

The Politics of Government Expenditures in Tanzania: 1999-2007¹

Laura Weinstein

lweinst@ucla.edu

Department of Political Science
University of California, Los Angeles

Abstract

What allocation strategy do hegemonic party regimes use in order to increase their level of electoral support? Although the literature has established that targeting resources to marginally supportive districts is the most effective distributive strategy for competitive democracies, it is not possible to make a clear prediction about the best strategy for hegemonic party regimes due to the lack of committed partisan preferences and competitive opposition parties. This paper seeks to address this puzzle by examining the patterns by which expenditures were distributed by the Tanzanian ruling party, Chama Cha Mapinduzi (CCM), across the country's 108 mainland districts from 1999 through 2007. The analysis also includes an examination of the expenditures patterns over time within the same district. Overall, this study finds that CCM targeted expenditures toward those districts that elected the party with the highest margin of victory. However, rather than attributing this outcome to the "patronage hypothesis," the patterns of expenditures over time reveal that CCM punished those districts that reduced support for the ruling party despite maintaining a high margin of victory. These findings suggest that CCM pursued a long-term allocation strategy with the goal of increasing future electoral margins by punishing even slight defection with a decrease in resources.

¹ Paper presented at WGAPE, Pomona College, April 30-May 1, 2010

Introduction

What are the patterns by which hegemonic party regimes in Africa redistribute resources to constituents? Unlike well-established democracies where the goal of an allocation strategy is to re-elect the incumbent, the almost guaranteed victory of a hegemonic party regime replaces this short term strategy with the longer term goal of winning the election formidably in order to consolidate political power. Only by winning the election with a high margin of victory can the ruling party maintain an institutional monopoly on electoral rules and project an “image of invincibility,” which is necessary to prevent the emergence of opposition competition (Magaloni 2006).

Despite the consensus about the electoral goal of hegemonic party regimes, there is theoretical disagreement about the long-term distributive strategy which generates the greatest electoral returns and mixed empirical evidence about the actual patterns of distribution among these regimes. Several authors argue that African hegemonic party regimes target resources toward districts with the most loyal followers due to the entrenched logic of political patronage in Africa, where patrons are expected to reward clients financially in exchange for political backing and supporters would see a lack of such rewards as a sign of betrayal or incapacity (Baldwin 2005, Miguel and Zaidi 2003). In a study of Ghanaian education expenditures, Miguel and Zaidi (2003) attribute patronage politics to the finding that the ruling party targeted a disproportionate amount of expenditures toward those districts swept by the ruling party. Alternatively, other authors argue that the most effective strategy for a hegemonic party regime to consolidate power is to deter the entry of opposition parties by targeting resources in marginally supportive districts and withdrawing resources from districts which elect the opposition, even by a small margin (Magaloni 2006). Both Magaloni (2006) and Dasgupta et al (2009) find support for this “entry-deterrence” strategy among the PRI in Mexico and the Congress Party in India.

This paper tests these competing hypotheses by examining the political logic of expenditure distribution among the 108 Mainland Tanzanian districts from 1999 through 2007. Since the introduction of legal multi-party competition in 1992 the level of per capita expenditures has varied considerably across and within electoral districts even though a single party, Chama Cha Mapinduzi (CCM), continues to monopolize power. In 2007, for example, the per capita budget allocation ranged anywhere from 9,000 to 54,000 Tanzanian shillings. I

attempt to account for this variation across districts by testing the influence of the ruling party presidential vote shares in the 1995, 2000, and 2005 elections on subsequent district level expenditure allocations. In order to explain the variation in allocation changes within districts over time, I take advantage of the abolition of the local development levy in 2004 to examine whether political factors determined the rates at which lost revenue was replaced by government allocations in 2005. The government abolished this levy in response to widespread discontent even though it constituted the primary revenue source for local government authorities.

I find contrary to Magaloni's entry-deterrence strategy, the Tanzanian government targeted a disproportionate amount of expenditures to the most loyal districts. Although the pattern of distribution most approximates the patronage hypothesis, the patronage theory does not adequately explain the Tanzanian government's motivation for pursuing this strategy. Rather, I argue that CCM's distributive strategy attempts to maximize electoral returns by taking advantage of voters' uncertainty about opposition rule by punishing slight defection, even in loyal areas, by decreasing expenditures (Magaloni 2006). Tanzania's low level of economic development compounds the effectiveness of this punishment regime because poor constituents rely exclusively on government resources for their livelihood. I contend that a punishment strategy is more effective than an entry-deterrence strategy among most African hegemonic party regimes because of limited opposition competition and lower levels of economic development.

The paper is divided into five sections. The first section reviews the theoretical and empirical distributive politics literature. The second section explains the largely discretionary process by which Tanzanian budgets are centrally determined and highlights the trends in expenditure allocations and revenue collection. The third section outlines the results and key players involved in the 1995, 2000, and 2005 Tanzanian presidential elections in order to contextualize the political environment under which CCM made expenditure decisions. The following section describes the methods and variables used to measure how electoral returns influence expenditure allocations. Section five presents the results of the analysis.

I. Literature Review

Distributive Politics of Multi-party vs. Hegemonic Party Regimes

Most distributive politics theories which examine the political use of resources *across* electoral districts only account for strategies used by incumbents in well-established democracies where there are competitive opposition parties and committed partisan preferences (Bickers and Stein 1994, 1996; Levitt and Snyder 1995). The presence of these two factors in multi-party democracies and lack thereof in hegemonic party regimes create a distinction in the fundamental goals of the respective regimes' distributive strategies. Specifically, the allocation strategy of multi-party regimes generates incentives to persuade voters in marginal districts to re-elect the incumbent while hegemonic party regimes' allocation strategy pursues the longer term goal of regime survival by winning the election with the highest possible margin of victory.

Even though most theories implicitly assume that a multi-party incumbent pursues an allocation strategy which maximizes the party's legislative seat share and national vote share for the executive,² competitive opposition parties and committed partisan ideologies mitigate the potential upper bound for electoral shares and force the incumbent to battle for votes in marginal districts. Consequently, this goal creates the clear prediction that an incumbent party should target resources toward the most vulnerable districts to create an incentive for voters to re-elect the incumbent (Levitt and Snyder 1995). Cox (2006) argues that when a party wants to maximize its legislative seats among single-member districts, it is logical to target swing districts where the marginal electoral payoff is the highest and where a small difference in votes can determine if the party wins or loses a seat. Although the literature disputes whether self-interested legislators prefer to target loyal or marginal supporters *within* their district (Cox and McCubbins 1986, Dixit and Londregan 1996, Lindbeck and Weibull 1987), incumbent parties prefer to maximize the party's overall seat share by focusing resources on pivotal districts.

In contrast, hegemonic party incumbents are almost guaranteed an electoral victory due to the lack of viable opposition parties and committed opposition preferences. Without these factors, it is not possible to make a clear prediction about which constituency a hegemonic party regime should target to increase its electoral margins. This fundamental difference between

² This paper deals with presidential democracies with a single member districts.

multi-party and hegemonic party regimes alters the short term goal of the distributive strategy from winning the immediate election to a longer term survival strategy that entails winning with the highest possible margin of victory. Although the degree to which the party controls the legislature over a majority or margin by which the president wins an election is important for parties in well-established democracies, large vote margins for the executive and maintaining a legislative supermajority are crucial for the long term survival of hegemonic party regimes because the regime can continue to monopolize electoral rules and create an “image of invincibility” to deter opposition competition. Thus, pursuing an allocation strategy that enables the ruling party to win the election formidably is critical for ensuring that the regime endures despite legalized multiparty competition (Magaloni 2006).

Winning a legislative or executive election with a large margin is crucial for a hegemonic party’s long term survival for three reasons: the ruling party is able to maintain its ability to manipulate electoral laws, continue its monopoly access to resources, and sustain the perception of the party’s “invincibility.” First, with a supermajority, the ruling party can unilaterally amend the constitution to its electoral advantage by creating formidable barriers for opposition entry. For example, the Tanzanian ruling party amended the constitution after the 1995 election to restrict public funding to opposition parties after numerous parties took advantage of this resource during the first multi-party election. Additionally, control of the legislature enables the ruling party monopoly access to abundant government resources and an important source of economic patronage. Finally, winning the election formidably is critical to maintaining an “image of invincibility” which serves to prevent the emergence of opposition by deterring elite splits and sending a signal to voters that the ruling party is the only viable electoral option.

Distributive Politics of Hegemonic Party Regimes

Although the aforementioned argument about a hegemonic party regime’s electoral goals predict that an incumbent party will pursue an allocation strategy that enables the party to win formidably, it is still unclear which districts the party should target to generate the highest rate of electoral returns. The limited studies conducted among hegemonic party regimes conclude that districts which elect the opposition, even by a small margin, are punished with lower levels or even a withdrawal of resources. However, these studies are inconclusive as to whether it is more

politically productive to target resources toward the districts which vote overwhelmingly for the ruling party or toward marginally supportive districts.

Several authors propose that consistent with the logic of patronage, African governments target patronage toward the most supportive districts as a reward for political loyalty (Miguel and Zaidi 2003, Baldwin 2005). Patronage, or the exchange of favors or rewards for political support, is endemic within African politics where formal administrative, political, and economic institutions are undermined by informal networks of political exchange and appropriation of public resources for private gain (Bratton and van de Walle 1997, van de Walle 2001). Rulers distribute patronage with the expectation that it “contributes to the stability of electoral coalitions by shaping expectations about the future distribution of public jobs over a stable network of voters” (Calvo and Murillo 2004). In a study of education expenditures in Ghana, Miguel and Zaidi (2003) attribute patronage politics to their finding that the ruling party targeted expenditures toward the most politically supportive administrative districts.

Alternatively, Magaloni (2006) proposes that hegemonic party rulers should direct a disproportionately higher level of resources toward marginally supportive districts in order to deter the potential entry of opposition candidates. She argues that targeting “supporters who can more credibly threaten to exit” is more politically productive than distributing finite expenditures toward the most loyal districts where constituents are likely to continue to support the regime regardless of the economic payoff. Magaloni (2006) and Diaz-Cayeros, Estevéz, and Magaloni (2008) find evidence that the Institutional Revolutionary Party (PRI) in Mexico used this “entry-deterrence” strategy when distributing funds through the national social program, PRONSOL. Dasgupta et al (2009) similarly finds that the Congress Party in India distributed a majority of resources toward vulnerable states that were aligned with the central government party.

However, based on the combined effect of low levels of economic development and limited opposition competition in Tanzania, it is more likely that the ruling party would implement a punishment strategy that targets a majority of resources toward the most loyal districts instead of marginally supportive districts in order to win future elections formidably. This strategy is effective because of the combined effect of citizens’ reliance on government resources to sustain their livelihood and limited opposition choices. Rather than attributing this pattern to the logic of patronage politics, I argue this pattern is due to the government’s effort to

signal that districts which do not vote with a high percentage for the ruling party will receive commensurately fewer resources than those which do.³

Unlike middle-income hegemonic party states, a punishment regime generates a higher rate of electoral returns in Tanzania because of the high utility constituents place on government redistribution. The low level of economic development in Tanzania creates a large premium for government subsidies which are provided in addition to regular sources of income. The difference in poverty levels between middle and low income hegemonic states can be significant; 89 percent of the Tanzanian population lives on less than \$1.25 a day compared to 5 percent of the Mexican population (World Bank Development Indicators).⁴ If the ruling party sends a signal that even slight defection is punished with lower levels of resources, then the fear of losing additional resources will compel voters to support the ruling party in subsequent elections.

The effectiveness of the punishment strategy is compounded by Tanzanian voters' lack of viable opposition alternatives and/or uncertainty about opposition performance. This uncertainty is facilitated by the lack of ideological distinction between parties and voters' unfamiliarity with different political platforms. Since the Tanzanian ruling party has ruled for over four decades, voters have no prior information about the types of policies the opposition would pursue or how these policies would perform. Even in the case of declining economic conditions, Magaloni (2006) argues that the hegemonic party still has an electoral advantage over the opposition due to these "asymmetries of retrospective information."

Although patronage politics is an important component of hegemonic party regime survival, it does not fully explain the ruling party's distribution strategy across numerous electoral districts. Because the goal of the ruling party is win an election formidably, it important to follow a distributive strategy that creates an incentive for non-core districts to vote for the party in subsequent elections. Targeting the most loyal districts as a reward for loyalty may be one function of the distributive strategy, but it does not serve to mobilize additional support for the party. Additionally, since patron-client relationships are reciprocal, these exchanges are only beneficial if the patron can adequately observe whether the client provides political support in return for reward. For this reason, most patronage literature assumes that the patron distributes

³ As will be explained below, I expect to see a continuous relationship between vote share for the ruling party and change in budget allocations over time.

⁴ This figure is based on World Bank Development Indicators database estimates of the poverty headcount ratio at \$1.25 a day (PPP) (% of the population) in 2000.

favors toward individuals in the form of a job or favor that is selective and reversible rather than publicly distributed (Robinson and Verdier 2002). This literature also implies that these favors are concentrated among strong social networks, such as ethnic groups, or political elites who constitute the greatest threat to the ruling party if they split and establish a separate political party (van de Walle 2001). The punishment strategy is a more adequate explanation of patterns of distribution in a political and economic milieu where the incumbent can take advantage of voter reliance on redistribution and limited opposition competition.

The results of this study both confirm and challenge the existing hypotheses about how hegemonic party regimes geographically target expenditures. The statistical analysis of expenditure distributions across electoral districts reveals that the Tanzanian government disproportionately targeted higher levels of per capita expenditures and greater increases in budget rates toward the most supportive districts rather than to those which voted marginally for the ruling party. Additionally, an examination of the raw data indicates that those districts which decreased support for the ruling party over time were punished with a lower budget rate after the abolition of taxes in 2004, even though several of these districts had a high initial vote share for CCM. This finding lends support to the hypothesis that allocation decisions were based on punishment rather than a reflexive “always support the supporters” calculation.

Before testing the applicability of these models to the geographic patterns of expenditures in Tanzania, the next section outlines the procedures by which Tanzanian budgets are determined and expenditures are allocated. This section highlights how the lack of transparency in the budget process fosters a fiscal environment where expenditures are subject to government manipulation.

II. Budget, Expenditures, and Revenue in Tanzania

The Tanzanian budget process is controlled within the Office of the President’s highly centralized administrative structure. Under supervision of the President, the Ministry of Finance prepares and finalizes the budget before it is submitted to the National Assembly for rubber stamp approval (Lawson and Rakner 2005). Local funds are distributed among 108 administrative districts, known as Local Government Authorities (LGAs), which are organized into locally elected Urban and Rural District Councils. LGAs function as the primary providers of services such as education, health, agricultural extension, water, and roads (Local Government

Fiduciary Assessment 2006). Figure 1 details the average composition of LGA expenditures spent during 2004/05. Education is the primary expenditure comprising over 57 percent of total expenses.

The absolute level of expenditures distributed by the Tanzanian government to Local Government Authorities has increased almost 400 percent from 1999 to 2007. Figure 2 illustrates this gradual upward trend in per capita expenditures. Expenditures jumped significantly after 2004 to compensate for the revenue shortfalls resulting from the abolition of locally collected taxes. However, this aggregate trend disguises the variation of expenditure changes within certain electoral districts.

Although Local Government Authorities are charged with the responsibility of service provision, these entities have historically had little autonomy over budget decisions. Prior to 1999, the central government earmarked local level budgets without input about the district's specific needs. The Local Government Reform Program of 1999 ostensibly addressed this concern by devolving budget decision making to LGAs even though the Office of the President retained coordination and oversight authority of these entities (Local Government Fiduciary Assessment 2006). The revised budget making process under this reform program required the Ministry of Finance to generate budget guidelines based on "National Minimum Standards" under which LGAs were charged to assemble a budget based on "sectoral standards and norms that assured a minimum level of service delivery" (The Guardian 2007). However, the Ministry of Finance only loosely incorporated the district's requests into the final budget calculations.

Additionally, the central government maintained substantial discretionary power over allocation decisions by calculating the budget through a largely subjective and non-transparent process. For example, The Guardian (2007) reports that the government targeted more resources toward well-developed districts that were perceived to use the allocations more efficiently. As a result, "underdeveloped (non-urban) districts ended up in a vicious cycle where they received relatively fewer resources and in turn were unable to expand their human resource base or construct additional physical infrastructure, which again in turn resulted in relatively smaller resource allocations" (The Guardian 2007). This example highlights the government's previously unrestricted ability to manipulate the budget according to discretionary criteria.

After mounting international pressure for increased budget transparency, the Tanzanian government reformed its financing framework during the 2004/05 budget year to include

formula-based block grants. These calculations were based on “objective criteria and client-focused norms,” in order to insure a standardized and equitable division of resources (Local Government Fiduciary Assessment 2006). Although the more recent Tanzanian budgets reflect this revised framework, the transition and implementation process of the new formula based system is not yet complete (The Guardian 2007).

During the same period, the Ministry of Finance abolished the development levy and significantly reduced districts’ revenue raising capacity. As illustrated in Figure 3, the average district revenue went from constituting 22 percent of the total district budget in 1999 to less than .04 percent during the 2004 budget year. This reform increased Local Government Authorities’ reliance on central government transfers to fund the entirety of the local budget. The central government compensated for this loss of revenue by instituting General Purpose Grants based on a formula that incorporates the “size of the population (70 percent), land area (10 percent), and poverty count (20 percent)” (Local Government Fiduciary Assessment 2006).

Figure 3 also illustrates a monotonic decrease in the overall percentage of revenue collected locally from 1999 through 2003. This downward trend could be symptomatic of two, non-mutually exclusive factors. First, local government tax authorities may have had difficulty enforcing the unpopular development levy which was the primary source of local government revenue. Many constituents felt the tax was unevenly enforced and that they did not receive commensurate benefits in the form of improved public services (Fjeldstad and Semjoa 2001). A 1998 revolt over the levy in the Arumeru district and burning down of a tax office in the Kilosa district were just two of many protests that indicated widespread popular dissatisfaction with the tax (Fjeldstad 2001, Kelsall 2000). This decrease in revenue is consistent with findings by Kasara (2007) and Weinstein (2008) which propose that democratically elected African governments are less willing to directly tax constituents due to fear of political reprisal and the lack of coercive capacity at their disposal. Another possible explanation for the decrease in local revenue is the perception that the central government would supplement revenue shortfalls with additional transfers. This budget feature would create little incentive for those districts which generated limited revenue to increase tax enforcement and provided a disincentive for high revenue districts to continue enforcement efforts.

This explanation of the Tanzanian budget process underscores the largely discretionary process by which expenditures are allocated and revenues are collected. It is likely that the ruling

party uses this discretionary power to target expenditures toward those districts which will respond with the highest electoral payoff. The following section explains the results and key players who competed in the general Tanzanian multi-party elections in 1995, 2000, and 2005 in order to contextualize the political environment under which CCM made expenditure decisions.

III. Tanzanian Multiparty Elections

The October 1995 presidential and National Assembly elections marked Tanzania's first multi-party national electoral contest in over three decades. Former President Julius Nyerere and the Tanganyika African National Union (TANU) party officially banned opposition political parties shortly after Tanzanian independence in 1963 with the intent of unifying the country under a single political banner. However, Nyerere's descent from power in the late 1980's led to a gradual trend toward political and economic liberalization. This trend culminated in 1992 when mounting domestic and international pressures persuaded the Tanzanian ruling party Chama Cha Mapinduzi (CCM, formerly TANU) to legalize multi-party competition (Whitehead 2003).

Presidential elections in Tanzania are decided in a one-round, plurality competition. This feature of Tanzania's electoral system worked to reduce CCM's presidential candidate Benjamin Mkapa's vote share in 1995 by dividing the vote among three additional opposition candidates (Table 1). Despite Mkapa's relatively high margin of victory, his 62 percent vote share was considerably lower than anticipated by CCM given the party's substantial incumbent organizational and monetary advantage (Hyden 1999). Augustine Mrema of the NCCR-Maguezi party and former CCM member emerged as the primary challenger to Mkapa by receiving almost a third of the overall vote share.

Even though Mrema failed to generate a broad coalition of support, opposition parties won majorities in some regions. For example, Mrema and John Cheyo of the UDP party received well over 50 percent of the vote share from their respective home regions of Kilimanjaro and Sinyanga. These results highlight the importance of regionalism as a foundation for opposition support (Whitehead 2003). Voters looked to the opposition candidates' regional affiliations as a short-hand for information about which candidate would best reflect their interests due to the relative lack of ideological and policy differences between political parties.

Although these parties had substantial regional followings, the Political Parties Act of 1992 mitigated the influence of ethnic and religious affiliations of parties. This Act required each

party to have at least 200 members from 10 regions all over Tanzania including one from Zanzibar and Pemba (Mukandala and Mushi 1997). Unlike political parties in other African countries that are defined by ethnic associations, ethnic differences are a relatively unimportant factor in Tanzanian politics (Hyden 1999, Scarritt and Mozaffar 1999).

The margin of victory for CCM in the 2000 and 2005 presidential elections was considerably higher than in the first multi-party election in 1995. The strength of the opposition parties was weakened by a combination of CCM's elimination of government-funded campaign subsidies and infighting within opposition political parties (TEMCO 2000). Most notably, Augustine Mrema defected from the NCCR-Maguezi Party to the TLP party due a disagreement with party leadership. Tables 2 and 3 show that CCM's vote share increased by almost 10 percent in the 2000 election and then by an additional 8.5 percent in 2005.

IV. Data and Methods

The Geographic Distribution of Expenditures in Tanzania

In this section I describe the data used to test whether standard theories about the political uses of budget apply in Tanzania. I specify the variables used to examine how the electoral results for the CCM presidential candidates in the 1995, 2000, and 2005 elections influenced the distribution of subsequent expenditures. As mentioned previously there are two prevailing theories about the patterns by which CCM could geographically distribute expenditures: the punishment and entry-deterrence strategies. Unlike multi-party regimes, the goal of these strategies is not to ensure the incumbent's immediate electoral victory, but to consolidate power by winning the election formidably. First, CCM could target expenditures toward those districts from which the party received a high level of electoral support in order to signal that any districts with lower levels of support will receive commensurately fewer resources. Alternatively, CCM could target expenditures toward those districts which are marginally supportive in order to gain the loyalty of pivotal voters and prevent the entry of opposition parties. Both strategies would also entail decreasing funds from opposition districts to send a signal that there is an economic cost associated with opposition support.

Due to the cross-sectional and time-series nature of the data, there is variation in expenditures across districts over time as well as variation within districts over time. The first component of this data analysis analyzes the variation across electoral districts using large-N

statistical estimation techniques. However, this aggregate approach is only able to account for the relationship between vote shares and expenditures without illustrating changes in budget allocations within districts over time as a result of changing vote shares. The second part of this section addresses this shortcoming by analyzing the raw data and looking at the patterns of revenue replacement to further demonstrate how CCM manipulated expenditures as a political tool. An examination of this data over time also helps to adjudicate between the patronage and punishment hypotheses.

Section I: Statistical Analysis

Measuring District Level per Capita Expenditures- Dependent Variable Measures

One of the primary limitations of studying the effect of past elections on future expenditures is that financial allocations are expected to influence voters' decisions about the candidates. This limitation is particularly salient in Tanzania where the ruling party has been in power since independence and has had over 40 years to use the budget to strategically influence single party elections. Similar to multi-party elections, these contests provided CCM an opportunity to evaluate differences in the level of national support for the party. Therefore, it is difficult to parse the effect of the 1995 vote shares on subsequent expenditures because these shares are endogenous to past allocation decisions.

The standard fix for this problem which is referred to as "simultaneity bias," is to introduce an instrumental variable that can explain expenditure outcomes without the influence of previous expenditures. Unfortunately, due to the inertial nature of budget decisions, it is difficult to pinpoint a single instrumental variable that can mitigate the independence of the observations. For this reason, I use two models with different measures of the dependent variable, per capita expenditures and the change in per capita expenditures, in order to capture trends in the data.

Model Specification

Model 1: Per Capita Budget Expenditures

I test the hypothesis that the Tanzanian ruling party uses budget allocations to punish less loyal districts in contrast to Maglioni's entry-deterrence strategy in several steps. First, I begin with a model that tests the level of per capita expenditures allocated to opposition and marginal

districts. These tests will show whether or not CCM targeted resources toward districts which the party won by a lower or higher margin. In order to adjudicate whether the resources are targeted at the high or low end of the margin, I also examine the influence of opposition support on per capita expenditures. If Magaloni's hypothesis is correct that hegemonic parties prefer to disproportionately target districts which the party won by a lower margin, we should expect to see a negative relationship between marginal vote share and per capita expenditures. However, as mentioned previously, since budget expenditures are strongly influenced by inertia over time it is difficult to distinguish between the effect of the election results on expenditures and the residual effect of long-term allocations toward regional strongholds. In an attempt to address this endogeneity problem, I include a measure that controls for regions which strongly supported the president in prior elections. This variable measures the percentage by which the region voted "No" for the ruling party president in the 1985 election prior to the introduction of multi-partyism. The expectation would be that those districts in the past which had a higher percentage of "No" votes would have received lower levels of expenditures.⁵ By controlling for past opposition, I mitigate the endogeneity problem.

The per capita budget expenditures measure includes two categories of expenditures: development and recurrent expenditures. Recurrent expenditures constitute 99 percent of the total expenditures and encompass expenses that recur on an annual basis such as salaries. Development expenditures are used to fund capital investments and are not a consistent source of annual funding. Unfortunately, expenditure data which is disaggregated by sectors such as education or health is not available for most fiscal years. It is therefore not possible to examine whether the government directs more resources toward different sectors according to the regional demand for these services.

In order to measure the vote margin, I calculate the difference between the vote share for 1995 and 2000 CCM presidential candidate Benjamin Mkapa and the 2005 candidate Jakaya Kikwete with the opposition candidate with the next highest vote share. Since the presidential election is decided in a single round, plurality contest with multiple candidates, I use the marginal difference between the winner and runner-up rather than the difference between CCM's vote share and a majority threshold of 50 percent. Due to data limitations I was unable to test this hypothesis using CCM vote shares for the National Assembly and District Council elections.

⁵ See Appendix C for a list of historical opposition strongholds.

However, governing power is concentrated in the Office of the President with the National Assembly serving primarily a rubber stamp for presidential budgetary decisions. If CCM distributes higher levels of expenditures to core constituencies then I would expect to see a positive relationship between CCM vote share and per capita expenditures.

The district's overall level of development may also be an important consideration in the Tanzanian government's budget calculation, although it is not clear whether resources are targeted toward districts with low, medium, or high levels of development. As stated above, The Guardian (2007) reported that the Tanzanian government directed allocations toward better developed districts which could use the resources most efficiently. However, previous studies of distributive politics have reached divergent conclusions about the relationship between the level of development and expenditures. For example, in his study of the politics of the funds distributed through the Peruvian social program FONCODES, Schady (2000) finds that impoverished districts received a higher proportion of the expenditures. In another paper on an equivalent Mexican social fund, Diaz-Cayeros, Estevéz, and Magaloni (2006) determined that there was a curvilinear relationship between the level of development and the Mexican government's distribution of expenditures, with those constituencies in the middle range of poverty receiving the greatest share of social relief funds.

I use two measures of regional financial indicators from the 2000/01 Tanzanian Household Budget Survey to test whether or not the regional economic well-being influences the level of per capita expenditures. Although these measures are not disaggregated by district, they do include separate figures for urban and rural districts within the region. I examine both the percentage of the population below the poverty line and the average per capita income. If financial need is a component of CCM's budget consideration, then there should be a positive relationship between percentage below the poverty line and per capita expenditures and a negative relationship with per capita income.

It is widely acknowledged among African scholars that politicians tend to direct more resources toward urban areas because of the ability of urban constituents to mobilize against the ruling party (Bates 1981). In order to control for this possibility, I use a dummy variable to indicate whether a district is rural or urban.

The size of the population is also an important determinant of the level of per capita expenditures. Due to economies of scale and fixed costs associated with the delivery of public

services, districts with larger populations would require less expenditure per capita. I use a measure of the log of the district population for the particular year in which the per capita expenditures were distributed. I anticipate that an increase in the log of the population is associated with a decrease in the level of per capita expenditures.

The amount of local revenue generated by a district may also influence the government's decision about the total budget allocated to a particular district. As demonstrated previously, the government bases budget decisions upon the revenue collected during the previous budget cycle. Therefore, as a district's local revenue increases, the level of per capita expenditures received from the central government should decrease.

Finally, I include dummy variables to indicate the year of and before the election to test whether most allocations are targeted prior to elections. Several studies demonstrate that incumbent parties allocate a majority of the expenditures just before the election in order to influence voting choices (Diaz-Cayeros et al 2008, Magaloni 2006). Since elections took place in 2000 and 2005, I expect to see a positive relationship between dummy variables for these years and the year before the election.

Model 2: Changes in Per Capita Budgets

Since the per capita expenditure measure is subject to endogeneity problems, I also use a model that measures the influence of vote shares on the *change* in per capita expenditures. Analyzing the budget year to year controls for the influence of past expenditure decisions by measuring a *proportional* change in budget allocations after 1995 rather than overall allocations. Additionally, because the budget is influenced so much by inertia and there are very few differences in the overall per capita expenditures across districts over time, a measurement of the budget change can more readily detect small variations influenced by political factors. This measure is calculated by taking the percentage difference between the previous and current year budget allocation, i.e. the difference between the 1999 and 2000 year budgets. If the ruling party prefers to target marginally supportive districts, there will be a positive relationship between marginal districts and budget increase, indicating these districts receive a greater rate of budget increases than the most loyal districts.

The absolute level of budget expenditures a district receives is another factor that could either have a positive or negative influence on the change in budget allocations. If the

government targets greater increases in budget changes to those districts which have lower per capita expenditures, then we should expect to see a negative relationship between per capita expenditures and changes in the budget in an effort to minimize the variation in per capita allocations. On the other hand, if the government is biased toward targeting resources toward those districts which already have higher budgets, then there should be negative relationship between the two variables. As indicated previously, the government may be predisposed toward targeting richer districts because they believe that these districts have a greater capacity to use the allocations more efficiently. Additionally, if richer districts are correlated with higher levels of government expenditures, then the government may choose to systematically favor those districts with higher levels of budget support.

Finally, the initial size of the district's population could also influence the change in per capita allocations. Similar to the control included in the previous model, economies of scale could serve to reduce the change in budget expenditures. Alternatively, larger populations could receive greater increases in budget changes because of the revised 2005 government block grant formula that based 70 percent of budget calculation on population size.

Results: Estimates of Political Effects

Model 1: The Influence of Vote Share on Per Capita Expenditures

The data used to test my hypotheses include annual observations (1998-2007) for 109 Tanzanian districts creating a panel of 947 district-year observations.⁶ Due to the continuous nature of per capita expenditures, I analyze the data using Ordinary Least Squares (OLS) regression corrected for year fixed effects. This model tests the aggregate influence the 1995, 2000, and 2005 elections on the subsequent expenditure decisions made by the government.

The results from the regression analysis in Table 4 indicate that CCM allocated higher levels of per capita budget expenditures to those districts which the ruling party won with a large margin of victory. The opposition model shows confirms that CCM allocated lower levels of per capita budget expenditures to districts which voted with a higher degree for the opposition party. For the marginal model, a one percent increase in vote share is associated with an increase of

⁶ These districts are listed in Appendix A. Yearly expenditure data was missing for several districts. Due to lack of data availability, the dataset does not include districts from the islands of Zanzibar or Pemba.

1.51 TZ shillings per capita.⁷ If the average district population is 270,000, then this would equate to a budget increase of 408,000 additional TZ shillings. For every one point increase in opposition vote share, the ruling party decreases expenditures by 2.04 TZ shillings per capita, or an average district level decrease of 550,000 TZ shillings.

A higher percent of “No” votes in the 1985 presidential election also predicts lower levels of per capita expenditures. This finding confirms that the level of per capita expenditures distributed after the 1995 election were not independent of previous expenditure decisions and voting patterns. Although this variable captures some of the influence of past expenditures, it cannot completely account for all endogeneity between the dependent and independent variables. The next two data sections will attempt to address this shortcoming by examining the changes in budget expenditures across and within districts after the 1995 election.

The final model does not include the measure of economic development (% of population below the poverty line in 2001) because this variable is significantly and positively correlated with the percent of “No” votes for the CCM presidential candidate in 1985 and creates instability in the model. This correlation demonstrates that there is strong link between the level of past support for the ruling party and future overall economic well being.

This model also does not include a measure for the year of and before an election because of the high standard error and negative sign of the coefficient. The unusual finding that expenditures declined before an election can be attributed to the fact that taxes were abolished the year prior to the 2005 election which greatly decreased the overall budget per capita. Although it would seem counterintuitive to reduce the availability of funds during an important electoral cycle, the abolition of taxes was a popular measure which offset the decline in expenditures. As mentioned previously, there were numerous protests associated with tax collection, including several violent incidents where angry taxpayers burned down tax collection offices.

As anticipated, an increase in the size of the population is associated with a decrease in per capita expenditures due to economies of scale. An increase in revenue as a percentage of total expenditures also decreases the amount of expenditures the government distributes to a district. Whether the district is located in a rural or urban area is also statistically significant.

⁷ This figure was calculated by taking the inverse log of the per capita expenditure coefficient of presidential vote share.

Kilimanjaro Region: The Exception that Proves the Rule

Finally, I include a dummy for those districts in the Kilimanjaro region after identifying these districts as outliers when plotting the relationship between opposition vote shares and budget per capita. Unlike other observations, these districts had both high per capita budget expenditures and low levels of vote shares for the president. A closer examination of the history of the region reveals that prior to the 1995 elections and introduction of multi-partyism, the Kilimanjaro region was a CCM stronghold with few dissenters against the ruling party (Othman 1990). However, the strongest opposition contender for president in the 1995 election, Augustine Mrema, emerged from the Kilimanjaro region after splitting from the CCM party. Because of Mrema's regional affiliation, he received overwhelming support from almost all districts in Kilimanjaro. Even though the average vote share for CCM's presidential candidate was only 31 percent, these districts had much higher than average per capita expenditures. This notable exception provides further evidence that budget allocations were a result of political manipulation which favored those districts that were historical strongholds of the ruling party. Additionally, as will be shown in the examination of raw data, that the Kilimanjaro region was punished with larger decreases in budget changes as a result of the region's defection.

Model 2: The Influence of Vote Shares on the Change in Per Capita Expenditures

Next, I test to see whether the level of support for the opposition candidate influences the rate the budget changes from year to year. Unlike the per capita expenditure measure, this variable is less dependent on previous expenditures. As anticipated, Table 5 indicates that districts which voted for the ruling party with a greater margin received larger increases in the rates of budget expenditures each year. More specifically, a one percent increase in vote share for the presidential party leads to a 1.12 percent increase in change in TZ shillings per capita. Additionally, the table shows that as the vote share for the opposition increases, the rate of change for the budget decreases by 1.29 percent.

The table also shows that as the budget per capita increases the change in budget rate also increases, which indicates that those districts which already have a higher budget per capita continue to receive greater increases in the budget rate. This finding illustrates that rate of change in allocations across districts is not the same and is biased toward those districts which already

have high per capita budget expenditures and high levels of support for the ruling party. The population coefficient is positive, indicating that some portion of the budget formula was adjusted to account for districts with larger populations.

Section II: Examination of the Raw Data

The previous section detected the pattern that the ruling party targeted budget allocations toward those districts with the highest vote margins. However, a statistical examination of the data cannot detect the patterns of allocation within districts over time. Winning an election formidably implies that the ruling party must both increase vote shares among marginally supportive districts *and* maintain high levels of vote shares among party strongholds. By examining the raw data, this section detects the patterns by which the ruling party responded to supportive districts which decreased vote shares for CCM and non-supportive districts which did not substantially increase vote shares. Supportive districts are defined as those which have a vote share above 60 percent for the ruling party. This threshold marks the difference between a supermajority vote share below which a hegemonic party regime's monopoly over power is threatened (Magaloni 2006). This analysis will also be able adjudicate between the punishment and patronage hypotheses by determining whether highly supportive districts which decreased vote shares for the ruling party, even by a small percent, were punished with decreased expenditures.

In order to examine the variation of expenditures over time given the inertial nature of allocations, I take advantage of an exogenous source of variation that enabled the government to reduce the budget share without raising red flags about the allocation process. As mentioned previously, the Tanzanian government greatly reduced local government authorities' ability to generate revenue by abolishing the unpopular development levy. The government ostensibly replaced this loss in revenue by distributing a formula based block grant in 2005. However, this significant change in the budget allocation process broke the inertia in the budget process and gave the government an opportunity to strategically manipulate the "replacement" of lost revenue for political purposes.

The starting point for this analysis is to examine the change in budget shares over time within each district. In particular, I look at the change in budget the year taxes were abolished and the year they were replaced. In order to normalize the change in expenditures shares across

districts, I calculate the average budget change for a particular year and take the difference between each data point and the mean value. If a resulting value is close to zero, then there is not any variation between that value and the mean. On the other hand, a value that is large and positive indicates a greater budget change than the mean and the reverse is true for a large and negative number.

A cursory analysis of the difference in budget changes from the mean reveals that although most districts had stable levels of expenditure distribution, as indicated by similar patterns of budget changes over time, several districts experienced high fluctuations in budget rates. Figure 4 illustrates that the distribution of budget changes (deviation from the mean) is clustered around zero but with several observations lying outside the first standard deviation of 0.17. The pattern of this distribution demonstrates that although stability is the norm, budgetary inertia may not influence all allocation decisions.

There are several observable implications in the data which test the competing hypothesis that ruling party followed a punishment or an entry-deterrence allocation strategy. First, both the entry-deterrence and punishment hypothesis predict that historical strongholds, such as the Kilimanjaro region, that reduced support for the ruling party were punished by a lower rate of revenue replacement. Second, the punishment strategy predicts that districts which have either opposition or marginally supportive vote shares in 1995, but do not improve these vote shares over 60 percent, are punished with lower rates. On the other hand, an entry-deterrence strategy implies that districts which support the opposition but improve vote shares to over 50 percent should receive an increased rate of revenue replacement. Finally, districts that have high initial support for the ruling party but slightly reduce vote shares after 1995 are punished with lower rates of revenue replacement under the punishment strategy but targeted with higher rates of replacement in the entry-deterrence approach.

Since the government abolished the development levy between the 2003/2004 and replaced the lost revenue with a block grant during the 2004/2005 cycle, I analyze the net gain or loss in the change of budget allocation between these two cycles to determine whether or not a district was targeted to receive a greater or smaller percentage of expenditures. Table 6, Column 1 lists all of the districts which received a significantly lower rate of budget change than other

districts after the abolition of taxes, while Column 2 lists the districts which received a greater share.⁸

The first pattern that emerges from table confirms that historical party strongholds which voted for the opposition were punished with significant decreases in the rate at which lost revenue was replaced with government expenditures. Historic district strongholds in the Kilimanjaro and Arusha regions which voted for the opposition in the 1995 election were punished by receiving a 50 percent lower rate of revenue replacement than the average district. Although not shown on this table, the entire Kilimanjaro region received an average 13 percent lower rate of revenue replacement as a punishment for overwhelming opposition support.

Several other patterns emerge from this list which substantiates the claim that the government pursued a punishment strategy when determining the rate at which lost revenues were replaced with expenditures. First, the government reduced expenditures toward opposition and marginally supportive districts which did not significantly increase the vote share to above 60 percent for the ruling party during the 2000 election⁹. Arusha CC, Illala MC, Kinondoni MC, Temeke MC, Bukoba MC, Moshi, and Mwanza CC all received drastic decreases in the rate at which lost revenues were replaced with expenditures as consequence for low levels of support. The government wanted to send a signal that not only are opposition strongholds punished with lower aggregate levels of per capita expenditures, but if the vote share does not improve then they are further punished by drastic decreases in the change of expenditures over time.

Furthermore, the government increased the budget rate in neighboring districts in the same region where the districts *did* increase the vote share for the government after the first election. This demonstration effect is evidenced in both the Arumeru district in Arusha and Biharamuro district in Kagera where the districts increased vote shares to above 60 percent after the first election. Rather than viewing this as a “reward the loyal supporter strategy,” I argue this act was meant to demonstrate that the lack of political support is punished with decreases in expenditures and to provide a close to home example of the significant improvement of livelihood associated with higher levels of government support.

⁸ “Significantly” is defined as any net gain or loss which is above or below 20% of the previous change in budget shares.

⁹ These districts include: Arusha-Arusha CC, 3 districts in Dar es Salaam, Kagera-Bukoba, Kilimanjaro-Moshi, and Mwanza-Mwanza MC

Second, the table indicates that those districts which have high levels of government support but then lowered support, even marginally, were punished with decreases in the rate of lost revenue. In the universe of cases, 8 districts decreased the initial level of support from the 1995 election to the 2000 elections.¹⁰ Of those cases, four districts listed: Liwale, Kisarawe, Mafia, and Rufiji, experienced a decline in the change of expenditures even though the initial level of support for the government was high. This pattern indicates that the ruling party used a punishment strategy not only to coerce opposition and marginally supportive districts to increase vote shares, but also to prevent party strongholds from decreasing vote shares. Additionally, this finding supports a punishment rather than patronage explanation of the government's allocation strategy by showing that expenditures even in supportive districts can be reduced as a result of lower vote shares.

Finally, there are several districts in the Mbeya and Mtwara regions which received higher levels of budget allocations after the loss of revenue was replaced with block grants. Although it is not immediately clear why these districts were rewarded, closer examination reveals the political importance of these regions. First, the Mtwara region is the home region of former President Benjamin Mkapa who ruled from 1995-2005. This trend is consistent with numerous studies that indicate that African rulers direct resources toward their home regions (Kasara 2007). Second, the Mbeya region is a strategic source of gold deposits and a large revenue source for the Tanzanian government. Minerals from this region of the country constitute 34 percent of the total Foreign Direct Investment and are a significant asset to the government. The high increases in allocations could be targeted toward supporting these mining operations.

¹⁰ See Appendix C for a list of districts which decreased levels of support over time

Conclusion

This paper finds that Tanzanian ruling party, Chama Cha Mapinduzi, disproportionately targeted higher per capita expenditures and larger budget increases to the most supportive districts in order to continue to win elections formidably. Both the results of statistical analysis and examination of the raw data confirm that contrary to Magaloni's entry-deterrence hypothesis, CCM did not target marginally supportive districts in order to deter the entry of opposition parties. Rather than attributing this pattern to patronage politics, I argue that CCM attempted to send a signal to non-supportive districts that lower vote shares are punished with lower per capita expenditures and smaller changes in budget rates. A punishment strategy is a more effective strategy of increasing vote shares in Tanzania due to voters' lack of viable opposition alternatives and reliance on government resources to improve their well-being. An examination of the raw data revealed that non-supportive districts which did not increase vote shares above 60 percent and supportive districts that slightly decreased vote shares after the 2000 election were punished with low rates of revenue replacement.

Beyond the empirical findings, this paper makes an important theoretical contribution to the literature on hegemonic party regimes. Instead of grouping all hegemonic party regimes into a single category, I find that it is important to parse out the unique characteristics of these regimes which influence the way in which economic and political outcomes are calculated. Although all hegemonic party regimes are interested in winning elections by a formidable margin, this study confirms that these regimes can pursue different strategies to reach the same goal. This distinction has important implications for developing an understanding of the political behavior of hegemonic parties, particularly across different continents.

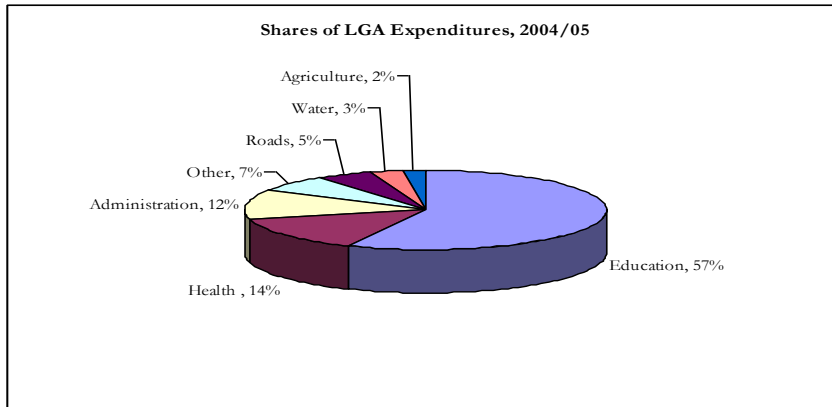
Works Cited

- Baldwin, Kate. 2005. "Who Gets the Jobs? Dynamics of Opposition and Redistribution in Mali." *Unpublished Manuscript*.
- Bates, Robert. 1981. *Markets and States in Tropical Africa: The Political Basis of Agricultural Policies*. Berkeley: University of California Press.
- Bickers, Kenneth N. and Robert M. Stein. 1994. "Congressional Elections and the Pork Barrel." *The Journal of Politics* 56 (2): 377-399.
- Bickers, Kenneth N. and Robert M. Stein. 1996. "The Electoral Dynamics of the Federal Pork Barrel." *American Journal of Political Science* 40 (4): 1300-1326.
- Blaydes, Lisa and Mark Kayser. 2007. "Counting Calories: Democracy and Distribution in the Developing World." *Unpublished Manuscript*.
- Block, Steven A., Karen E. Feree and Smita Singh. 2003. "Multi-Party Competition, Founding Elections and Political Business Cycles in Africa." *Journal of African Economies* 12 (3): 444-68.
- Bratton, Michael and Nicolas van de Walle. 1997. *Democratic Experiments in Africa: Regime Transitions in Comparative Perspective*. Cambridge: Cambridge University Press.
- Budge, Ian and Hans Keman. 1990. *Parties and Democracy*. Oxford: Oxford University Press.
- Bueno de Mesquita, B., A. Smith, R. M. Siverson, and J.D. Morrow. 2003. *The Logic of Political Survival*. Cambridge: MIT Press.
- Calvo, Ernesto and Maria Victoria Murillo. 2004. "Who Delivers? Partisan Clients in the Argentine Electoral Market." *American Journal of Political Science* 48 (4): 742-757.
- Cox, