Contents

Preface and Acknowledgements xiii
List of Tables xx
List of Abbreviations xxii

1. Tanzania: Finally a Success Story? 1

2. Tanzania's Market-oriented Reforms and Economic Performance: The "Official Story" 9

3. The War of Ideas and Foreign Aid 21
   3.1 Africa and the Planning Approach to Economic Development 22
   3.2 The Market Approach to Economic Development: From the "Washington Consensus" to the Global Financial Crisis 29
   3.3 International Aid: Policies and Controversies 38
       3.3.1 The inconclusiveness of econometric studies 43
       3.3.2 The bitterness of recent controversies 45

4. The Evolution of Foreign Aid to Tanzania, 1961–2011 51

5. The Arusha Declaration, Foreign Aid, and the Crisis of 1979 63
   5.1 Background: The Early Years of Independence 66
   5.2 The Arusha Declaration 71
   5.3 Implementing the Arusha Declaration: The First Steps 74
   5.4 The Second Five-Year Plan, Agriculture, and Industrialization 76
   5.5 Foreign Aid and African Socialism 81
   5.6 Stagnation, Villagization, Agriculture, and the Third Five-Year Plan 85
6. Economic Collapse

6.1 The Resistance to Devaluation: Ideology and Beliefs
6.2 Growing Imbalances and the Waiting Game
6.3 Three Failed Adjustment Programs
6.4 The Beginning of the End: The Nordic Countries Withdraw their Support
6.5 The Tide Turns: Changing Views on Development Economics in the 1980s

7. Tanzania and the IMF: A Troubled Relationship

7.1 The IMF Program: Modest but Crucial
7.2 On the Absence of “Technopols” in Tanzania

8. The Wheels of Aid and the First Round of Reforms, 1986–95

8.1 The Reforms: Ambitious but Incomplete
  8.1.1 Devaluation, liberalization, and exchange bureaus
  8.1.2 The dread of privatization
  8.1.3 Improving social conditions
8.2 Economic Performance and the Stalling of the Reforms
8.3 The Elite Strikes Back: Some Political Economy Angles of the Slow Pace of Reform

9. A New Beginning: The Ownership of Aid Programs

9.1 A Turning Point: The Helleiner Report
9.2 The Election of Benjamin Mkapa and the Re-launching of the Reforms
9.3 “Ownership” in Practice


10.1 Tanzania’s New Development Vision and the Second Round of Reforms
10.2 The Mkapa Years
10.3 Deepening the Reforms during the First Kikwete Administration
10.4 Performance during the Second Phase of Reforms
10.5 Two Sticky Issues: Corruption and the “Zanzibar Question"
## 11. Is Tanzania a Success Story?

11.1 Data Quality and Consistency  
11.2 Social Conditions: How Much Progress?  
11.3 A Counterfactual Exercise  
11.4 Toxic Aid?

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bibliography</td>
<td>263</td>
</tr>
<tr>
<td>Index</td>
<td>279</td>
</tr>
</tbody>
</table>