SPEECH BY RIGHT HONOURABLE MIZENGO P. PINDA (MP), PRIME MINISTERS
OF THE UNITED REPUBLIC OF TANZANIA AT THE OPENING CEREMONY OF
THE FIRST INTERNATIONAL CONFERENCE ON DEVELOPMENT
POLICY, MOVENPICKROYAL PALM HOTEL, DAR ES SALAAM, 06 AUGUST 2008

Chairperson of the Governing Council of the
Institute for Finance Management (IFM);
The Principal of IFM;
Chairman of the Conference Organizing Committee;
Paper Presenters;
Discussants;
IFM Faculty Members;
Distinguished Participants;
Invited Guests;
Ladies and Gentlemen.

I profoundly, thank the Organizers of this “First International Conference on Development
Policy” for inviting me to officiate it. First and foremost, let me seize this opportunity to
congratulate the IFM Management Team, the Organisers and the Sponsors for bringing us
together on this very important and timely gathering.

I am informed that the Conference has attracted Participants from different parts of the World,
including the United Kingdom, The Netherlands, Botswana, Zambia and Namibia. I warmly
welcome you all to Tanzania, the land of Kilimanjaro and Spice Islands of Zanzibar. It is my
strong conviction that you will spare some of your time to see the wonders of Tanzania,
including, the White Snow Caped Mountain Kilimanjaro; Zanzibar Historical Town; the Great
Serengeti; Selous National Parks and the Ngorongoro Crater; to name a few. More specifically,
May I welcome you all to this important and timely Conference on the thematic debate
“Finance, Growth, Poverty Reduction and Pro-poor Policies: Lessons and Experience”. I
am of the view that this is a timely discussion because Tanzania like many other Developing
Countries, mainly the Least Developed Countries (LDCs) are struggling to implement and
achieving Development Goals, particularly the Millennium Development Goals (MDGs). The
National efforts backed with the Regional and International support are geared towards achieving
sustainable development and eradicating poverty. Poverty is the most humiliating phenomenon in
human life. Thus, everyone and all of us must fight it. George Bernard Shaw an Irish Dramatist
& Socialist who lived from 1856 to 1950, once said: “The greatest evils and the worst of crimes
is poverty”;...... eliminating poverty is our first duty;...... a duty to which every other
consideration should be sacrificed.” This meeting therefore must address the issue of poverty
squarely.

Mr. Chairman,

This meeting brings together Academicians, Researchers, Policy Makers, Government Entities,
Private Sectors and NGOS. This array of experts represents a forum, which in my opinion,
would be able to share lessons and experiences in addressing the theme and sub-themes of
the Conference. It is true that, academic Conferences are an interface of communicating
research findings and other crucial issues related to policy. I am therefore optimistic that,
presentations at this Conference will, in addition to sharing experiences and lessons, shade light
to policy and derive important development policy recommendations. Similarly, the hosting of
the Conference of this kind at this moment will not only facilitate the exchange of views and
experiences among academicians and practitioners, but will also serve as a forum for educating policy makers, Government Agencies and other Stakeholders from within and outside Tanzania on matters related to the contribution of Finance to Growth and Poverty Reduction.

Mr. Chairman,

I have been informed that this year’s Conference will address many important sub-themes including, globalization and poverty reduction; capital markets exuberance and growth; financial development; and macroeconomic policies. The Conference will also address growth and poverty reduction; inequality and income distribution; corporate governance and privatization; policy reform models and small firms exclusion; and also social protection schemes. I congratulate the Organizing Committee for well chosen sub-themes that cover a wide range of issues with both academic and practical orientation. The successful eradication of poverty and the attainment of sustainable development, which engulfs economic development, social development and environment protection as agreed during the United Nations Conference on Environment and Development in Rio de Janeiro, in June 1992 rests on availability of finance, stable capital markets, continuous and stable economic growth, good, reliable and predictable macroeconomic policies as well as good governance. The choice and combination of these sub-themes therefore, assures me that at the end of this Conference, participants will be able to agree and adopt some recommendations that will further help to catalyse the efforts of Governments in eradicating poverty and achieving Sustainable Development. I therefore urge all Participants of this Conference to place equal emphasis on academic rigor and practical usefulness of the various presentations.

