector. The sample of participants was representative in nature as participants came from four main zone of the country as listed below: -

- Mbeya representing Southern Highlands zone,
- Arusha (northern zone),
- Dodoma (central zone and the government capital city),
- Morogoro (Coastal zone) and
- Dar es Salaam (highly populated and mega commercial city)

## Objectives of the event

1. Dissemination of research findings on SME Model for Tanzania (SMET) to economists and think tanks.
2. Reaching consensus on strategies to promote the adoption of SME in Tanzania as the reliable alternative to long-standing and unresolved economic problems in Tanzania especially poverty, unemployment, and inequality.
3. Establishing a think tank on SME with representation of other members from different parts of the country as promoters and facilitators of SME activities in their regions.

## Key remarks from Dr. Tilmann Feltes, Country Director, KAS

- Like many countries; Germany had gone through perilous economic situation because of bad leadership (dictatorship) which resulted into the second world war and economic crisis.
- After the war, Germany secured a support from US famously known as Marshal Plan. Germany used this opportunity to revive its economy as well as building a strong democratic society to avoid the past mistakes.
- Following serious efforts taken rebuild Germany economically and democratically; the country experienced an economic revival and growth under the leadership of Chancellor Konrad Adenauer who is well known as the Father of Nation in Germany.
- The Germany opted for SME in light of the negative consequences of capitalist and socialist models.
- SME delivered the socio-economic aspirations of Germany. It is a tested and an effective economic model which puts people at the center of the economy while promoting the private sector.

## Key remarks from Father Dr. Charles Kitima, Secretary General, TEC

- Given our reflection of Tanzania economy in 2018; we were strongly convinced that as a country we have missed the track.
- One of the key ingredients in any working economy is an ideology which guides the economy and it's obvious that Tanzania doesn't have an ideology. It is not possible for country to attain economic outcomes without a clear ideology. All developed countries are guided by their ideologies.
- Having seen this gap and I decided to share this idea with KAS, and they accepted to partner with TEC in conducting a study focusing on analyzing

different economic models across the world in terms of their strengths and weakness as well as proposing which model suits Tanzania.

- Before undertaking the study, we formed a team of researchers who are conversant on economics, finance and trade. The lead researcher was the late Professor Honest Prosper Ngowi, other researchers were Dr. Winnie Nguni, Dr. Ntui Ponsian Prot, Ms. Chrispina Kiemi and Dr. Stefanie Brinkel. For my side, I played a leadership and guidance role in this team. The team did a study on economic models both in Tanzania and abroad.
- Based on the findings and analyses made by researchers with reference to Tanzania context; the team found that Tanzania needs a clear model to eradicate poverty, unemployment, stagnation, unfriendly business environment, weak private sector and inaccessibility to basic social services. The team proposed SME as the best alternate model for Tanzania considering its economic, social and political background.
- In 2019; KAS produced the book on Social Market Economy Model for Tanzania: Towards an Inclusive and Sustainable Economic Development. The production was an important milestone towards dissemination of SMET because the book represents the study findings, and it is the guiding book for social market economy in Tanzania.
- After producing the SMET Book, we started to roll it out to key stakeholders including members of the parliament and religious leaders. Although the roll out didn't reach the targets because of COVID-19 pandemic. We are all aware that meetings, trainings, and seminars were cancelled.
- We are here for a two-day discussion on economic models especially SME, strategize on how disseminate SMET to a large scale and later to form team of ambassadors of SMET.

### Outcomes of the event

The two-day event on SME had recorded number of outcomes as follows: -

1. Balanced representation of participants anchored to the purpose of the event. Participants had the expected expertise, experience, and interest on socio-economic development given their background on economics, business, and finance. It was observed that there was a good age difference among participants, youth, middle age, and adults. All these qualities among participants made the discussion engaging, vibrant, interesting, purpose driven and fruitful.
2. Participants agreed to provide their intellectual infrastructure on SME to

selected categories.

3. The think tank on SMET was officially formed given the unanimous acceptance and commitment of participants to be part of it.
4. KAS showed readiness and commitment to support SMET activities initiated by members of the Thinktank at their colleges. This includes deployment of experts/trainers to their colleges.
5. The team proposed workable strategies for rolling out SMET at a larger scale.
6. The event was captured on Kiongozi newspaper on the front page with the heading “*Wachumi wapendekeza uchumi wa soko jamii kwa Tanzania*” (*economists proposed social market economy for Tanzania*).

## Recommendations

1. Promoting indigenous private sector as way of encouraging citizens to take an active in private sector for economic growth and sustainable development. There is no way out of growth the economy with involvement of citizens into the private sector.
2. Training more experts on SMET especially those with influence as an effective approach for disseminating SMET within a short of period.
3. Purposive selection and undertaking studies on potential sectors for implementing SMET as well as writing case studies from successful sectors.
4. Developing a media strategy for promoting SMET to reach many stakeholders and general public at large.
5. Holding quarterly reflection meetings among members of the thinktank for sharing findings, best practices and restructurizing
6. Encouraging members of the thinktank to have role model businesses which put into practice the principles of SMET.
7. Taking advantage of technology transfer from Germany to Tanzania as an opportunity to strengthen the private sector which needs appropriate technology.
8. Selection of strategic sectors for promoting SMET in Tanzania example agriculture, health, real estate, etc.
9. Preparation of an action plan as members of the thinktank with targets and outcomes
10. Being open to learn from other stakeholders both local and international with practical results on implementation of SME model.
11. Seeking synergies by joining forums or conferences which are in favor of SME.
12. Advising postgraduate students to conduct their academic studies on SMET as way of making this idea to be known and developing interest on it.

13. To use incubations available at different Universities for promoting the implementation of SMET. More publications are needed to be circulated to the incubations. Engagement of politicians, decision-makers, private sector, and religious leaders for understanding SMET as a reliable alternative for Tanzania. It includes using LGA forums for engaging the government to create a fair business environment from lower levels.
14. Writing well researched papers on SMET and public to the credible international journals.