



Research Programme

2015-2019

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INTRODUCTION

Over the last seventeen years since commencing its operations, REPOA has evolved significantly from a small time-bound programme focused on capacity building in research on poverty issues to a policy research institution with a broader mandate. Since 2010 our research programme was guided by the Strategic Plan (2010 -2014) which identified three broad research themes namely Growth and Development, Vulnerability and Social Protection, and Governance and Service Provision. The critical issues of the Environment and Climate Change, Technology and Diversity (including gender) have been important issues cutting across all the three themes.

As REPOA's core business is knowledge generation through research, more emphasis was put on giving greater space for strategic research, strategic collaborations, and selective commissioned works that seek to expand our scope for policy influence and access to key stakeholders in the quest for promoting evidence based policy dialogue and positive change. The current research programme will continue to strengthen REPOA as a policy think tank capable of generating new policy insights into the dynamics of growth and socio economic transformation (SET) for inclusive development and poverty reduction. It will also provide an anchor on which the still needed policy research capacity development will revolve.

The research programme at REPOA responds to the changing development agenda nationally, regionally, and globally. It has therefore taken on board key areas of priority as contained in the Tanzania Development Vision 2025, the Long-Term Perspective Plan (LTPP) 2011-26, the East African Development Vision 2050, SADC Industrialization Strategy, and the Sustainable Development Goals (SDGs). The research approach is to capitalize on synergy and complementarity among the three identified areas with a view to generating knowledge on the processes of socioeconomic transformation. The result is to broaden participation of citizens in the growth process and reduce poverty sustainably through multi-dimensional transformations.

In situations where substantial proportion of population is poor, as is the case with Tanzania, poverty cannot be separated from the dynamics of development and socioeconomic transformation. Thus REPOA advocates a pattern of economic growth that is not only pro-poor, but inclusive and transformative, meaning that it results from, and in turn reinforce structural change that generate and sustain adequately remunerated jobs and generalized access to opportunities that are have reasonably good returns. To maximize the synergy and secure multidisciplinary, the research programme will be coordinated in two consolidated research divisions, namely **strategic research** and **commissioned works**. These are not structured

along thematic lines, but based on the nature of projects and modality of funding and implementation.

RESEARCH PROGRAMME

The focus of REPOA's research programme is on Socio Economic Transformation (SET) for Inclusive Growth and Development, with eventual impact on substantial poverty reduction. The overarching question to be addressed in this research programme is: *What type of socioeconomic transformation is appropriate for rapid economic growth and development accompanied by generalized inclusion of the society and effective in reducing poverty and inequality?* Generalized inclusion implies expanding access and opportunities for the poor and marginalized social groups to productive assets and participation in gainful economic activities. The process of socioeconomic transformation for accelerated and inclusive growth and development with effective poverty reduction is multidimensional, involving crucial linkages and synergies between the key drivers of economic growth, employment creation, framework of social protection, and the character of governance and public service provision.

As such, REPOA's research will evolve around its niche of producing knowledge around three interrelated strategic research areas, namely:

- Natural resources as **foundations** for economic growth and socioeconomic transformation - includes agricultural land; minerals; oil and gas; forestry; wildlife; fishery
- Industrialization, structural change, enterprise development, and employment as **pillars** for economic growth and socioeconomic transformation-includes manufacturing, SME development, informal sector upgrading, trade, and labour market dynamics
- Governance systems and social policy with a focus on economic governance, social protection, and accountability and social service delivery.

Strategic Research Area 1: Natural Resources as a foundation for economic growth and socioeconomic transformation

The significance of high and shared growth in national development is explicitly acknowledged in Vision 2025, the Long Term Perspectives Plan 2015-25, the Five-Year Development Plan 2011/12- 2015/16. The successor Five Year Development Plan is also expected to emphasize on accelerating economic growth and transformation through industrialization. The economic structure of Tanzania suggests that new sources of growth dynamism appear to emerge (e.g. in mining

and tourism), with falling contribution of agriculture to the GDP. However, these new patterns of economic structure, new sources of dynamism, potential drivers of productivity and competitiveness are not well understood, particularly how the existing endowment of a variety of natural resources can facilitate structural transformation and bring economic dynamics towards a competitive industrial economy.

Research in this area will focus on understanding the growth process in Tanzania with a view to examining the drivers of its structural change, the existing natural resources in Tanzania and the conditions and policies under which they provide comparative advantages, and how they can be transformed to provide competitive advantages for Tanzania to realise socioeconomic transformation consistent with the desired outcomes of inclusive growth for poverty eradication.

The diversity of natural resources ranges from minerals, forestry, wildlife, scenic features, to agricultural land, lake and ocean water, oil and natural gas. Recent discoveries of natural gas have added impetus to the potential for Tanzania to develop its productive capacity, through linkages with other sectors of the economy, such as enhanced energy security and efficiency, supply of feedstock to petrochemical and other employment intensive industries, and through its potential to provide revenues needed to finance infrastructure and human resource development.

Research in this area will focus on:

a. Minerals, oil and gas

The experience of other countries with minerals or oil and gas wealth suggests that unless deliberate efforts and strategies are adopted, exploitation of these natural resources is not likely to automatically transform the economy and to raise the welfare of the people. Research on natural resources will address the challenges of harnessing the resources to realise socioeconomic transformation. The research is expected to unravel what it takes to avoid the natural resource curse and instead harness natural resource wealth for socioeconomic transformation for inclusive development. It will explore issues related to linkages with non-oil sectors, including domestic supplier development and local content, energy security, and petrochemical industrial potentials.

b. Agriculture development, rural transformation, and structural change

The economic literature and development experience of structural transformation suggest that as economies grow and develop, they undergo

structural changes from predominantly agrarian-based production to manufacturing and service-based production that is increasingly driven by high productivity, technology and knowledge. Such a structural change is often accompanied by increased productivity in the agricultural sector, strong linkages between agriculture and other sectors (industry and service sectors) which in turn absorb labour released from agriculture. The labour force also shifts to non-agricultural activities in urban areas.

These structural characteristics do not appear to be the case for Tanzania, even as the contribution of agriculture to GDP continues to decline. The proportion of the labour force dependent on agriculture has fallen slightly from 75% in 2002 to 68% in 2014. This is still a high proportion, and productivity has not increased sufficiently to raise the level of incomes as theory suggests. Technology application is largely limited, fragmented farming practices are still widespread, and linkages between agriculture and industry are still weak. Land utilization, environmental degradation and climate change are also important elements of research in this area.

Research will therefore be directed to exploring the type of agriculture and rural transformation that is feasible and appropriate to secure structural change that fosters desirable socioeconomic transformation under the existing circumstances in Tanzania. It is expected to bring new insights on what it would take for Tanzania to transform its agriculture and the rural economy.

Research will also explore critical issues and dynamics of rural labour market such as underemployment, constraints to productivity change, rural diversification and relationship between agriculture and non-farm industrial and service activities.

c. Forestry, wildlife and fisheries

Tanzania is known to have vast reserve of forestry and large tract of land reserved for wildlife. There is also a long coastline and inland lakes and rivers giving it abundant fish catch. However, the extent to which these resources benefit the communities and enterprises in the respective areas, and their potential to transform into a modern industrial society through addition and exports is not well researched or documented. This research will aim at exploring these relationships and inform policy dialogues and potential institutional reforms in these subsectors.

Strategic Research Area 2: Industrialization, Structural Change, Enterprise Development, Trade and Employment as Pillars of Economic Growth and Socioeconomic Transformation

The development of enterprises (large, medium, small and micro enterprises) in a wide range of industrial activities, trade, and other key services to support agribusiness and manufacturing are very important pillars for promoting rapid structural transformation and to create productive employment. Research in this area will focus on:

- a. **Manufacturing transformation, growth and diversification**, seeking to understand potential drivers of export growth, natural resource-based industrialization, and how to create and sustain competitive advantages to accelerate structural change and transformation
- b. **Exploring the link between enterprise development, employment and poverty in Tanzania**: the main objective of this research is to understand the nexus between enterprise development, employment and poverty which could provide a basis for sound policy making that seeks to enhance employment route for effective inclusive development and poverty eradication.
- c. **Youth employment**: The main focus of this research is to establish specific policy issues for promotion of youth employment as an important component of the Tanzania labour force development, including skills development, population dynamics, and empowerment policies and interventions.
- d. **Informal sector and transformation**: The main objective of this research is to facilitate transformation of the informal sector to enhance achievement of decent working conditions for the labour force engaged in that sector, including issues of regulatory environment, and access to resources needed to foster organic formalization of enterprises in the informal economy.
- e. **Productivity, innovation, and technology diffusion**: The main objective of this research is to generate knowledge on the drivers of technology and knowledge diffusion, how different investment patterns such as those driven by FDIs can be made to promote technology transfer, foster innovation, and to raise total factor productivity across all sectors. It will also include the analysis of institutional innovations and change required to foster technology intensity in production and to enhance competitiveness.
- f. **Trade diversification and competitiveness**: The main objective of this research is to understand production and market dynamics that affect trade growth, relationship between trade, growth, and inequality in the context of Tanzania, the drivers of and constraints to trade competitiveness, and implications of regional and global trade agreements and cooperation.

Strategic Research Area 3: Governance Systems and Social Policy

The government responsiveness to the needs of citizens, including the vulnerable groups and individuals, and the influence of citizens in shaping policies is an important area that warrants more research attention. Research in this area will focus on two aspects:

The first will focus on how resources are shared/ distributed and how public services are delivered. It addresses the political economy of institutions and power dynamics on their own account and in relation to ordinary citizens in the context of participation and downward accountability. It examines approaches to strengthening domestic resource mobilization, the budget process, expenditure flows in relation to service delivery, and other aspects of economic governance. .

This research area builds on REPOA's long standing platform on governance charted by the combination of the 2001-2010 Formative Research Process on Local Government Reform, the Tanzania Governance Notice Board, the Afrobarometer surveys, and Public Expenditure Reviews and will revolve around the following: .

- a. **Effective Governance and accountability** both at the central level (transparency, resource mobilization, integrity of fiscal policy and the budget process, public financial management, and anti-corruption drive) and at the local government levels (participatory planning, resource allocation processes, decentralization by devolution, and downward accountability)
- b. **Service delivery and inclusion** at the central and local government levels (including education, health, water and sanitation, gender parity and diversity, and participation of non-state actors),
- c. **Local government finances and financial management** (local revenue base diversification and collection mechanism, and intergovernmental fiscal relations, and public expenditure tracking.
- d. **Local economic development**, seeking to identify how local government authorities and private sector at sub regional and sub-district levels can identify opportunities and create synergies through public-private partnerships to take advantage of the existing and emerging opportunities to foster local economic developments.

The second will focus on social policy in particular the dynamic conceptualization of social protection not only in terms of its role in income and consumption smoothing, but also in terms of its transformative role to enhance inclusion. The research addresses comprehensive social policy that supports structural change and social cohesion, highlighting the transformative role of social protection to achieve broader economic, social and political goals, such as distribution, protection, production and reproduction.

While the issues of social policy and social protection are broad, attention will be paid on the four subjects outlined below:

a. Protecting income against impoverishment (Income transfers and consumption smoothing): Studies designed under this sub-theme will focus on issues of transfer payments in cash or in kind, social insurance and pension schemes, saving schemes, and micro credit for consumption smoothing.

b. Preventing capability deprivation (Enhancing human capabilities through social protection): This area brings social provisioning in focus by looking at social protection not only as ways of preventing income deprivation but also capability deprivation. Studies designed under this sub-theme will address issues of equity in access to social services, quality bifurcation in social provisioning as a hindrance of social inclusion, financing of social services and access of quality services.

c. Social protection and productive competences: (Labour, productivity and livelihoods across the informal/formal divide): This sub-theme will focus on studies that seek to come to grips with how the prevalence of generalized insecurity limits space for innovation and the development of productive competencies and productivity growth on one hand, and ways of developing novel forms of formalization that enhance skill formation and productive competencies on the other hand.

d. Pro-poor growth and social protection (Macro dimensions of generalized insecurity): Studies under this area will place social protection in wider perspective beyond poverty discourses that place social protection within the confines of social policy. Focus will be on studies that will involve exploration of how and in what forms the re-integration of social and economic policy can aid to overcome the residual character of social protection.