Mr. Chairman,

The achievement of a number of issues as outlined in the sub-themes is predicated on financial development, which is also considered to be key to the realisation of the seven UN Millennium Development Goals (MDGs). One might wonder why seven while there are eight MDGs. It is because the achievements of first seven Goals depend almost solely on Goal number eight which is “Global Partnership for Development. This Goal entail issues such as international trading system; special needs of LDCs and Landlocked and Small Islands Developing States; debt problems; and new technologies, to name a few.

Some Countries in Sub-Saharan Africa and some parts of South Asia are said to be off track in achieving the MDGs. The situation is further complicated from the fact that African countries, particularly the Sub-Saharan African Countries are characterised by high level poverty; high rates of diseases such as HIV/AIDS prevalence, Malaria and Tuberculosis; poor education and educational facilities; lack of health facilities, lack of enough water not to mention clean and safe water; high levels of malnutrition, child mortality and mother morbidity coupled with corruption practices. This trend which has created fear that African countries might not achieve the MDGs by 2015 has forced the Secretary-General of the UN to establish MDG Africa Steering Group which has the task of providing strategic direction and leadership by identifying specific national financing gaps to mobilize international support for the implementation of the goals. It is in this regard therefore, I urge this Conference to recommend some various forms of relevant development policy interventions which will help Tanzania and other African Countries to be on track in achieving all or some of the MDGs by 2010. To the International Community and National Institutions, I say that concerted and coordinated action is required in order to
achieve the goals globally. Financial, human and technical resources for development must be adequate and predictable if the MDGs are to be attained.

Mr. Chairman,
The link between finance and income growth cannot be overemphasized and has been one of the most researched and arguably the most important effect on financial development and its impact on economic growth. Besides, spurring income growth, higher income is key to achieving many of the MDGs. Financial Development also directly affects the MDGs, most notably poverty and under nourishment. A recent study by the World Bank for example, found that a 10 percent point increase in private credit to Gross Domestic Product reduces poverty ratios to between 2.5 to 3 percent points. Furthermore, indirect effects of Financial Development on the other MDG’s through poverty reduction are also assumed because poverty is highly related to the other MDG’s. I am pleased to inform you that Tanzania is one of the few Sub-Saharan African Countries that have recorded sound macroeconomic performance and achieved a rapid economic growth. Tanzania GDP growth has recorded higher at an average of 6.0 percent over the past seven years. The big challenge now is to sustain this impressive growth performance and ensure that it is shared more broadly so as to benefit all Tanzanians, particularly the 75 percent rural population.

Mr. Chairman,
Tanzania has been implementing economic, social and political reforms since 1980s. We successfully implemented the First Generation of Poverty Reduction Strategy Papers (PRSPs). Currently, Tanzania is implementing the Second Generation of PRSP known as the National Strategy for Growth and Reduction of Poverty in Kiswahili acronym MKUKUTA. Along with MKUKUTA, we have a long term Vision 2025. MKUKUTA and Vision 2025 are National Strategies that are bold and ambitious enough to achieve the MDGs and other national development goals. Apart from focusing on increased growth and governance, MKUKUTA is an instrument for mobilizing efforts and resources towards its outcomes. The context of the strategy revolves around key element namely macroeconomic performance. During the past seven years, the country’s macroeconomic performance has on average recorded a gradual increase. However, despite improvement in macroeconomic indicators, insignificant reduction in income and non income poverty continue to pose challenges to poverty reduction efforts in the country. There is an urgent need therefore, to ensure future growth is pro poor.

Mr. Chairman,
In an effort to realise the MDGs, the Government is implementing a number of measures both at macro and micro levels. The country has made significant achievements with regard to primary education, promoting gender equity, empowerment of women and improving environmental sustainability through access to Water and Sanitation. There has also been a significant reduction in child mortality. While such progress signals that poor countries like Tanzania can achieve the MDGs with political commitment, good policies, and increased resource, still several challenges remain. In particular attention needs to be focused on poverty reduction, agriculture, improvement in health related MDG’s such as improving maternal health, and combating HIV/AIDS, Malaria, Tuberculosis and other major diseases. Other challenges are the ever growing financial gap, lack and/or inaccessibility to scientific and technological innovations, including Information Communication Technology (ICT).

