academicresearchJournals

Vol. 3(2), pp. 85-100, February 2015
DOI: 10.14662/IJPSD2015.010

ISSN: 2360-784X
http://www.academicresearchjournals.org/IJPSD/Index.html

International Journal of Political Science and Development

Full Length Research

The Political Economy of Administrative Corruption: Boundary Politics in Post-Colonial Tanzania

Ronald Aminzade

Department of Sociology, University of Minnesota. E-mail: aminzade@umn.edu. Phone: 612-624-9570

Accepted 16 February 2015

This historical research uses the concept of boundary politics to analyze the impact of shifting economic development policies on grand administrative corruption in the East African country of Tanzania. It documents how development policies reconfigured public/private and national/transnational boundaries, thereby altering legal definitions of what constituted corruption, fostering different types of grand corruption, and changing opportunities and incentives for grand administrative corruption. After documenting how colonial legacies of racialized class formation and bureaucratic state formation created the key actors involved in grand administrative corruption, the paper explores the effect of the following policies that defined socialist and neoliberal development strategies: nationalization and privatization, regulation and deregulation, and implementation and elimination of a Leadership Code for civil servants. Boundary reconfigurations are historically situated in the broader long-term historical context of Tanzanian socialist and neoliberal economic development policies. The research also documents how the shift from an authoritarian to a liberalized political system made possible a public discussion that transformed corrupt administrative practices into public scandals, thereby fostering political contention over the boundaries created by neo-liberal development policies.[1]

Keywords: corruption, boundary politics, socialism, neoliberalism, Africa

Cite This Article As: Aminzade R (2015). The Political Economy of Administrative Corruption: Boundary Politics in Post-Colonial Tanzania. Inter. J. Polit. Sci. Develop. 3(2): 85-100.

INTRODUCTION

DEVELOPMENT POLICIES AND BOUNDARY TRANSFORMATIONS IN SUB-SAHARAN AFRICA

During the 1950s to the 1980s, thirty-five of Africa's fifty-three countries at some point declared themselves socialist (Pitcher and Askew, 2006). State socialist development policies included the nationalization of private properties, restrictions on foreign trade and investments, and regulation of the flow of currency across national borders. Protectionist policies of import tariffs, state subsidy of domestic industry, and exchange rate manipulation were part of a broader nationalist development strategy of import substitution industrialization (ISI) adopted by nation-states throughout the Third World to curtail reliance on expensive manufactured goods from the West, protect nascent national industries from foreign competition, and promote domestic control of the national economy (McMichael, 2000). African socialist leaders promoted economic development policies that restructured the national/international boundary as part of an effort to achieve national self-reliance and gain economic as well as political independence from colonial rule. Socialist states also reconfigured the public/private boundary by nationalizing industries and placing private enterprises in the hands of public administrators in charge of the centralized bureaucratic administration inherited from colonial rule.

During the last two decades of the twentieth century, nation-states across Africa abandoned state socialism in favor of neoliberal market economics. African states adopted an export oriented development strategy that reduced tariff barriers and abandoned currency controls that had regulated flows of finance capital across national borders. These policies made international-national boundaries more permeable, opening up national markets to foreign banks and other multinational corporations. This transition to neoliberal economics entailed rapid integration into a global capitalist economy dominated by multinational corporations and regulated by transnational financial institutions (Arrighi, 1994; Harvey, 2005). African governments also altered the public/private boundary by privatizing public assets and encouraging well educated public officials to take advantage of the new opportunities for private wealth accumulation. Neoliberal reforms created new opportunities for wealth accumulation, both legal and illegal, primarily among those with international connections who already held concentrations of wealth and positions of power which they could leverage in the global market economy.

My analysis of how the shifting boundaries resulting from economic development policies altered corruption focuses on grand rather than petty corruption and on administrative rather than political corruption.[2] Grand corruption entails the private appropriation of large sums of public money and a relatively small number of actors in the state and private sectors. "Big time corruption," observes J.P. Olivier de Sardan (1999:28), "the type practiced at the summit of the state…, has nothing in common, in terms of scale, social space and type of protagonist, with the `petty corruption' of policemen, clerks, nurses or customs officers".[3] Administrative corruption typically involves different actors than political corruption, with the former implicating state officials who are appointed rather than elected and who are usually recruited based on educational qualifications. "While bureaucratic corruption involves the misuse of public office for private gain," writes John Mukum Mbaku (2007:13), "political corruption refers to the subverting of national laws and institutions in order to build political parties, political machines, as well as help politicians retain leadership in the polity's political system…".

My research analyzes grand corruption (*ufisadi* in Kiswahili) in the East African country of Tanzania, which experienced the shift to market economics during the final decades of the twentieth century. The focus is on certain public policies that reconfigured public/private and national/international boundaries. These included the privatization of major public enterprises that had been nationalized by the socialist state, the deregulation of industry and finance with the dismantlement of socialist-era regulations on flows of goods and money across national borders, and the abolition of a socialist Leadership Code that had prevented public officials from engaging in private capital accumulation. The objective of my historical research is to explore the relationship between development policies, boundary reconfigurations, and grand administrative corruption by documenting how changes in public policies altered legal definitions of what constituted corruption and shifted incentives, opportunities, and constraints for high-ranking administrators to engage in corrupt activities.

BOUNDARY POLITICS AND ADMINISTRATIVE CORRUPTION

Most studies of corruption in Africa emphasize transgressions of the public/private boundary, focusing on the national rather than transnational causes of corruption (Ngware, 2010). Internally focused approaches typically highlight domestic political and cultural factors that foster nepotism and rent-seeking, such as dysfunctional neo-patrimonial states, excessive government intervention in the private sector, poor leadership, ethnic and familial loyalties, a weak civil society, and problematic African cultural norms.[4] These approaches offer important insights regarding incentives and opportunities for corruption, especially the domestic sources of petty corruption and political corruption, which tend to be more local, regional, and national than global in scope than grand administrative corruption. However, they run the risk of naturalizing African corruption as "traditional" or "indigenous" and of ignoring the role of global social forces, such as the profit-seeking activities of multinational corporations. In recent years, scholars as well as policy makers have paid greater attention to the transnational dimensions of corruption. During the 1990s, increasing economic and political integration across national borders and a communications technology revolution that transformed international finance fostered the globalization of corruption and of efforts to combat it. Policy makers crafted a range of international initiatives to address the global dimensions of corruption, including measures to criminalize money laundering, combat transnational organized crime networks, and prevent bribery in international business transactions (Glynn, Kobrin, and Naím, 1997). Scholars of corruption increasingly looked beyond the borders of nation-states to explore the role of international finance and organized crime (Harris, 2003).

Graham Harrison (1999a) puts forth a boundary politics theory that addresses both external as well as internal forces and actors by exploring how changes in national/international as well as domestic public/private boundaries shape corruption. In an effort to connect the analysis of corruption to broader arguments about the nature of development in the global South, he criticizes modernization theory for almost exclusively privileging agency by highlighting the psycho-social dimensions of corruption and dependency theory for treating corruption as a manifestation of broader structural relations. Both theories, he argues (1999a: 212-13), "understand corruption as a *function* of development- either of a dying traditionalism or as a sign of ongoing subordination to the west…corruption is incidental- almost a kind of epiphenomenon…." The result is that "corruption is evacuated of its political content." The alternative, he suggests, is to view corruption as a boundary phenomenon, as "part of a broader *political economy*, but…also a *political strategy* which requires due consideration of agency, political culture, and the necessary dynamism and instability of corrupt practice" (1999a:207). An analysis of the social boundaries along which corruption occurs, and the way they change provides "an insight into the nature of corruption which takes on board broader social structures without denying the importance of the innovation and flexibility of political strategies" (1999a:213). In his case study of Mozambique, Harrison (1999b) applies boundary politics theory to demonstrate how neoliberal structural adjustment policies created a political economy with unstable and permeable boundaries that fostered corruption.

My research examines corruption through the lens of boundary politics, documenting the development strategies and policy choices of key collective actors and analyzing how the political economies of state socialism and neoliberal capitalism created different public/private and national/international boundaries, which offered dissimilar opportunities, constraints, and incentives for grand corruption. It contributes to the analysis of grand administrative corruption by specifying key public policies that reshaped boundaries, historically situating boundary changes in the broad context of state socialist and neoliberal development strategies, and analyzing democratic political changes that made possible the translation of corrupt practices into public scandals that animated political contention over boundary-shifting policies of the neoliberal era. The focus is on development policies that produced boundary changes and the impact of these changes on high-ranking state officials' fluctuating incentives, opportunities, and constraints for crossing established legal boundaries separating the public and private and the national and international.

This research relies heavily on a wealth of secondary sources and on newspaper accounts that reported boundary violations, making public the illicit activities of senior civil servants and those who illegally attempted to influence them. The analysis of colonial era legacies and of the state socialist era (1967-1985) makes use of a wide range of secondary sources which document racial and state formation and the state socialist public policies that established public/private and national/international boundaries. Socialist era sources include government and party controlled newspaper accounts of corrupt activities. The party run newspaper of the early socialist era, *The Nationalist*, was sometimes vocal in its condemnation of the corrupt activities of senior government officials and parastatal managers. It was taken over by the government in 1972 when it was merged with The Standard to create The Daily News. This government newspaper offered very little reporting on infringements of the Leadership Code, which prohibited high-ranking public officials from engaging in private economic activities. It highlighted instead national-international boundary violations involving "economic sabotage", such as currency smuggling, import and export tax evasion, and the bribery of public officials by wealthy businessmen implicated in these illegal activities. The advent of multiparty politics resulted in lengthy reports of Presidential Commissions investigating corruption, parliamentary committees led by opposition party leaders documenting and publicly exposing high-level government corruption, and resulting scandals that were closely covered in independent newspapers, including The Guardian, The Citizen, This Day, and The Express. An expansion of press freedom during the neoliberal era (1986-present) fostered a proliferation of opposition newspapers eager to expose the wrongdoings of high ranking government officials who had betrayed the public trust and extensive investigative reporting on corruption, especially grand administrative corruption involving huge amounts of money.

Corruption is secretive and accurately measuring changing levels of corruption is notoriously difficult, especially in a context of dramatically changed restrictions on the press. Available evidence makes it difficult to accurately trace changing *levels* of grand administrative corruption. However, an increased scale of grand administrative corruption is suggested by the introduction of new actors implicated in grand administrative corruption during the neoliberal era, i.e. large-scale multinational corporations wielding much greater financial resources compared to funds available to those implicated in grand administrative corruption of the socialist era.[5] The following section explores two colonial legacies that shaped the formation of key actors involved in grand administrative corruption during the socialist and neoliberal eras.

COLONIAL LEGACIES: RACIALIZED CLASS FORMATION AND A CENTRALIZED BUREAUCRATIC STATE

The racialized process of colonial era class formation played a key role in creating central actors involved in post-colonial grand administrative corruption. Along with the East African countries of Uganda and Kenya, Tanzania inherited from British colonial rule a tripartite racial order which relegated black Africans to the bottom of a hierarchy in which Europeans (i.e. all whites) were at the top and Asians (i.e. people of Indian and Pakistani origins) occupied an intermediate position as a “middleman minority” (Bonacich, 1973) as traders, shopkeepers, moneylenders, and professionals. Though relatively small in number and politically vulnerable, East Africa’s Asian racial minority wielded considerable economic power, controlling much of domestic capital via their dominance of the wholesale and retail commercial sectors. In 1961 Tanganyika’s Asians controlled over two thirds of retail trade and over 50% of export-import trade (Honey, 1974: 68; Mbilinyi, 1974:152; Voigt-Graf, 1998:111). Like middlemen minorities elsewhere, including Chinese in Southeast Asia and Lebanese and Syrians in West Africa, Asians in East Africa developed strong in-group solidarity, were viewed by others as clannish, and were subject to charges of exploitation of the indigenous people (van den Berghe, 1993; Zenner, 1991).

A second colonial legacy that shaped post-colonial grand administrative corruption was the creation of a bureaucratic administration to run a highly centralized state, with power concentrated in the executive branch. At the time of independence in December 1961, the highest positions in the civil service remained occupied by Europeans, while many of the middle and lower-rung jobs, to which Africans aspired and for which they could qualify, were held by Asians (Gregory, 1993; Pratt, 1976).

After achieving independence, nationalist leaders did not dismantle or transform the bureaucratic governmental institutions inherited from colonial rule, but they gradually replaced most of the foreign personnel who had been running these institutions with black Africans. Foreign higher education played an important role in the formation of these privileged senior government officials, a majority of whom learned Western notions of modernity and development while studying overseas (Hopkins, 1971; Miller, 1975). As highly educated professionals who had invested heavily in schooling and credentials, post-colonial Tanzanian senior civil servants generally expected compensation for their talents and training that would enable them to live relatively comfortable middle-class lifestyles, even in a national context of widespread poverty. Senior African administrators often experienced what Robert Price (1975) labeled, in his study of civil servants in Ghana, a “status-salary” gap, in which salaries were insufficient to meet the status demands of their occupation, which included the acquisition of high-priced imported consumer goods. Post-colonial senior civil servants saw themselves as a development vanguard that could lead the way in creating a modern nation via state-led planning that would lift their country out of poverty (Schneider, 2007).

Colonial policies that helped to create a middleman racial minority with transnational connections and a centralized bureaucratic state staffed by an educated elite had enduring consequences with respect to the actors involved in grand administrative corruption. In their efforts to foster development and boost state revenues by promoting economic growth, post-colonial government officials in capital-poor African countries often looked to those who had accumulated large concentrations of private capital. These powerful actors took advantage of opportunities to influence government officials that would foster their profits and competitive position. The advent of state socialism dramatically altered these opportunities by creating new legal barriers between the public and private and the national and international.

BOUNDARY POLITICS OF THE SOCIALIST ERA

The post-colonial boundary politics of the socialist era must be understood in the context of a colonial legacy of dependent economic development. Colonial rule across Africa encouraged cash crop agriculture and produced European-dependent, export-oriented economies with relatively limited concentrations of domestic capital. In colonial Tanganyika, which became united with Zanzibar to create the nation of Tanzania in 1964, the limited investments made outside of the cash-crop economy focused on service-oriented businesses, especially export-import and light manufacturing to process the raw materials needed by British industry (Rodney, 1976; Maina Peter, 1989). The country’s banks and insurance companies were all based in Europe, while Asians dominated the provision of informal credit. The export of the country’s main crops and the import of luxury goods and manufactured products was controlled by London- and Nairobi-based multinational corporations, linked to large Asian wholesalers based in big towns (Shivji, 1976). By 1965, shortly after independence, 77% of all bank assets were held by three British banks, all of the country’s insurance companies were foreign owned, and

40% of industry was owned by foreigners, with foreign owned firms responsible for 70-80% of industrial production (Miti, 1987).

The nationalizations announced in the Arusha Declaration of socialism of 1967 were a key element in the government's import substitution strategy of economic development. By 1981 the country had more than twice as many public enterprises (400) as any other African country (McHenry, 1994: 130). A state-led import-substitution development strategy aimed to promote domestically mass-produced consumer goods, such as clothing, shoes, soap, beer, and cigarettes, as well as farm implements, fertilizers, and insecticides needed to boost national agricultural productivity. Tariff policies restricted the import of foreign consumer goods and of luxury goods, while simultaneously encouraging importation of capital goods needed for domestic industries (Maliyamkono and Bagachwa, 1990). Tariff and currency boundaries between the national economy and foreign businesses were implemented to protect state-owned domestic manufacturers of consumer goods from foreign competition. Protectionist tariff policies led to a shift in the composition of imports, with consumer goods dropping from 50% of total imports in 1961/62 to less than 30% in 1972 (Mbilinyi, Mabele, and Kyomo, 1974).

Prior to the Arusha Declaration, the foreign banks and insurance companies that dominated Tanzania's financial sector moved currency across national boundaries in a relatively unrestricted manner. Banks invested their funds in England, exporting an estimated 29.1 million shillings annually prior to 1967, with insurance companies siphoning off an additional 19 million shillings (van de Laar, 1972). Socialist era bank nationalizations and currency exchange controls prohibiting the accumulation and export of foreign currency prevented domestic resources from ending up in foreign banks and kept public officials from hiding ill-gotten gains in overseas banks. Complete exchange control was briefly implemented after the Arusha Declaration, temporarily suspended for inter-East African transactions in June 1967, and then reinstituted in March 1971 in order to prevent capital flight, tax evasion, and smuggling (Loxley, 1972). The government controlled capital inflows and outflows via the Bank of Tanzania, which scrutinized all major parastatal decisions concerning the acquisition of non-domestic supplies and overseas loans, controlled policies governing what could be imported, and administered import licensing (Loxley, 1972). While nationalization of the banking system gave the government access to savings that could be used to fund domestic public investments, government ownership of export-import firms and of agricultural processing and marketing enterprises meant greater control over the productive sectors largely responsible for generating foreign exchange (Costello, 1994).

A key policy designed to restrict private capital accumulation and limit administrative corruption by reconfiguring the private/public boundary was the socialist Leadership Code. Announced in the 1967 Arusha Declaration of Socialism, the Code outlawed private wealth-accumulating activities by public officials. The policy forbade them from engaging in capitalist activities, including renting houses, earning more than one salary, owning shares in private companies, or serving on the board of directors of a private company. The promise of the Leadership Code to eliminate corruption resonated with an impoverished peasant population who resented a privileged political elite living off of taxes and surpluses extracted from the countryside. However, many well educated senior civil servants who directed the government's Ministries and parastatals (i.e. public enterprises) resented the Leadership Code because it prevented them from living the middle-class life styles to which they felt entitled based on their educational credentials. In July 1967, a government booklet entitled "Arusha Declaration—Questions and Answers" contained numerous questions about the Leadership Code and not a single question addressing nationalizations. According to an editorial in the party newspaper, *The Nationalist* (July 13, 1967), the questions from government leaders (which concerned the sale of second houses used as rental properties, restrictions on African participation in economic development activities, how to guarantee a good education for one's children, and the absence of adequate pension plans for public officials) revealed "a lack of political education among the leadership."

Socialist era efforts to create a strong public-private boundary included the creation of a public ethos that would inhibit government administrators from using their public positions for self-enriching private activities. The socialist rhetoric of anti-corruption was part of a political culture that valorized egalitarianism, self-sacrifice, and hard work and expressed a strong ethos of public service. Civil service regulations prohibited the consumption of hard liquor at government functions and forbade officials from purchasing expensive cars. Civil servants were required to take courses at Kivukoni Ideological College, the official party training school, where they were supposed to internalize national values and patriotic sentiments that would give them a sense of common purpose and make them honest leaders. "Corruption must be treated with ruthlessness," argued President Julius Nyerere (1967:82), "because I believe myself corruption and bribery is a greater enemy to the welfare of a people in peacetime than war. I believe myself corruption in a country should be treated in almost the same way as you treat treason". As head of both the government and ruling party, Nyerere preached and practiced frugality as a style of government and denounced the consumerist aspirations of senior government officials, declaring: “Wild ambitions, illusions and the day dreaming over foreign things and the Manhattan way of life must be discarded” (The Nationalist September 13, 1967). Since those employed in Tanzania’s public sector were among the lowest paid civil servants in Africa by the end of 1971 and had their incomes subject to high rates of taxation (Mohiddin, 1981), corruption was a way that senior administrators could illegally secure the funds necessary to live the middle-class lifestyle they felt was merited by their superior education.

Socialist policies shaping the national/international boundary included restrictions on wholesale commerce via exchange controls. Exchange control policies restricted the buying and selling of foreign currency to the Bank of Tanzania, the National Bank of Commerce, and a small number of authorized dealers to whom local residents were required to turn over all foreign exchange earnings (Maliyamkono and Bagachwa, 1990). These policies impeded the private capital accumulation activities of globally connected Asian-Tanzanian businessmen engaged in international trade and finance. The latter violated socialist policies by smuggling currency, illegally importing goods, and evading export-import taxes. Asian businessmen engaged in the illegal exchange of currency, mispriced goods (via double-invoicing imported goods and under pricing exported goods), and bribed corrupt customs, tax, and exchange control officials (Voigt-Graf, 1998; Shivji, 1976). In an effort to prevent corruption in international trade, the government hired a Swiss company to value all imports into Tanzania before they left ports of departure. This resulted in the suspension of four hundred contracts, including many in the parastatal sector, within three months. However, this system of controls involved massive paperwork and proved difficult to implement (Coulson, 1982).

Wealthy Asian business people with transnational connections were central targets of socialist-era anti-corruption policies. Though these policies were couched in an anti-capitalist rhetoric of class, coded words like corruption and exploitation took on implicit racial meanings (Brennan, 2006). Newspaper accounts of major corruption scandals and anti-corruption campaigns typically featured wealthy members of the country’s Asian business community with transnational connections who were arrested for “anti-socialist economic crimes against the country’s peasants and workers” (Daily News July 20, 24, 1972). Between 1974 and 1976, the government created an “Anti-Corruption Squad” and imposed harsh sentences on those convicted of economic sabotage. The threat posed by economic saboteurs led to the Economic Sabotage (Special Provisions) Act of 1983 and arrest of mostly Asian-Tanzanian businessmen. Special tribunals composed of two ordinary citizens and one High Court judge were established to try suspects charged with crimes such as currency smuggling and the illegal import of foreign goods (Mwakyembe, 1986). On April 22, 1983 the National Assembly passed an Economic Crimes Bill which instituted special tribunals, harsh penalties, property seizures, and party and vigilante searches of suspected economic saboteurs (Legum, 1984).

The expansion of nationalizations beyond banking and industry to large and small-scale commerce during the early 1970s created new opportunities for corruption as well as administrative tasks that taxed the capacities of an understaffed and overextended government bureaucracy. President Nyerere (1974:312) acknowledged in September 1971 that the State Trading Corporation (STC) had “experienced more problems than any of the other public enterprises” and attributed them to overly rapid expansion. An October 1972 Inter-Ministerial Committee report (Legum, 1974: B250-251) harshly blamed mismanagement and incompetence at the STC for “the present situation of recurrent shortages of fast moving consumer goods, machinery, other industrial supplies, pharmaceuticals and other prescribed items like veterinary drugs, pesticides, etc”. The commodity shortages meant a thriving black market and many incentives and opportunities for bribery and corruption.

During the economic crisis of the late 1970s and early 1980s, rampant inflation led to a sharp decline in the real wages of civil servants, leading many administrators to evade the Leadership Code and supplement their salaries via embezzlement, fraud, theft, and kickbacks on contracts. Civil servants real salaries declined rapidly during the late 1980s, to only 20% of what they were in the 1970s (Bana and Ngware, 2005). As the economic situation became more difficult in the late 1970s and early 1980s,” writes Aili Tripp (1997:176), “managers had the choice of either engaging in corruption (embezzlement, graft, extortion) or starting a sideline business with their savings, with funds diverted from the workplace, or a little of both”. In the face of economic hardship, existing Leadership Code enforcement mechanisms, including exclusion of violators from leadership positions, ideological training to prevent violations, and expulsion of code violators from leadership positions, failed to eliminate corrupt leadership behavior (McHenry, 1994:32-42).

The ability of citizens to bring grand administrative corruption to public attention was limited by an authoritarian political system in which parliament rubber stamped rather than challenged executive branch decisions, freedoms of speech, association, assembly and the press were restricted, civil society organizations were subordinated to the ruling party, and opposition political parties were illegal. Despite limited opportunities for citizens to bring administrative corruption to light, there was widespread popular knowledge of grand administrative corruption during the economic crisis of the early 1980s, which fueled growing political cynicism (McHenry, 1994). A popular interpretation of the letters SU assigned to car licenses belonging to parastatal officials was *Suka Ule*, which means one has to be corrupt in order to survive (Maliyamkono and Bagachwa, 1990). “The combination of acute shortages and official controls,” observed Tanzanian economist Nguyuru Lipumba in 1984 (Tripp, 1997:90), “has given very lucrative money making positions for all those who have the responsibility for distributing the scarce goods….”

The predominant forms of socialist-era grand administrative corruption were the embezzlement of domestic public funds, misuse of public property by senior government officials, and bribery of civil servants by globally connected Asian businessmen seeking to avoid currency controls and taxes on their export-import activities. These activities were criminalized by socialist era policies, which defined these acts of “economic sabotage “as corruption. Socialist era forms of grand administrative corruption and the actors involved were internalized within the boundaries of the nation-state due to restrictions on flows of finance capital across national borders, nationalizations of foreign private capital, and limitations on the activities of foreign multinational corporations. “It would appear that the persons engaging in economic sabotage activities” write T.L. Maliyamkono and M.S.D. Bagachwa (1990:123), “were overwhelmingly Tanzanians, since no significant foreign element was uncovered. Even where a few non-nationals were netted for economic sabotage, the record revealed that their sphere of operation was local”. Unlike their counterparts of the neo-liberal era, senior government officials could not benefit from the sale of public properties to private foreign bidders eager to make a profit. Nor could they hide illegitimate wealth overseas in foreign bank accounts due to socialist policies restricting the transfer of currency across international borders. All of this changed dramatically with the implementation of neoliberal economic development policies.

NEOLIBERAL ECONOMICS AND BOUNDARY RECONFIGURATIONS

During the 1980s, the Tanzanian state dismantled socialist-era barriers to international trade and investment as part of a neo-liberal export oriented development strategy focused on private enterprise, open markets, and foreign investments. International donors and international financial institutions pressured indebted African states to adopt these “free market” reforms. They claimed that a decrease in government regulation of the private sector, downsizing of the public sector, and elimination of government monopolies would reduce opportunities for government administrators to engage in rent seeking activities (Szeftel, 1998). However, these reforms also created new opportunities and incentives for grand administrative corruption.

Three key boundary changing policies had an important impact on the legal definition and forms of corruption, the key actors engaged in grand administrative corruption, and the incentives, opportunities, and constraints they faced. First, the privatization of public assets made foreign multinational corporations central actors in grand administrative corruption and made bribery in the sale of public assets and in the tendering of contracts and management consultancies an important form of grand corruption. Second, deregulation of the financial sector increased the prominence of foreign actors in grand corruption and created an opportunity for senior government officials to hide large amounts of illegitimate wealth in overseas bank accounts. Third, abolition of the socialist Leadership Code redefined the private accumulation of wealth by public officials as entrepreneurship rather than corruption and gave senior government officials new incentives and opportunities to use their public positions for private gain. Let us further explore each of these three changes.

Although the socialist government’s state-led industrialization project had failed to develop efficient enterprises with high capacity utilization, it was quite successful in strengthening the nation’s capital market and boosting the nation’s industrial capacity (Costello 1994). This meant that when the government gave in to growing international pressures for privatization, there was an extensive but highly inefficient parastatal sector that could attract the interest of foreign investors in search of a bargain. Like other former socialist states around the globe, Tanzania faced strong pressures from foreign donors, the International Monetary Fund, and the World Bank to privatize its state enterprises. Though divestiture meant an end to costly public subsidies for state enterprises and short-term revenues from the sale of public properties, most privatized firms were sold at a fraction of their value. The sale of public enterprises and assets to wealthy private investors created new opportunities for grand administrative corruption in the tendering process, which lacked transparency and generated allegations of bribery of high-ranking officials. As was the case elsewhere in Africa (Szeftel, 1998:233), the privatization of public assets “permitted politicians and officials to use their `insider’ positions to buy them up. It also generated a great deal of resentment about high-level corruption…”

Foreign investors played a dominant role in the privatization process because the vast majority of the Tanzanian population had little or no savings, cheap credit was unavailable, and the government did not place a high priority on broadening ownership. Peter Gibbon (1999) estimates that by 1998 foreigners were involved in 40 of the 83 privatizations and that the overall average value of privatized firms sold to foreigners was $6.1 million, compared to only $800,000 for sales to Tanzanian nationals. By 2004, the majority (51%) of the 312 privatized companies had been purchased by Tanzanian citizens, many of whom were Asian-

Tanzanians, with the remainder sold to foreigners (8%) or foreigners and Tanzanian citizens (41%) engaged in joint ventures (Mwapachu, 2005). But the largest and most potentially profitable firms were purchased by foreigners.

The process of privatization was a long drawn-out affair due to vocal opposition from domestic critics who warned of foreign domination of the economy and complained about the sale of profitable enterprises, the purchase of public firms below market price, and the preferential treatment of foreigners due to bribes and kickbacks (Essack, 1995). John Cheyo, the UDP candidate for president in 2000, contended that “liberalization is not privatisation but foreignisation…” (Mollel, 1999). Njelu Kasaka, chair of the Parliamentary Committee on Finance, Economic Affairs, Trade, and Investment, proclaimed: “Let us empower our people to manage the economy, instead of giving everything to foreigners, whose motive is to ruin the country and leave us empty handed as mere spectators and slaves in our own country” (Kigwangallah, 2003). A 2001 national Afro Barometer survey (Chaligha et al., 2002:25) found strong popular opposition to privatization despite pro-economic reform attitudes; a majority (53%) of respondents agreed that “government should retain ownership of its factories, businesses, and farms”.

Members of Parliament spoke out against the government’s failure to monitor the performance of privatized firms and called for an independent commission to investigate questionable privatization agreements (Daily News, March 26, April 11, 2003). In May 2003, members of the Parliamentary Committee on Finance, Economic Affairs, Trade and Investment, accompanied by journalists and officials from the Parastatal Sector Reform Commission (PRSC), visited privatized firms in five regions to investigate allegations concerning the denial of sales to local investors, asset-stripping in divested firms, and sales to bogus investors. The committee uncovered evidence of widespread abuses and recommended greater transparency and government oversight.

A second neo-liberal reform, which reconfigured the boundary between the national and international, was the deregulation of the financial sector via the reduction of foreign exchange controls and bank privatization (Maina Peter, 1994). These reforms were intended to create an “enabling environment” for multinational corporations that would provide the capital needed for economic growth (Aminzade, 2013:245-275). Central banks and Ministries of Finance, which were insulated from democratic control, worked closely with World Bank and IMF officials to develop and implement neoliberal macro-economic policies. In 1984, the World Bank and IMF pressured the Tanzanian government to liberalize flows of capital by allowing commercial capitalists who had illegally stashed away money overseas to use their foreign currency to import goods with no questions asked (Raikes and Gibbons, 1996).The Banking and Financial Institutions Act of 1991 legalized private financial institutions, opening the door to foreign banks, and the government adopted a policy of minimal intervention in the foreign exchange market (Wangwe and Van Arkadie, 2000).

Asian-Tanzanian businessmen took advantage of exchange control liberalization, as well as lower tariffs, to import containers of commodities and to establish lucrative oligopolies in the export-import trade. Neoliberal de-regulation of the financial sector also helped Asian-Tanzanian banking and financial activities to grow (Wangwe and Van Arkadie, 2000). Globally connected Asian-Tanzanian businessmen had overseas connections that enabled them to transfer large sums of money around the world, into Swiss banks and offshore financial institutions where it was beyond the scrutiny of government regulators. These banking activities, once criminalized as “economic sabotage”, were redefined as legitimate efforts by entrepreneurs to secure profits for their enterprises. This created new incentives and opportunities for private investors to engage in high-level graft and bribery since they could now easily transfer their illegally acquired assets into foreign banks.

A third neoliberal reform that reconfigured the public-private boundary was the elimination of restrictions that had prevented public officials from engaging in private enterprise. The political culture of the neoliberal era valorized personal wealth acquisition and individual social mobility. In 1991, in what is known as the Zanzibar Declaration, the ruling party repealed the Leadership Code, opening the way for political elites to engage in private business activities. “The abolition of the Commission for the Enforcement of the Leadership Code,” writes A.A. Muganda (1996:274), “opened the floodgates for self-aggrandizement through the use of public office” and “removed all the fetters previously clamped on public servants and ushered in an unbridled scramble for private fortunes….” Many members of the black African capitalist class that emerged during the neo-liberal era were former Cabinet ministers, public enterprise directors, and party leaders. For some, it was educational credentials and cultural and social capital that provided the necessary resources to assume leadership positions in the emerging private economy. For many others, however, it was the illicit wealth accumulated during their exercise of political authority during the Mwinyi regime (1985-1995) that eased their entry into the nascent capitalist class. This new black African capitalist class played a leading role in condemning the alleged preferential treatment given to Asian-Tanzanians and foreign corporations in the privatization process (Kambenga, 1996; Heilman, 1998).They complained that investment promotion incentives, such as exemptions from import and sales taxes for capital goods, were being illegally used by corrupt Asian commercial capitalists to subsidize foreign consumer goods imports that were destroying local industries. They urged protectionist measures to support local industries, which Asian commercial capitalists warned would mean the loss of billions in government revenues and an inability to meet local demand (Tindwa, 2000).

The neo-liberal reforms discussed above created new opportunities for grand administrative corruption: they enabled a number of high-ranking civil servants to use their public positions for personal enrichment in dealings with shady foreign investors and Asian businessmen in search of quick profits. The result was a number of major corruption scandals that led to growing political demands for new policies to reconfigure public/private and national/international boundaries. The next section explores three of these scandals, to illustrate how boundary reconfiguring neoliberal policies of privatization, financial deregulation, and the elimination of restrictions on private wealth accumulation by public officials made these scandals possible, opening the door to new forms of grand administrative corruption involving new actors (i.e. multinational corporations). It also documents how democratic political reforms, by empowering opposition parties, parliament, civil society, and investigative journalists, made these cases visible to the public and led to contentious politics that resulted in the revision or reversal of a number of policies.

GRAND CORRUPTION SCANDALS OF THE EARLY TWENTY-FIRST CENTURY

The liberal democratic political reforms of the early 1990s expanded opportunities for dissident members of parliament from the ruling and opposition parties, civil society organizations, and courageous investigative journalists to bring corrupt activities to public attention. In May 1992, the Tanzanian Parliament amended the Constitution to eliminate the legal status of the ruling party as the sole political party, thus enabling a multiparty system. This was followed by a variety of measures that strengthened the power of Parliament vis-a-vis the executive branch and loosened restrictions on rights to association, assembly, and a free press (Ngasongwa, 1992; Tambila, 2004). Democratic political reforms transformed Parliament into a more independent and vocal body that came to play a central role in exposing grand administrative corruption. Although opposition parties were organizationally weak and in control of a relatively small number of seats in the Union Parliament, their voices were greatly magnified by opposition chairmanship of important parliamentary oversight committees that investigated the executive branch. Parliament's role was further strengthened after 2005 by the willingness of National Assembly Speaker Samuel Sitta to work with opposition party legislators to facilitate private motions and create select committees to investigate grand administrative corruption.

Multiparty politics and electoral competition made the issue of corruption the subject of lively public discussion and a central theme in the country's multiparty national election of 1995. The Presidential candidate of the leading opposition party (NCCR-Maguezi), Augustine Mrema, had a popular reputation as a fierce opponent of grand corruption, having been demoted from his position as Minister of Home Affairs and subsequently removed from the Cabinet for his denunciations of corrupt government officials and wealthy Asian businessmen. The winner of the Presidential election was the ruling party (CCM) candidate Benjamin Mkapa, who was nicknamed "Mr. Clean" after he emphasized an all-out war against corruption as the central theme of his successful bid for the nation's highest political office. The new President appointed a commission in 1996 to investigate corruption, headed by former Prime Minister and Attorney-General Joseph Warioba. The commission's 521 page report (United Republic of Tanzania 1996:8) stated that there was "…no confidence in the present leadership" and that it was "necessary to clean up the top ranks of leadership in Government and Parastatals and even Political Parties".

President Mkapa' selection marked a new commitment by the government and its international allies, including the World Bank and International Monetary Fund, to stem administrative corruption and promote greater transparency and efficiency within the civil service. Foreign donors joined international financial institutions to promote reforms designed to create a more efficient and more transparent state via closer monitoring of civil servants through performance evaluations and audits. The initiative included installation of a computer system which linked all government agency budgets and enabled the Ministry of Finance to monitor all public expenditures (Harrison, 2001). The Civil Service Reform Program (CSRP) of 1991-1999 and the Public Service Reform Program (PSRP) of 2000-2011 were developed in consultation with the World Bank and were largely funded by foreign donors (Bana and Ngware, 2006). The CSRP focused on cost containment via the streamlining of government structures, the reduction of public service employees, the improvement of training and recruitment, and the contracting out of non-core activities (such as security and maintenance) to the private sector. In 2001 the Tanzanian government issued anti-corruption plans for all Ministries and government departments and established a Good Governance Coordination Unit in the President's Office (United Republic of Tanzania, 2004).

While embracing good governance reforms targeting low and middle-level civil servants, President Mkapa resisted public pressures to prosecute high ranking government administrators implicated in grand corruption. Although the 1996 report of the Presidential Commission on Corruption included a confidential list of senior government officials involved in corruption, by the end of

1998, only one senior official had been sued for possession of illegally obtained properties (The East African October 26-November 1, 1998). By 1999, the Ethics Secretariat (created in the President's office in 1995 to monitor the conduct of high-ranking officials) had not passed along a single one of the thirty-four cases it had reviewed to the President for action (Harrison, 2001). Public justification for the President's refusal to prosecute high-ranking government officials centered on the claim that too strict a boundary between the public and private might impede economic development by criminalizing the capital accumulation of enterprising black African public servants seeking to take advantage of new opportunities offered by market reforms. The President's supporters denounced the use of lists of properties accumulated by government leaders as an indicator of likely corruption as "a new formulae of resisting economic reform…", claiming that "the method where a person just checks someone's `wealth' is akin to combating investment…" (Jozeni, 2003). President Mkapa urged Tanzanians to reject the socialist-era notion that wealth was an indication of corruption while the CCM National Publicity Secretary read a party statement cautioning that the war against corruption should not be used as a pretext to discourage entrepreneurship (Lukumbo, 2003; Daily News August 11, 2004).

In their efforts to boost economic growth by attracting foreign investments and management consultants, senior government officials engaged in secretive procurement contracts with foreign multinational corporations. These contracts were part of the neoliberal reconfiguration of the public/private boundary, which included a scaling back of the government's role in the production of goods and services in favor of private enterprise. Procurement deals with foreign multinationals generated accusations of bribery and fraud, and led to a number of grand corruption scandals during President Mkapa's second term in office (2000-2005). One of the major scandals, which took place in 2001-02, involved allegations of graft in the government's purchase of a civilian/military radar system from the British aerospace company, BAE Systems, at a cost of $40 million (This Day August 2, 2007; Tanzanian Affairs May-August 2007). Even after the World Bank stated that a cheaper and perfectly adequate civilian system should be purchased, the government went ahead with the purchase. British newspapers later revealed that BAE Systems had paid $12 million in bribes to secure the deal, including millions of dollars secretly funneled into the Swiss bank account of a well-connected Asian businessman with British citizenship, Shailesh Vithlani (who fled Tanzania and became wanted by Interpol when the scandal was exposed). Subsequent investigation by the Serious Fraud Office in Great Britain revealed that the commission payments were made through an elaborate chain of offshore companies and a Swiss bank. British investigators found $1 million in an offshore bank account belonging to Andrew Chenge, the Minister for Infrastructure Development and a Harvard University trained lawyer (Tanzanian Affairs May-September 2008). A subsequent investigation by the UK Serious Fraud Office found that Chenge had served as a conduit through which the stolen money was distributed to high-ranking government officials (Tanzanian Affairs May-August, 2009).

Asian-Tanzanian businessmen were central beneficiaries of neoliberal boundary reconfigurations as well as key targets of accusations concerning grand corruption. In June 2007, an anonymous independent investigator made a number of far-reaching allegations of grand corruption involving Asian-Tanzanian businessmen. These were widely circulated on the internet and later led to official investigations by the government and the IMF, resulting in the arrest of prominent businessmen and government officials. The anonymous author claimed that there was a vast criminal conspiracy involving the nation's wealthiest Asian businessmen, who had allegedly siphoned off millions of dollars from the Bank of Tanzania's (BoT's) debt arrears payment account.[6]The internet posting claimed that BoT Governor Daudi Balali, who had worked for the International Monetary Fund (IMF) for nearly twenty years, as well as many prominent Asian business families directly or indirectly connected to Balali, belonged to a mafia network of wealthy Asian businessmen and their black African political allies. The anonymous author implicated Jayant" Jeetu" Kumar Patel, head of the Noble Azania group of companies in Tanzania, and Sir Andy Chande, who allegedly received large sums of money from GAPCO and Rites India by providing them with inside information as Chair of the Tanzania Railways Corporation during the privatization process. Profiles diagramming the network links of "Jeetu and Andy's Mafia in Tanzania" included many prominent Asian businessmen. Patel was accused of operating shell companies that defrauded the government of USD 145 million since 1991, stealing import support funds provided by donors, credit scandals involving the Tanzania Investment Bank, drug trafficking, and death threats against those threatening to expose him.

The internet accusations were picked up by opposition members of parliament, who called for a thorough investigation to assess the credibility of the allegations. In July of 2007, a parliamentary watchdog committee spent several hours grilling Balali, questioning him about the bank's external commercial debt account (This Day July 27, 2007). The government, under pressure from the IMF, ordered a special audit of the bank's external commercial debt account and halted all payments from the bank's external arrears account. It also appointed an independent foreign auditor, which found that the bank's External Payment Arrears (EPA) account had improperly dispersed more than $131 million to 22 firms, 13 of which were paid by using forged documents and nine of which received funds for which there was no documentation.

The stolen funds were reportedly transferred overseas to Dubai and Swiss banks. In early January 2008, President Kikwete froze all payments from the bank's EPA account and fired Daudi Balili, who escaped overseas to avoid prosecution and died in a Boston hospital in May 2008.

The President convened a special team led by the Attorney General to take action against the companies and their managing directors, and announced that assets of all the companies involved in the scandal would be frozen and that their leaders would be prosecuted. In March 2008, the government issued an international prohibitory notice to stop all suspects in the scandal from transferring or selling properties bought outside the country. The government also sought help from the Serious Fraud office of the United Kingdom to help recover money transferred to overseas banks and offshore companies, and announced that it had recovered more than $70 million of the estimated $133 million stolen from the Bank's EPA accounts (Mande, 2008). President Kikwete's announcement that those implicated in the scandal could avoid prosecution if they repaid the money they had allegedly stolen by October 31, 2008 was a very unpopular move, widely denounced by opposition leaders and news media as a violation of the rule of law (Luhwago, 2008; Sued, 2008; Tanzanian Affairs January-April 2009). In November the government finally carried out a series of arrests, taking into custody twenty-five prominent businessmen, including Jeetu Patel, and four high-level Central Bank officials. The Managing Director of the Prevention and Combating of Corruption Bureau, Edward Hosea, worried publicly that the arrests might lead to capital flight that could disrupt the economy and "paralyze the whole country." (Tanzanian Affairs January-April, 2009).

A third major scandal, which involved a foreign multinational corporation and bribery in public contracts, began in June of 2006, in the wake of a severe power shortage, after drought had crippled the country's hydroelectric dams. Officials in the Ministry of Energy and Minerals disregarded the advice of the Cabinet and the Public Procurement Control Authority and granted the U.S.-based Richmond Development Company a $179 million contract to provide emergency power generators. The company provided second-hand jet engines that broke down after three months and failed to provide electricity before power supplies returned to normal. A parliamentary investigation of the contract revealed that the firm was not properly registered in the U.S. or Tanzania, that the briefcase company lacked experience and expertise, and that bidding for the contract involved corruption (Tanzanian Affairs May-September, 2008). Several high-ranking government officials, including Prime Minister Lowassa, were implicated in the scandal.

Opposition parties, led by CHADEMA, banded together to organize public rallies against corruption. At a political rally CHADEMA leader Wilbroad Slaa, a former Catholic priest, released a "list of shame" that named high ranking officials, including President Kikwete and former Ministers, who, he claimed, were responsible for the loss of millions of dollars due to corrupt contracts with foreign and local companies. In February 2008, several days after a parliamentary select committee investigating the Richmond scandal released its report, Prime Minister Lowassa and two other Ministers resigned from office and, in an unprecedented move, the President subsequently dismissed his entire Cabinet.

Grand corruption scandals led to growing political pressure on the government to reverse the boundary altering neoliberal policies of privatization, deregulation, and elimination of the Leadership Code. In May 2009, the Kikwete government halted the privatization process and launched an investigation into more than 600 privatized firms (Mande, 2009). In place of privatization, which major corruption scandals had helped to discredit, the government embraced a "developmental state" strategy that resembled an alternative Chinese model of state capitalist development, which involved state control of strategic sectors of the economy and government intervention to guide industrial development (Sautman and Hairong, 2008). A key part of this new strategy was public/private partnerships that would give the state a larger role in the operation of the economy (United Republic of Tanzania 2009). Thus, for example, new mining legislation passed in 2010 required that the government own a stake in all future mining projects (Mugarula, 2010). When he introduced the new Mining Act in Parliament, Minister of Energy and Minerals William Ngeleja proclaimed (Cooksey, 2011:72): "Tanzania will be built through the pursuit of the policy of socialism and self-reliance". In July 2009 the President claimed that corrupt government officials were stealing over thirty percent of the annual budget and announced plans for a new law to prevent holders of public office from engaging in private business enterprises (Kagashe, 2009).

In their denunciation of grand corruption, some civil society groups targeted neoliberal economic reforms as a central source of the problem. In 2009, the Feminist Action Coalition (Fem Act), a group of over 50 NGOs, stated that the growth of grand corruption was "due to the capture of the state by powerful moguls working as one in a powerful corruption network/syndicate." This network, they asserted, "is reinforced by …'free market' neoliberal macro-economic policy, including liberalization and privatization, which benefit big capitalists and imperialists rather than sustainable development for all women, men, and children." The statement, signed by fourteen coalition members, called for making all investment contracts public (The Guardian May 23, 2009).

CONCLUSION

State socialist and neo-liberal strategies of economic development produced different boundaries between the public/private and national/international, although both were shaped by colonial legacies of a middleman racial minority that was economically powerful but politically vulnerable and a bureaucratic public administration headed by well-educated technocrats who regarded their education credentials as justification for access to middle class lifestyles. Socialist era public policies of nationalization, protectionist restrictions on flows of goods and currency across national borders, and prohibitions on private wealth accumulation by public officials altered the boundaries regulating the activities of these collective actors. The state socialist development strategy drew a sharp boundary between public activities and private wealth accumulation and attempted to create a more rigid boundary to regulate flows of consumer goods and currency across national boundaries. These policies were meant to create an economy that was less dependent on foreigners and domestic Asian capitalists and a state bureaucracy in which ideological rather than material incentives motivated public officials. During the economic crisis of the early 1980s, in a context of out of control inflation and limited state capacities to police national borders and closely monitor public officials, administrative corruption became rampant. Wealthy Asian businessmen engaged in “economic sabotage” of the socialist project by bribing government officials in order to evade taxes, hoard goods, and smuggle currency while senior public administrators in control of state-run enterprises engaged in embezzlement, theft, fraud, and kickbacks. Their ability to conceal these corrupt activities from public view was facilitated by an authoritarian political system which banned opposition parties, severely limited freedom of the press, speech, association, and assembly, and denied elected members of parliament the power to provide oversight of the executive branch. The forms of grand corruption and the actors involved were internalized within the boundaries of the nation-state due to socialist era laws restricting foreign private businesses and the transfer of capital across national borders.

Neoliberal policies of privatization, deregulation, and abolition of the Leadership Code altered the forms of and opportunities for grand administrative corruption and the dominant actors involved in boundary violations. It shifted ownership of the economy from government to private actors, legalizing certain economic behaviors, such as private wealth accumulation by public officials and the transfer of currency across national borders. Transgressions of the national-international boundary that were denounced by socialist government leaders as economic sabotage and legally defined as corruption became legal activities that were valorized by senior government officials as contributing to the nation’s economic development in a global economy. The neo-liberal development strategy altered the actors involved in grand administrative corruption, placing the bribery of high-ranking government officials by foreign corporations at the center of grand corruption scandals. The process of privatization of state enterprises created new opportunities for grand administrative corruption involving foreign multinational corporations. While the deregulation and privatization of the financial sector made it easier for businesses and senior government officials to conceal ill-gotten gains in foreign and off-shore banks, democratic political reforms enabled investigative journalists, civil society activists, and members of parliament to bring grand administrative corruption to the attention of the general public, exposing massive scandals that shook the political system. These scandals led to growing pressure on the government to implement new policies that harkened back to the socialist era, including greater state involvement in the ownership of enterprises, enhanced government regulation to protect the national economy from international actors, and legal restrictions on the involvement of public officials in private enterprises.

My historical analysis of grand administrative corruption in Tanzania suggests that boundary politics theory offers a fruitful lens for analyzing the relationship between development policies, boundary reconfigurations, and grand corruption. It allows us to connect the analysis of corruption to the study of development, highlight both agency and structure in analyzing corruption, and avoid the tendency of modernization and dependency theories to downplay or ignore the centrality of politics when explaining corruption. This research has illuminated how state socialist and neoliberal development strategies altered boundaries and thereby shaped incentives and opportunities for grand corruption. It has also revealed how democratic political structures can enable the transformation of corrupt practices into public scandals and political contestation, thereby putting pressure on governments to revise or reverse development policies that have reconfigured public/private and national/international boundaries.

REFERENCES

Aminzade R (2013). Race, Nation, and Citizenship in Post-Colonial Africa: The Case of Tanzania. New York: Cambridge University Press.

Arrighi G (1994). The Long Twentieth Century: Money, Power and the Origins of Our Times. London: Verso.

Bana BA, Ngware Suleiman SA (2006).“Reforming the Public Service: The Tanzanian Experience.” Pp. 199-223 in Kithinji Kiragu and Gelase Mutahaba, eds. Public Service Reforming Eastern and Southern Africa—Issues and Challenges. Dar es Salaam:

MkukinaNyota Publishers.
Blundo Giorgio (2006). "Corruption in Africa and the Social Sciences: A Review of the Literature." Pp. 15-68 in G. Blundo, J.P. Olivier de Sardan, N.B.Arifari, and M.T. Alou, eds. Everyday Corruption and the State: Citizens and Public Officials in Africa. Translated by Susan Cox. London & New York: ZED Books.
Bonacich E (1973). "A Theory of Middleman Minorities." American Sociological Review38: 583-594.
Brennan JR (2006). "Blood Enemies: Exploitation and Urban Citizenship in the Nationalist Political Thought of Tanzania, 1958-75." Journal of African History 47: 389-413.
Chaligha A, Robert M, Michael B, Yul DD (2002). "Uncritical Citizens or Patient Trustees? Tanzanians'Views of Political and Economic Reform." Afrobarometer Paper No. 18. Cape Town, South Africa: The Institute for Democracy in Africa [IDASA].
Cooksey, Brian (2010). "Trends in Corruption During the Mkapa Era: Who Wants to Know?" Pp. 179-206 in Kjell Hvnevik and Aida C. Isinika, eds. Tanzania in Transition: From Nyerere to Mkapa. Dar es Salaam: MkukinaNyota.
-----(2011). "The Investment and Business Environment for Gold Exploration and Mining in Tanzania," Background Paper 03.London: Africa Power and Politics Programme, Overseas Development Institute.
Costello M (1994). "Market and State: Evaluating Tanzania's Program of State-Led Industrialization." World Development 22:1511-1520.
Coulson A (1982). Tanzania: A Political Economy. Oxford, U.K.: Clarendon Press.
Daily News (1972). "Eight More Held over Foreign Cash." Daily News, July 20.
Daily News (1972). "Government Detains Currency Smugglers." Daily News, July 24.
Daily News (2003). "MPs Fault Government on Privatisation," Daily News, March 26.
Daily News (2003). "M.P. Wants Shady Deals Probed," Daily News, April 11.
Daily News (2004). "Entrepreneurship Isn't Corruption, says CCM." Daily News, August 11.
Essack K (1995). "Resistance against Blind Privatization," The Express, October 12-14.
Gibbon P (1999). "Privatisation and Foreign Direct Investment in Mainland Tanzania, 1992-98," Working Paper Subseries iv.99.1. Copenhagen, Denmark: Center for Development Research (CDR).
Glynn P, Stephen J Kobrin, and Moises Naim (1997). "The Globalization of Corruption." Pp. 7-27 in Kimberly Ann Elliott, ed. Corruption and the Global Economy. Washington, D.C.: Institute for International Economics.
Gregory, Robert(1993). South Asians in East Africa. Boulder, CO: West view Press.
Harris, Robert(2003). Political Corruption In and Beyond the Nation State. London and New York: Routledge.
Harrison, Graham (1999a). "Corruption, Development Theory, and the Boundaries of Social Change." Contemporary Politics 5:207-220.
---- (1999b). "Corruption as 'Boundary Politics': The State, Democratization, and Mozambique's Unstable Liberalisation." Third World Quarterly 20:537-550.
---- (2001). "Post-conditionality Politics and Administrative Reform: Reflections on the Cases of Uganda and Tanzania." Development and Change 32:657-79.
Harvey D (2005). A Brief History of Neo-Liberalism. New York: Oxford University Press.
Heidenheimer AJ, Michael J eds. (2002). Political Corruption: Concepts and Contexts. Third Edition. New Brunswick, N.J.: Transaction Publishers.
Heilman B (1998). "Who Are the Indigenous Tanzanians? Competing Conceptions of Tanzanian Citizenship in the Business Community." Africa Today 45: 369-388.
Honey M (1974). "Asian Industrial Activities in Tanganyika." Tanzania Notes and Records 75: 55-69.
Hope KR Sr, Bornwell CC (2000). Corruption and Development in Africa: Lessons from Country Case Studies.New York: St. Martin's Press, Inc.
Hopkins R (1971). Political Roles in a New State: Tanzania's First Decade.New Haven, CT: YaleUniversity Press.
Jozeni A (2003). "Economic Reforms, Resistances and Claims of Corruption." The Guardian, April 11.
Kagashe B (2009). "Over 30 pct of Budget Eaten by Corrupt Officials, Says JK." The Citizen, July 10.
Kambenga G (1996). "Sale of Parastatals: State Organs Harass Indigenous Buyers."The Guardian, August 3.
Kigwangallah N (2003). "MPs Press for Openness on Privatisation," Sunday Observer, June 8.
Legum C (1974). "Tanzania." Africa Contemporary Record, 1972-73. Africana Publisher.
---- (1984) "Tanzania." Africa Contemporary Record, 1982-83. Africana Publisher.
Loxley J (1972). "Financial Planning and Control in Tanzania." Pp. 50-91 in J.F. Rweyemamu, J. Loxley, J. Wicken, and C. Nyirabu, eds.Towards Socialist Planning. Dar es Salaam: Tanzania Publishing House.
Luhwago R (2008). "Leaders React Furiously on EPA Scam." The Guardian, November 2.
Lukumbo L (2003). "Mkapa Wants Proof on Graft." Daily News, February 3.
Maina PC (1989). Foreign Private Investments in Tanzania: A Study of the Legal Framework. Konstanz: Hartung-GorreVerlag.
Maina PC (1994). Foreign Investments in Tanzania. Dar es Salaam: Friedrich Ebert Stiftung.
Maliyamkono TL, Bagachwa MSD (1990). The Second Economy in Tanzania. London: James Currey.
Mande M (2008). "Tanzania to Seize Property from Fraud Suspects." The East African,Retrieved March 17, 2008. http://www.nationmedia.com/eastafrican/current/News/news170320087.htm

Mande M (2009). “Dar Orders Probe into Sale of 600-plus State Firms.” The East African, Retrieved May 12, 2009.
http://www.theeastafrican.co.ke/news/2558/595742/-view/printVersion/-/h01did/index.z

Mbaku JM (2007). Corruption in Africa: Causes, Consequences, and Cleanups. Lanham, MD: Lexington Books.

Mbilinyi, Simon(1974). “Ethnic Economic Differentiation.” Pp. 143-156 in Two Studies on Ethnic Group Relations in Africa.Paris: UNESCO.

Mbilinyi SM, Mabele R, Kyomo ML (1974). “Economic Struggles of TANU Government.” Pp. 59-107 in G. Ruhumbika, ed. Toward Ujamaa: Twenty Years of TANU Leadership. Kampala, Nairobi, and Dar es Salaam: East African Literature Bureau.

McHenry Jr., Dean (1994). Limited Choices: The Political Struggle for Socialism in Tanzania. Boulder, CO: Lynne Rienner Publishers.

McMichael P (2000). Development and Social Change: A Global Perspective. Second Edition. Thousand Oaks, CA: Pine Forge Press.

Miller RA (1975). “The Party-State and Bureaucratic/Political Relations in Africa.” Comparative Political Studies 8: 293-317.

Miti K (1987). Whither Tanzania. Delhi, India:Ajanta Publishers.

Mohiddin, Ahmed (1981). African Socialism in Two Countries. London: Croom Helm.

Mollel G (1999). “CCM Will Not Carry Out Indigenisation Policy, Claims UDP.” Daily Mail, August 18.

Muganda AA (1996). “Tackling the Corruption Scourge in Tanzania: Looking Beyond the Rhetoric.” Pp. 263-275 in Eastern and Southern Africa Universities Research Programme, eds. Tanzania’s Tomorrow. Dar es Salaam: TEMA Publishing Co. Ltd.

Mugarula F (2010). “Tanzania: Mining Bill Passed in Hot Debate.” The Citizen, Retrieved April 26, 2010. http://allAfric.com/stories/printable/201004240013.html

Mwakyembe HG (1986). "The Parliament and the Electoral Process." Pp. 16-57 in Issa G. Shivji, ed. The State and the Working People in Tanzania. Dakar, Senegal: CODESRIA.

Mwapachu JV. (2005). Confronting New Realities: Reflections on Tanzania’s Radical Transformation. Dar es Salaam, Tanzania: E&D Limited.

Ngasongwa J (1992). “Tanzania Introduces a Multi-Party System,” Review of African Political Economy. 54: 112-117.

Ngware S (2010). “Corruption Described and Defined.” Pp. 11-23 in Edward Hoseah and Suleiman Ngware, eds. Corruption and the Struggle for Development in Tanzania. Dar es Salaam: Dar es Salaam University Press.

Nyerere JK (1967). “Corruption as an Enemy of the People.” Pp. 81-84 in Freedom and Unity. London: OxfordUniversity Press.

Nyerere JK (1974). “Ten Years after Independence.” Pp. 262-334 in Freedom and Development. New York: Oxford University Press.

Pitcher MA, Askew KM (2006). “African Socialisms and Post Socialisms,” Africa 76: 1-14.

Pratt C (1976). The Critical Phase in Tanzania, 1945-1968.Cambridge, U.K.: CambridgeUniversity Press.

Price RM (1975). Society and Bureaucracy in Contemporary Ghana. Berkeley and Los Angeles: University of California Press.

Raikes P, Gibbon P (1996). “Tanzania 1986-94.” Pp. 215-307 in Poul Engberg-Pedersen et al., eds. Limits of Adjustment in Africa: The Effects of Economic Liberalization, 1986-94. Copenhagen, Denmark: Center for Development Research.

Rodney W (1976). World War II and the Tanzanian Economy. Ithaca, N.Y.: Cornell University Africana Studies and Research Center, Monograph Series 3.

Sardin JP, Olivier de (1999). “A Moral Economy of Corruption in Africa?” The Journal of African Studies37: 25-52.

Sautman, Barry and Yan Hairong (2008). “Friends and Interests: China’s Distinctive Links with Africa.” African Studies Review 50: 75-114.

Schneider, Leander (2007). “High on Modernity? Explaining the Failings of Tanzanian Villagisation.” African Studies 66: 9-38.

Shivji I (1976). Class Struggles in Tanzania.New York: Monthly Review Press.

Sued HK (2008). “This is What It Should Be, Mr. President.” The Weekend African, Nov. 8-9.

Szeftel M (1998). “Misunderstanding African Politics: Corruption and the Governance Agenda.” Review of African Political Economy 25: 221-240.

Tambila KI (2004). “The Ups and Downs of the Tanzanian Parliament 1961-1994.” Pp. 65-70 inR.S. Mukandala, S.S. Mushi and C. Rubagumya, eds. People’s Representatives: Theory and Practice of Parliamentary Democracy in Tanzania. Kampala, Uganda: Fountain Publishers.

Tanzanian Affairs (2007). “Radar Issue Back Again.” Tanzanian Affairs May-August, 87: 9-13.

Tanzanian Affairs (2008). “Radar Saga- Another Minister Goes.” Tanzanian Affairs May-September, 90:8-9.

Tanzanian Affairs(2008). “Report on Richmond Scandal.” Tanzanian Affairs May-September, 90: 10-13.

Tanzanian Affairs (2009). “Suspects Finally Arrested.” Tanzanian Affairs January-April, 92: 2-3, 8.

Tanzanian Affairs (2009). “The `Radar’ Deal.” Tanzanian Affairs May-August, 93: 4-5.

The East African (1998). “Frustration in Mkapa’s Warning on Corruption.” The East African, Oct. 26-Nov. 1.

The Guardian (2009). “Fire and Fury on Corruption.” The Guardian, May 23.

The Nationalist (1967). "Questions and Answers." The Nationalist July 13.
The Nationalist(1967). "Discard Illusions of Glamour-Nyerere." The Nationalist September 13.
Theobald R (1990). Corruption, Development and Underdevelopment. Durham: Duke University Press.
This Day (2007). "Balali survives Fiery Bunge Interrogation," This Day, July 27.
This Day (2007). "How Tanzania Wasted Money that Could Have Educated 3.5 Million Children." This Day, August 2.
Tindwa (2000). "Don't Protect Weak Local Industries, Minister Told." The Guardian, May 17.
Tripp AM (1997). Changing the Rules: The Politics of Liberalization and the Urban Formal Economy in Tanzania. Berkeley and Los Angeles, CA: University of California Press.
United Republic of Tanzania. Presidential Commission of Inquiry against Corruption (1996). Report on the Commission on Corruption. 2 volumes. Dar es Salaam: United Republic of Tanzania.
United Republic of Tanzania. President's Office Good Governance Coordination Unit. (2004) "The National Framework on Good Governance." Dar es Salaam: United Republic of Tanzania.
United Republic of Tanzania (2009). "Brief 5: The Role of the State in a Developing Market Economy." Research and Analysis Group of the MKUKUTA Monitoring System, Ministry of Finance and Economic Affairs (Poverty and Human Development Report).
Van de Laar, Aart JM (1972). "Foreign Business and Capital Exports from Developing Countries: The Tanzanian Experience." Pp. 83-87 in Lionel Cliffe and John S. Saul, eds. Socialism in Tanzania. Volume 1. Nairobi, Kenya: East African Publishing House.
van den Berghe P (1993). "Asians in East and South Africa." Pp. 275-299 in P. van den Berghe, ed. Race and Ethnicity in Africa. Nairobi, Kenya: East African Publishing House.
Voigt-Graf C (1998). Asian Communities in Tanzania. Hamburg: Institut fur Afrika-Kunde.
Wangwe SM, Brian Van Arkadie (2000). Overcoming Restraints on Tanzanian Growth: Policy Challenges Facing the Third Phase Government. Dar es Salaam, Tanzania: Mkukina Nyota Publishers.
Zenner W (1991). Minorities in the Middle: A Cross-Cultural Analysis. Albany: State University of New York.

ENDNOTES

[1] I am grateful to Paul Almeida, James Brennan, Sam Cohen, Ernest Harsch, Erik Larson, Wes Longhofer, Mary Jo Maynes, William Roy, Rachel Schurman, Gay Seidman and Nicholas Smith who generously provided helpful comments on an earlier version of this paper. My thanks to the University of Minnesota, College of Liberal Arts for providing funding to support this research. Direct correspondence to: Ronald Aminzade, Department of Sociology, University of Minnesota, 267 19th Avenue South, Minneapolis, MN55455. e-mail: aminzade@umn.edu

[2]Although many scholars define corruption as the misuse of public powers for private gain or special advantage, it remains a contested concept. For a discussion of this debate and argument for a legal definition, see Theobald 1990:1-18. See also the essays on defining corruption in Heidenheimer and Johnston 2002.

[3]Tanzania has often been praised by foreign observers for lower levels of petty corruption compared to other African nation-states. Transparency International has repeatedly ranked Tanzania more favorably than other African nations in their Corruption Perception (CPI) Index. For the 1998-2004 period, Tanzania's performance steadily improved, in both absolute and relative terms, moving from the bottom of a sample of 17 African countries to just below the middle (Cooksey 2010: 204-05).

[4]There is an extensive literature on the causes of corruption in Africa that explores the economic, political, and cultural sources of corruption. For a review of this literature, see Hope and Chikulo 2000; Blundo 2006; and Mbaku 2007: 37-85.

[5] During the state socialist era, the scope of grand administrative corruption was limited by the relatively small size of a heavily restricted private sector. The public sector accounted for 80 to 85 percent of large and medium-sized firms by 1974 (McHenry 1994:131). Neoliberal era policies to attract foreign investments and privatize public assets led to a sharp rise in foreign direct investments and altered the scale of grand corruption. For example, twenty-two private companies were implicated in an External Payment Accounts (EPA) embezzlement scandal involving the theft of an estimated $131 million while another embezzlement scandal concerning the twin towers of the Bank of Tanzania entailed the loss of $220 million. The widespread bribery revealed in the Richmond scandal discussed below cost the government $179 million in a contract for electricity that was never provided.

[6]This document was circulated to a number of e-mail lists and was posted to the web in August 2008 at: www.jamboforums.com/showthread.php?t=3227&page=5 and at tanzania.blogspot.com/2007/08/controversial-in-tanzania.html.