CASE STUDY

SET 1

TANZANIA
Seeking tax clearance through informal networks in Dar es Salaam
Dr. Dansttan Mukono, University of Dar es Salaam

On 10th February, 2020 an interesting case scenario emerged in the course of a conversation related to our research. Someone pointed out that one of his relatives was in the process of applying for tax clearance from the Tanzania Revenue Authority (TRA) for the renewal of his business license. The narrative that follows provides a picture of what it takes for one to use informal networks to fast track a process that would otherwise be cumbersome and cost significant amounts of time and money to be done.

Three days before our meetings, our interlocutor, whom we will call the narrator, was approached by his relative for help, whom we will call the seeker. The relative needed to obtain a tax clearance certificate to renew his business license as quickly as possible. He worried about delays because he was still missing some of the official documents required for the clearance. The narrator assured his relative, the seeker, that he had a number of network friends (mtandao) who were willing to speed up the process in exchange for a little something; ‘kitu kidogo.’ On the second day, the narrator approached a work colleague at the office asking him for help. That colleague knew someone who once helped him to build direct contacts with people at the Tanzania Revenue Authority (TRA) in order to solve similar issues related to obtaining tax clearances and licences. The work colleague agreed to put the narrator in contact with his TRA friend (friend of colleague) who in turn was experienced in maneuvering and brokering through informal channels.

On the same day, the work colleague got in touch with his friend, who had once helped him connect with people who are responsible for such clearance processes. Immediately, the friend of the colleague liaised with a broker operating in the proximity of the TRA office.

The broker depends on this everyday to support her family. For her, operating in the informal by helping people in exchange for money is to engage in a ‘mission town’ (meaning engaging in everyday deal making and tricks), which consolidates her recognition among fellow peers (‘kujenga heshima mjini’). The informal brokerage service is normally transacted for a fee between 100,000 and 150,000 Tanzanian shilling (approximately 45 and 65 USD), which is usually shared among a group of facilitators within the TRA office.

The following day, the broker instructed her TRA contact (the friend of a colleague), that money had to be transferred through an electronic money transfer (via mobile phone) in exchange for the service. The friend of the colleague reported back to his friend, who in turn passed the information to the narrator helping his relative. On day four, the narrator asked his relative, the seeker, to pay 150,000 Tanzanian shilling to the broker as instructed. After sending the money, the narrator asked his work colleague to check through his friend whether the broker had received the money. Through this communication chain it was communicated that the broker had received the money.

Subsequently, the friend of colleague provided the phone number of the broker to the work colleague who in turn shared it with the narrator so that either he or his relative (the seeker) could now communicate directly with the broker. Thereafter, the seeker agreed to meet the broker near the TRA offices. The broker provided instructions on
how to proceed and connected the seeker with an intermediary from the tax office, who is responsible for issuing the Tax Identification Number (TIN). The intermediary works closely with the broker and also mediates the negotiations with the seeker on behalf of TRA staff 1, whose responsibility is the preparation of the tax clearance and license and is therefore a crucial person in connecting with other TRA personnel, here collectively referred to as other colluding TRA staff, who are those dealing with document verification and the issuance of the clearance.

All of these actors working within the TRA office are connected and everyone expects to receive compensation after facilitating the process. Finally, all processes were completed within a span of four days avoiding long delays, and the broker brought the licence to the seeker.

This case study illustrates a number of nodes that facilitate corrupt transactions through informal means to bypass formal, inefficient bureaucratic channels. It is undeniably true to say that for one to succeed and avoid bureaucratic hurdles that would take weeks if not months to go through, service seekers are constantly tempted to venture into such malpractices for the sake of personal interests and to pragmatically secure a service. These processes and procedures are facilitated through interpersonal connections that are informally produced and legitimised.
The 2011 Public Procurement Act stipulates for tender boards to follow formal rules when awarding contracts to a winning service provider in an accountable and transparent manner. It also stipulates procedures for declaring any conflict of interest among public officials. The present case study emerged out of curiosity to understand why public officials continue to compromise existing regulations in order to advance their personal interests in spite of these conflict of interest laws. We talked with various individuals - both formally and informally - to understand the nature of existing relationships among different actors who overturn formal procurement rules, procedures and processes. During the discussion with one of our informants, we came across an interesting case which allowed us to study and document a complex web of public officials, who together with their close relatives and allies make up a web of informal networks. The information contained in this case study was provided by a retired senior intelligence officer.

From the research interview we noted that three years back, one of the district councils in Dar es Salaam convened a tender board meeting to select key contractors who were to supply different construction materials for the completion of a health center. Among these were suppliers of corrugated iron sheets, bricks, cement and timber. Formally, we were told that all normal procedures guiding public procurement processes were followed at the time. However, the tender board agreed, on the condition of anonymity, that the supplying tasks were given to companies owned by top officials of the district council and their allies. Our informant noted that, to rectify the situation, this tender was later revoked.

For the purpose of exploring informality, we illustrate nodes of actors and their relationships that were implicated below:
In connection to different construction service supplies mentioned earlier, members of the tender board agreed that corrugated iron sheets would be supplied by the District Administrative Secretary (DAS), who was at the time the second highest public official in the District Commissioner’s office. He used his uncle’s company to secure the contract. The cement contract was assigned to the Municipal Executive Director (MEC), a top local government official of the Municipal Council, although the name of the supplier company was registered in his wife’s name. The District Medical Officer (DMO), the top public official managing health matters at the district level, was given a contract to supply building bricks. The DMO collaborated with his close friend whose company received the contract. Finally, the tender for supplying timber was given to the Councilor and Municipal Mayor, who used a company registered under his son’s name. In this relationship, we had at the centre of the process, the Procurement Officer who acted as the facilitator, orchestrating all activities in terms of preparing key documents and executing directives from top officials.

The Procurement Officer informed that paying bribes would “smooth [ilisawazisha] the way” and help communicate with the five members of the tendering board, so as to make sure that the preferred contractors were selected with a promise of getting kickbacks. To camouflage these malpractices and avoid being under the councilors’ scrutiny; the Councilor and Municipal Mayor co-opted key council members by bribing them so that they would not disclose the fraud during financial committee meetings.

This cartoon shows a committee member of the tendering board. The chairman explains to members that an iron sheet will be bought from the District Administrative Secretary’s company while bricks will be brought from the District Medical Officer’s company, cement from the District Executive Director, and timber from him/the chairman.

Cartoon drawn by Masoud Kipanya a critical political cartoonist illustrating this case.

Source: Masoud Kipanya (@masoudkipanya). Twitter

Interesting to note in this case study is the existence of a web of relationships across two government administrative tiers. First, the DAS from the central government, held a key office representing the President and was responsible for spearheading development projects taking place at the local government level. Second, the MEC, the chief accounting officer at local government, colluded with the DMO, the procurement officer and the tendering board, who were his subordinates, to defraud the procurement process and split up the ill-gained contracts. We note that another key actor responsible for looking after people’s interest, that is, the mayor and other members of the district council, collaborated in such networks for the advancement of their personal interests. The existing checks and balances mechanisms from the central government administration were thus subverted by the collusive actions of local government actors, who were all informally connected to profit at the expense of a project meant to advance the public interest, namely constructing a new health centre.
Informal networks and transactional exchange in the transportation sector
Dr. Danstan Mukono, University of Dar es Salaam

Travelling upcountry brings to one’s attention a lot of issues that shape the everyday routine of transportation enterprises offering services along high transit routes. These companies must compete with each other to attract travellers. This case study describes what we learned while conducting research on how entrepreneurs strive to keep their business profitable in this sector. “Mgabe wa barabara”, there are roadblocks to becoming a powerful player in the business of transporting people; it is not an easy job and demands a lot of calculations. For some, the solution to be competitive is to develop bribery networks encompassing transport agents, drivers, conductors, bus owners, traffic police officers and relevant authorities who are relevant to different tasks and challenges encountered along the transit routes. The phrase which captures this approach, which we heard while conducting this research, is “kukata pochi” meaning that giving money allows you to survive.

The case narrated here gives a glimpse of one powerful transporter, who dominates one of the most important upcountry routes in Tanzania. It should be noted that this business person is also an influential politician, a member of Parliament, and someone who is known to be a regular financial supporter of the ruling party in one of its strong hold regions. He is referred to here as an MP businessman.

This case therefore illustrates what is not an unusual phenomenon in Tanzania, namely the nexus between political and business interests whereby powerful politicians also are running their own businesses. We gathered this information for this case study from transport agents, drivers and conductors at the Ubungo Bus Terminal in Dar es Salaam. The case study reveals a network of actors contributing to clear obstacles encountered by the transport enterprise related to delays, exceeding speed limits, road blockages and infringement of traffic regulations.

At the centre is the MP businessman. Then, there are the drivers who work for him, who are not only responsible for driving but also for maintaining constant communication among themselves as they meet along the roads to share valuable information on issues such as roadblocks and traffic controls. There are also bus conductors, who are in charge of undertaking negotiations with traffic officers in case of their vehicle being stopped. Conductors use motor vehicle registration cards to hide money that is given to traffic officers. This is always a calculated act prior to reaching envisaged difficulties located in different check points. As succinctly expressed, this inherent practice is known as “bila kushikisha mkono hautoboi,” which means: without giving hand (bribe) to traffic police, you will not reach your destination. Two other important actors on the road are bus agents in different regional/district bus stands and other drivers in transit: bus drivers, trucks, private and public cars, who are all potential informants about dangers and barriers occurring on the road. Our informants explained that agents are responsible for communicating with fellow district or regional drivers who frequently transit the same routes as the vehicles of the MP businessman’s company and have awareness of what is happening on the road. In exchange for bribes, the agents are able to share such information in advance with drivers and conductors, which allows them to take precautions to evade traffic jams, roadblocks or checkpoints.

In addition to these webs of connections, there are two other actors: institutionalised representatives from the Traffic Police Unit and the Land Transport Regulatory Authority (LATRA).
We were told that there are two scenarios that are usually practiced:

In the first one, the MP Businessman enters into agreements with some of top officials from the Traffic Police to provide a specific amount of money regularly (either on a weekly or monthly basis). They refer to this act as “kupeleka hesabu” which literally means providing monetary transactions. These top level officials direct those officers under them to let the buses pass freely without any obstacles.

In the second one, bribery also facilitates the evasion of fines, for example by enabling the omittance of evidence of speeding vehicles captured through traffic monitoring cameras. In Tanzania, currently there are institutionalised speed limits of 80 kilometers per hour for all buses. LATRA, the authority responsible for regulating this transport sector, has installed car speed tracking systems on several high-transit roads. Powerful transporters, such as the MP businessman have colluded with some LATRA officials administering the system, bribing them to ensure that their vehicles can drive beyond the speed limits without being fined. Respondents even noted that, “while travelling you experience that drivers are speeding, speed alarms are alerting them but they do not slow down”.

In sum, informal relationships with several different actors who help facilitate the journey of passenger vehicles in one way or the other are helpful to succeed in the highly competitive business of public transportation. Like in other cases we have documented, corruption related practices are considered to be normal and actors in these sectors are not ashamed to engage in such practices. It was emphasised that “it is our life and no way out to survive without it.”
Informal Networking for Business Startup
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This case study is an excellent illustration of the nexus among corruption, informality and networks. It represents a narrative around informal networking that is all too common and prevalent in Tanzania’s business sector by showcasing the widespread use of networks and associated core practices by members of the Dar es Salaam business community. The interview took place in December 2020 and tells the story of a Tanzania startup during the process of registering their business with respective government agencies, a yearlong registration process completed roughly two years earlier. The informant calmly summarises the whole experience in one concise and telling sentence: “bila watu ufiki popote”: without [the right] people or connections you won’t get anywhere. The business in question is a mid-sized production firm operating flour milling machines for various clients. Getting the business up and running at the time required a lot of paperwork and several clearances from different government counterparts. A crippling bureaucracy in general and overly complex procedures to register a business in particular opens many possibilities for administrative bottlenecks, according to the informant. This drives people to look for pragmatic solutions by means “kukata pochi” (literally search one’s wallet for available means), an allegory somewhat similar to the English metaphor of “digging deep into one’s purse or pocket”.

We anonymously refer to our informant as “Mwampojoli” and we present different actors - from the Tanzania Electricity Supply Company (TANESCO), the Tanzania Revenue Authority (TRA), and the Municipal Authority - with whom Mwampojoli had to engage informally to expedite the service. Mwampojoli started the conversation by noting:

“Wherever you go, it is impossible to move forward without having someone who knows you or connecting with a person who has established relationships working in these agencies.”

Although calm and collected throughout, he insisted that “the entire process drains you of money, time and energy”. Below, we reenact the tedious and lengthy process he had to go through to fulfil his dreams and set up a business producing, repackaging and supplying flour in Dar es Salaam.

STEP 1: SECURING A LAND AND FORMALISING THE PROPERTY FOR BUSINESS PURPOSES

Mwampojoli’s first encounter was with a member of Dar Es Salaam’s Municipal Council, to secure access to a plot of land where he wanted to set up the physical business and install a milling machine. From the Municipal Council he was sent to the Land Office and referred to a Municipal Land officer. The land officer had to run a due diligence check to assess whether the plot was available for such an investment, which had then to be formally legalised. This was a prerequisite for the land to be appraised, and for the land title and deed to be issued and transferred.

He said that the process was anything but straightforward. Aside from the Municipal Land officer, he had to go to a Land Evaluation Officer who was to conduct a site visit for surveying, verifications and demarcations. He also met with a Records Management official offering to accompany him along the process in an unofficial capacity and in the role of facilitator. During each encounter, a relationship was built out of need and necessity, with each official making every effort to create barriers with the purpose of eliciting a bribe. Without giving bribes, the dossier would
probably have gotten lost or hidden by staff at the land registry office at the direction of the land records manager, or else be put at the bottom of the pile in the municipal land officer’s desk, or be delayed with endless excuses by the Evaluation Officer.

To engage with this municipal staff in a first instance, Mwampojoli sought help from his close friends who used to have connections in the land office. However, because he lacked the right connection that could link him to the Municipal Land Officer, he took matters into his own hands. He inconspicuously stalked the officer to find out where the latter would go in his free time and outside office hours, the type of close friends he would meet, and in which neighbourhood he spent his leisure time. He learnt which was the favourite bar of the Municipal Land Officer and then proceeded to befriend the bar owner, to whom he expressed his need to be connected with the Municipal Land Officer.

The bar owner promised to take care of things and introduced him to the municipal land officer, who in turn agreed to fast-track his application. To avoid any doubts and rule out any disputes among them, all parties specified and informally agreed to terms and amounts owed for the various transactions, with payments made to the bar owner (now acting as an intermediary) who then paid the money to the land officer. In the meantime, a former school mate of Mwampojoli, who is currently working in that Municipality, introduced him to the Land Evaluation Officer. This former school friend promised to ask that officer to reduce the bribe and to speed up the process, insisting that Mwampojoli be fairly considered under the premise that “Mwampojoli ni ndugu yangu kama wewe”/he is [as much] my relative as you [are]. It was the same former school friend who also introduced Mwampojoli to the Land Records Manager, who was paid a bribe in exchange for taking up the role of facilitator. As such, he would track the application and put the file on top of the pile for quick signing and immediately send it off to the next stage. If it was not for money and the right connections, Mwampojoli emphasised, they would have made the process notoriously difficult for him, like for all others deciding to “mkono wa birika” (lit. to put their hand on the cistern, i.e. to be miser) - similar to the English idiom “to tighten one’s purse string”. Quickly reaching into one’s pocket instead and handing out envelopes with money will make life much easier, not only to sort clearance issues during the formalisation process of land titles.