Mr. Chairman,
Other measures we are taking towards poverty reduction include the establishment of an Empowerment Revolving Fund famously known as the ‘JK Billions’ by His Excellency, the
President of the United Republic of Tanzania, Honourable Jakaya Mrisho Kikwete. This is a Revolving Fund which is being used to provide loans to the most disadvantaged in the country, especially the emerging entrepreneurs who have no access to the mainstream financial sector. As of to date a total of 38,563 entrepreneurs have benefited from the Government empowerment Revolving Fund that was established in July 2006 with a seed capital of about Tshs. 21 billion. The Government is following this project closely to ensure that its objectives of contributing towards poverty reduction are met. In the year 2005, the Government also facilitated a Co-operative Reforms and Modernisation Programme (CRMP) with an objective of reviving Savings and Credit Co-operative Societies (SACCOS) in the country as agents of economic change. The Government has encouraged the Private Sector to venture into areas of providing finances to the Citizens of Tanzania as a way of boosting Production of goods and services and consequently reduce poverty.

**Mr. Chairman,**

Let me also touch on one topic which is of paramount importance during the deliberations. We are all aware of the important role “**Good Governance**” can play in our development efforts. The issue of Governance is on one hand, of paramount importance and it is being increasingly regarded as one of the root causes of all evil within our societies and retards development. Major donors and International Financial Institutions believe that Africa is mainly poor due to bad Governance. This assertion might be partly true but it is not a panacea that if a Country upholds the Good Governance principles will automatically attain development. Moreover, Good Governance must and should be viewed from two angles of both Good Governance at the National and International levels. I therefore commend the organisers for including Governance as one of the Conference sub- themes. Conferences such as this one are important as they provide an opportunity for addressing and discussing at length issues related to Good Governance practices which in turn could help policy makers in designing effective governance systems.

**Mr. Chairman,**

Modern times have witnessed scientific and technological revolution with mobile phones and internet, making communication even simpler and more efficient than ever before. This has in turn strengthened the argument that the world has now become a Global Village. Both developed and developing countries have formulated strategic trade alliances so as to sustain their growth and existence. The World for example, has witnessed the booming expansionary economies of China and India. I am pleased to note that this Conference has also included Globalization as one of the sub themes. The question which I hope this Conference will try to provide an answer is whether the benefits of Globalisation have been fairly distributed to all continents as it has been the case of negative consequences to the poor Countries such as unethical materials provided through internets. We need to ask ourselves if this globalisation has enabled finances to flow from the rich Countries to stimulate growth and poverty reduction in poor Countries. I remember there is a Ghananian proverb depicting a crocodile with two stomachs. **When the Crocodile eats, both stomachs benefits.** Likewise, for African Countries like Tanzania, for every investment that the outside World makes in Africa the outside World stand to benefit. We need also to come with recommendations on the ways of improving the flow of finances from rich to poor Countries so as to maximize the benefits of such finances.

**Mr. Chairman,**

The Conference will also discuss papers on the role of social protection schemes on poverty reduction. Social protection schemes are expected to be able to support employees upon their
retirements. The success in achieving this objective depends not only on the profitability of their investments but also on sound Corporate Governance Structures. It is on this general understanding that discussions on the challenges and prospects of social protection schemes in reducing poverty are imperative. You will agree with me that topics to be covered in your Conference are important for policy makers, the Government, academicians, practitioners and the public at large. Before I conclude, let me challenge the Academicians to share their research findings with the public, as indeed all your research are important at resolving some issues that affect the society’s day to day life. You need to get your academic works out of the walls of the Libraries of the Universities. Research Papers should not end up in the academic shelves for only few selected to have access. Let ordinary people know what you are doing for them. We need to have a device of sharing research information with the Public in a language that can be understood by many and at affordable costs. Let this Conference be a platform which will come up with the deliberation of “disseminating research findings to the public in a simplified way”.

Mr. Chairman, Participants, Visitors who have travelled across Continents, Ladies and Gentlemen, let me conclude my speech by wishing this Conference fruitful deliberation and declare that the First International Conference on Development Policy is officially open. I thank you for your attention.