

Title: Symposium of Social Market Economy Model to University Students and Politicians: An alternative economic model for Tanzania

Venue: Chimwaga Conference Hall, University of Dodoma

Date: 17th June, 2023

1. Introduction

KAS in partnership with TEC have continued to raise awareness of Tanzania citizens on Social Market Economy Model for Tanzania (SME). KAS and TEC organised a flagship SME symposium in Dodoma, on 16th and 17th June 2023, that bring together the members of parliaments, academicians and youth/ university students. This came as a result of a two-day expert roundtable discussion and critical review of SME that happened in April, 2023 in Dar es Salaam. The main objective of was to disseminate the proposed Social Market Economy Model, as an alternative economic model for Tanzania. This was a live coverage event via television and YouTube. The participants participated through asking question as well as suggestions and comments.

2. Main Objectives

- Raising awareness among youth on social market economy model as an alternative for Tanzania.
- Influencing members of parliament to advocate for the consideration of the principles of social market economy in making strategic decisions especially policy and legal reforms.
- Exchanging experiences between experts and politicians on opportunities and challenges of SME for Tanzania.

3. Participants and attendance

The symposium met its attendance target whereby out of 2200 participants who seated in the venue 1250 were registered on attendance form.

The event brought together participants from different background and organizations namely; Members of Parliament, University students, Academicians and the Vice Chancellor of the University of Dodoma, and members of the think tank. The Guest of Honor was Professor Kitila Mkumbo, Member of Parliament for Ubungo Constituency and Chairperson of Parliamentary Standing Committee: Education, Culture and Sports.

KAS has a pool of experts who are trained on SME and have been responsible is creating awareness and sensitization of the model. Four (out experts facilitated/presented different topics as shown on the programme. Additionally, an expert of SMET namely Mr. Gunter Rieck-Moncayo, Policy Advisor-Economy and Trade, was part of facilitators.

4. Key takeaways from speakers and facilitators

Name, title	Key takeaways
Dr. Tilmann Feltes, Country Resident Representative, KAS	After word of thanks and appreciation, he emphasized the following: <ul style="list-style-type: none"> • SME is not invented by KAS; it is a global economic model adopted by several countries because of its strengths. • Introduced KAS as political foundation from Germany, CDU, funded by BMZ, KAS Tanzania since 1961 and its core functions in advocating democracy, rule of law, economic development and multiparty democracy. • Both KAS and CDU advocate for SMET
Father Dr. Charles Kitima, Secretary General, Tanzania Episcopal Conference (TEC).	<ul style="list-style-type: none"> • Catholic Church is more concerned with the life and economy of people irrespective of their beliefs or religions • Following the study in 2016, held in Tanzania and abroad by a team expert, we were convinced that Tanzania must rethink about its economic model and take relevant steps. Both activities were financially supported from KAS. We do appreciate the key role played by KAS in this process. • The model will work well in Tanzania because we have the strength of social cohesion, which is an important ingredient for this model.
Professor Ainory Gesasi, on behalf of the Vice Chancellor of the University of Dodoma.	After welcoming remarks, he gave speech which has the following key points: <ul style="list-style-type: none"> • “Given my profession in medicine, I’m quite convinced that the economy needs healthy people” • He welcomed the Guest of Honor Prof. Kitila Mkumbo to give his opening speech
Guest of Honor Professor Kitila Mkumbo, Member of Parliament for Ubungo Constituency and Chairperson of Parliamentary Standing Committee: Education, Culture and Sports	<ul style="list-style-type: none"> • Youth are the most suitable audience because are the present and future leaders of this country; therefore, they need to be conversant with the economy. This is the most suitable audience. • Tanzania had shifted from state owned/controlled economy to a market economy in 1990s. Recognizing the private sector as engine of the economy • More than 90% of employment opportunities in Tanzania come from the private sector not the government. Students need to know that when they finish their students there are higher chances to be employed in private sector than in the government. Youth need to be prepared to get employed, employ yourself, or employ others in the private sector. • The key challenges we have now as a country is lack of employment opportunities and lack of employability. Students need to shift from having certificates to have skills and competences. • The government has shifted its policies towards the following areas: <ul style="list-style-type: none"> Recognizing the private sector as engine of the economy <ul style="list-style-type: none"> ▪ Creating an enabling environment for attracting both domestic and foreign investments.

Name, title	Key takeaways
	<ul style="list-style-type: none"> ▪ Changing perceptions of people towards the private sector ▪ Encouraging students/youth to acquire technical/vocational skills in order to employ themselves and others. ▪ Removing tuition fees in technical colleges in order to increase admissions.
<p>Mr. Gunter Rieck-Moncayo, Policy Advisor Economy and Trade, KAS Berlin</p>	<ul style="list-style-type: none"> • Germany is now celebrating 76 anniversary since the adoption of social market economy model which emerged from the church social teachings of personality, common good, solidarity and subsidiarity • It set a new beginning both politically and economically after the dark period of socialism. At the beginning it was opposed; but it was later accepted because of its success. • SME supports market efficiency and social balance and it is both an economic and social order as it promotes economic growth and social cohesion. • SME and democracy go hand in hand. • SME is the system that is largely based on cooperation and balance. It needs social actors/ social partnership • Core principles of Social Market Economy: Consistency of economic policy, Freedom to contract, Open Markets, Primacy of monetary stability, Private property rights, Liability, Provision of public goods, Social security system, Correction of external effects
<p>Dr. Ntui Ponsian Prot (PhD), Economist, Researcher & Lecturer, St. Augustine University of Tanzania (SAUT).</p>	<ul style="list-style-type: none"> • Tanzania doesn't have an ideology (ideological vacuum) as far as the economy is concerned. Normally, ideology informs and guides the national policies. • As a country, we need a system that creates an enabling environment for the private sector to get profit and grow without compromising our social values. • SME is a model which merged the strengths of socialist and capitalist model, but is not a mixed model. It is a unique standalone model.
<p>Dr. Cairo Mwaitete, Senior Lecturer and Economist, Institute of Accountancy Arusha (IAA).</p>	<ul style="list-style-type: none"> • Although Tanzania economy is among of the fastest growing economy in terms of the gross domestic product (GDP); the participation of the local people to economy is very minimal. • The sectors which contribute into the GDP are not owned by the Tanzanian people that is why the economy is growing but poverty is still evident. • SME as an inclusive mode is the best in addressing the challenges of leaving the local people behind
<p>Ms. Chrispina Kiemi-Analyst, Lecturer and Researcher, St. Augustine University of Tanzania (SAUT)</p>	<ul style="list-style-type: none"> ▪ The situation we have now as a country is getting worse as the population is increasing at a faster rate than available jobs opportunities in the market ▪ Youth have high hope for a better future but are not absorbed in the production sectors. ▪ Most of energetic and skilled population is not in production ▪ It is high time for the government to rethink its economic model.

5. Main Concerns from Discussion, Questions and Answers

Many participants were given an opportunity to ask questions, give their opinions, views, and suggestions. Summary of main issues raised, and responses are outlined below.

main issues raised	responses
<ul style="list-style-type: none"> • Mismatch between skill and market demands • Lack of job opportunities for youth • Lack of soft loans for graduates • Lack enabling environment for young entrepreneurs (beginners). The business environment is not friendly for those who are starting businesses. • Students are spending more time in schools and colleges. • The school curriculum is more theoretical than practical • The education system produces job seekers not job creators • Youth have innovative ideas but they can't put them into actions because they have no funding. • The government has not made investment in digital market. • No economic empowerment for youth • The economic system is not favorable for self-employment for example you may invest in agriculture but there is no assurance of markets. 	<ul style="list-style-type: none"> • There are many opportunities which youth are not aware of e.g. 10% loans from Local Government Authorities, Building a Better Tomorrow (BBT) Programme, Incubation centers with capacity building opportunities on business administration, CRDB foundation targeting to reach 100,000 women and youth for empowering them financially as well as access to capital, loans and markets, Fungua Programme which supports youth on innovative projects, USAID projects for youth empowerment, IMED capacity building trainings, and buying shares from companies and investing in Treasury bonds • Youth needs to be patient when they start their businesses. They should not expect quick returns in the beginning. It is normal for new businesses to collapse but with persistence they will thrive and generate projects. • Youth needs to be connected into business forums for getting information on available opportunities and take advantage of them. • Youth needs to be part and parcel of the change they want not to be spectators. • Youth must have vision of economic freedom and stick to their vision no matter the challenges. • Youth must develop their capacity to utilize the global market. • Youth must develop skills needed in the market in order to be relevant and valuable. • Youth must take advantage of resources offered via the internet to enrich their knowledge bank and become knowledgeable professionals in their specialization. • The secret of having economic freedom is having discipline to save whatever money comes in your hands. Youth needs to cultivate this culture of saving. The time to start saving is now don't wait to finish your studies it will be too late. • The government has increased budget allocations in agriculture sector to almost TZS 1 trillion for year 2023/2024. There are many subsidies in agriculture inputs like fertilizers, equipment and

main issues raised	

6. Main achievements of the event

Overall, the event was very successful as participants found the topic relevant and engaging. The specific achievements are:

- Good attendance and participation of participants by asking questions, sharing their views, opinions and suggestions.
- SME was acknowledged to be a relevant and interesting topic among youth for youth
- Members of parliament were positive and receptive about SME and they accepted to be good ambassadors of SME via their different forums. They also shared their experiences on SME related matters as well as responding to questions and issues raised by participants.
- More than 979000 subscribers viewed the discussion via YouTube live stream.
- In Balanced discussion between experts and politicians on how to address youth unemployment and lack of inclusivity.
- Participants were enriched with both theoretical and practical perspectives from experts and practitioners.
- Participants were informed about the demands of the labor market in terms of relevant skills and how to prepare themselves to grab those opportunities.
- addition to the live coverage of the event via ITV and its live YouTube stream, the event was also covered on print media especially Daily News, Habari Leo, Uhuru, Nipashe and Mwananchi.

7. Recommendations

- Advocating for having a national innovation fund
- Continuous engagement of youth into SME discussions

- Undertaking follow-up activities for upscaling and getting feedback from participants.