In the next stage, the documents go to the Land Commission at the Ministry level, where one is met with further barriers and hurdles. Mwampojoli said he had to find yet another facilitator at the Land commission, who would forward his application for final approval of the land deed. In a similar way, that person was identified by another close friend and fellow business associate. This friend made things much easier for Mwampojoli and helped him clear all procedures at the Ministry by getting all the “official” help necessary.

**STEP 2: OBTAINING A BUSINESS LICENCE TO MEET URBAN PLANNING AND INFRASTRUCTURE DESIGN REQUIREMENTS**

After securing the title deeds, Mwampojoli ventured into building infrastructure for his machinery. In the process he was required to get various building permits. He had to go back to the Municipality, but this time needed to interact with a different office, that of Urban Planning. This is where his building design had to be approved by the Dar Es Salaam Urban Planning Officer, who first called a meeting for verification purposes.

Based on past experiences, Mwampojoli had to immediately give some money to facilitate the verification process. Through his previous encounter he was already connected with the land evaluation officer, who now acted as broker, linking him up with the right people, thus ensuring his architectural designs were quickly approved and cleared without any major stipulations. Mwampojoli asserted vehemently that “mjini unahitaji watu” - you must follow up with people in town- in order to succeed, no matter what one wants to accomplish and regardless of whether one meets the official
requirements. He observed that, “as long as you have money and as long as you know somebody, things will be easier and your requests will [more likely] be cleared by government officials.”

Once the building’s construction was completed and all machinery set up, Mwampojoli had to get a business license from the Municipal Trade Officer. For official clearance and final issuance, he had to follow certain procedures and file the required paperwork. The network he had previously built was useful to tease out the proper channels and most convenient way. In other words, the various individuals he had previously bribed to begin with stayed on as “useful helpers” and “convenient contacts”. In this case, Mwampojoli had already established a tie with one of the employees from this municipal office (henceforth referred to as the “acquaintance”) during a training he had conducted with other business people. This acquaintance made it easier for him to get all procedures cleared out in a more timely fashion. For a process that would usually take more two to three months, his application took two days to clear after he had filled the necessary forms and paid the licence fees. Once the licence was issued, the Municipal Trade Officer arranged a meeting to hand over the licence. For those without such connections, Mwampojoli said, the process would be delayed significantly, but not so much because of long queues, but because of hurdles across the process deliberately set up to elicit the payment of bribes. The connections made along the way (and each time a bribe was paid), tend to stay on and may provide opportunities for brokerage for future operations, transactions and processes. It is ultimately bribery that gets things done.

**STEP 3: ACQUIRING A BUSINESS TAX ESTIMATION AND CLEARANCE FROM THE TANZANIA REVENUE AUTHORITY (TRA)**

The next step was to engage with the TRA in order to obtain a corporate tax estimation and be issued with a tax clearance certificate. During this process, Mwampojoli had to meet with the Taxation Officer who was responsible for making calculations and estimations based on the documentation presented to him. Because there was no clear documentation of actual working capital, the estimation was very much contingent upon the taxation officer’s personal discretion. As such, he had the power to make higher or lower estimates depending on “mazungumzo”, the extent of formal bargaining. To improve his chances Mwampojoli agreed to provide “hela ya maji” - a kickback - in exchange for the lowest possible tax estimate. He would otherwise not have been able to afford a higher tax rate. Manipulating formal procedures becomes an alternative means to keep down tax expenses. He went on to say that without doing so, some businesses are forced to close because of over-taxation based on contradictory and ridiculous tax calculations. He thought that “lessening the burden through “kitu kidogo” - small tips - is the right thing to do and a prerequisite for building a profitable business.

**STEP 4: SECURING ELECTRICITY AND WATER SUPPLY**

Mwampojoli shared yet another experience from when he sought to have his business connected to the electricity grid and water supply. This process is also far from straightforward.

He said that priority is given to those who provide “kitu kidogo” and those with an internal networks. A first step consists of completing and filing forms to be handed to a Surveyor, who is tasked with evaluating whether the applicant meets the requirements. Because of the high number of clients, his readiness to make timely evaluations depends on personal communication and proximity. To get to know a suitable surveyor, Mwampojoli talked to his electrical technician who pointed him to an approachable surveyor. This is what followed: The forms were authorized by Branch Manager, who had internal connections with other colluding employees with whom he shared all applications of those looking to be supplied with electricity quickly and more urgently.
Having an electricity pole installed and be connected to the grid is not an easy undertaking, according to Mwampojoli. First, he had to talk with an assigned electrical technician who agreed to “kuwapoza”, deceive or neutralise, his immediate supervisors, in order to enable the informal transactions to take place. This involved the manager, the site supervisor and fellow technicians who would be on duty on the day scheduled for setting up the electricity connection. In addition, there were another five technicians and a driver (other colluding employees) who would help to expedite the installation and who would also be entitled to a share of the “cake”. Mwampojoli had no choice but to hand them a “bahasha nono” - a huge envelope - with enough money to satisfy all parties involved. For those opting for the formal channels, the process takes more or less three months. Mwampojoli had his business supplied with energy in seven working days. He was of the view that all of this was only possible because of personal connections and “kitu kidogo” (small tips).

Mwampojoli firmly believes that without informal networks and money nothing works. He also asserts that for most people this is simply how things are handled and rightfully so.
Informal Networking and the formalization of unplanned urban land
Dr. Danstan Mukono, University of Dar es Salaam

The government through the Ministry of Lands, Housing and Human Settlement Development is calling to formalize, upgrade and transform unplanned land to private companies. This case study narrates how connections helped secure one local government tender associated with this process. The experiences shared in this case draw from conversations with some of the members of an established land formalization committee.

When reallocating land use through this initiative, the districts, town or municipal councils are not directly involved in surveying land, but rather oversee the entire process. The Mtaa/street Assembly (the most decentralised government level in Tanzanian urban areas) is responsible for inviting competitive bidders to apply for land. Various companies were invited to attend and compete in this public expression of interest during an extraordinary Mtaa/street assembly convened in 2019. There is a competitive process in which each interested bidder is scrutinized during an Mtaa extraordinary meeting. At face value, it appears that the entire process of identifying a winner is transparent, but a closer exploration suggests that one needs to network with different individuals to secure the tender.

According to one of the key actors in this case study - a business person (henceforth “businessperson”) whose company succeeded in acquiring public lands - there is what he referred to as “kufanya fitina”: conspiring so as to defeat competitors. This businessperson’s company won the contract not only because it was deemed to be good as per people’s assessment during the Mtaa assembly, but crucially because the businessperson had the right connections. One informant said that they deliberately built strategic networks with different people, ranging from Mtaa leaders and government officials from the Municipal offices to selected members of the formalisation committee who represents each zone that makes Mtaa. These zones resemble the formal idea of nyumba kumi/ ten cells and currently each zone constitutes at least 50 households. The Mtaa in question had eight zones that appointed two representatives to constitute that committee. Before that, Businessperson came into close contact with the Mtaa Chairperson, and together they strategized to make sure that they could co-opt the zone representatives who were most likely to be elected as chairperson of the committee. The targeted person who was thereafter appointed as committee chairman, convinced other members to accept Businessperson’s company. Working closely with Businessperson, the formalization committee chairman prepared “bahasha”/envelope (denoting bribes) to be provided to eight committee members whom they thought were still undecided in reaching an anonymous decision to select Businessperson’s company.

At the municipal level, the Businessperson had to establish a connection with the Municipal Town Planner and Municipal Surveyor. These are college colleagues and friends from the Businessperson’s university. These were crucial people because after the first process of Mtaa selecting their preferred bidder, suggestions were forwarded to the Municipal Town Planning Offices for official approval. Such friendship helped to outsmart the company against other competitors which, according to one of the informants who contributed to this case study, were highly experienced and have done a lot of similar activities in other areas. But, other companies that failed to play “fitina” and establish strong connections ended up being outperformed by inexperienced companies. Connections with these friends from Municipal offices helped to provide extra details and linked the company with other networks at the Ministry where land plans are authorized.
One of the experienced actors in this exercise noted that this relationship with the surveyor and town planner made the task of engaging with the Commissioner at the Land Office, who is the person responsible for approval of the land transaction, very easy. The Municipal Surveyor knew the Commissioner through official meetings and they had built a strong friendship. The Municipal Surveyor therefore informed the Commissioner that his relative (“ndugu/jamaa”) has won the tender, asking him to formalise the land use plans pending the formal approval of documents. He added that the Businessperson would be ready to provide “maji” for him to fast track all procedures. The Commissioner subsequently informed the Businessperson that for things to go smoothly, they would have to prepare a small share “kitu kidogo” for his other two immediate bosses who are responsible to formally clear the land transaction documents.

One of the informants who contributed to this case study pointed out that after this experience, the Businessperson could expect to get more assignments from other Mitaa/Streets. The expectation is that, after cementing this network, there will be more “to eat” with everyone “tutakula nao sana”. The different actors involved in this scheme have kept in contact so as to identify any opportunities to get money “mchongo”.
Informal Connections and Favoritism in Service Levies and Business Licences
Dr. Danstan Mukono, University of Dar es Salaam

This case study illustrates the experiences of people applying for business licences or payment of annual local government service levy. Over two weeks we interacted with different individuals who came to one of the Municipal councils in Dar es Salaam. Their experience points to informal practices shaping these processes. Their encounters provide a complex picture of how informal connections either facilitate the quick provision of licences or help negotiate downward the amount of the service levy required. A business person recounted the various mechanism(s) that people resort to in order to obtain a license in the face of bureaucratic hurdles and delays.

We met a business woman who came to the municipal office to both renew her expired business license and pay the annual service levy of TSH106,000. Having to pay some late payment fines she came to the council with the expectation that something had to be done to avoid paying the late fees and negotiate the amount for the service levy. It was interesting to note that the formal regulations provide for instances where the service levy amounts can be significantly reduced for those whose who struggle and dispose of minimal operating capital. This information is not well publicised and deliberately kept secret by department of commerce employees, unless someone is ready to provide “maji” or can activate close allies from their respective networks.

The businesswoman in question had a friend she used to work with in one of the Town Councils in the Southern Highlands. In order to make life easy she contacted that friend, who had been transferred to this Municipal council as an accountant. Her friend had already been transferred to yet another regional district, but promised to contact a former office member (broker) who could connect her with the person responsible for issuing licences and determining the exact service levy due.

The friend contacted his former co-worker who then brokered a link with the responsible accountant handling the licence revenues. The business woman’s friend then shared the accountant’s details with the business woman. The business woman contacted the accountant who helped reduce the levy amount from TSH106,000 to 52,000. To then obtain the license in a timely manner, the accountant again connected the business woman with the person dealing with issuance of the licences in order to fast-track the process. Instead of having to wait up to three weeks, the license was issued within two working days.

During this stage of the research at the municipal council we noted that most of the customers were struggling to find shortcuts, be it through bribes or by building connections. Among those we talked to, six confessed to having been connected through a friend to see a person who would then facilitate the process. Our observations identified different strategies used to transact the money, including using other business people such as food vendors or mobile money transaction service providers. It was normal to hear that “Afisa X”/official X will come and take his/her parcel/‘mzigo wake’ here.

In supplementing the above views from other informants, it becomes evident that there are extended networks that link up to public officials via informal relations including individuals at nearby business spaces who act as intermediaries.
Actors in these spaces seem to normalise such practices and, when speaking about them, emphasise that this is characteristic of their everyday encounters and that “if you want things to move you need a friend and to give money.” Otherwise, people may queue for a week before being taken care of. One of the pointed out to one of the customers who had come while conversing: “you see that guy, he has come just now, and note how fast he will cross all this queue”. Immediately, we noted that he gave a written note to one of the office attendants to send for an official. His documents were collected much faster and he left the place very early compared to others who came earlier and were still waiting to be attended. We learned that memos and money travel fast between service seekers and providers and services become informally beneficial for those who are ready to make the connections.

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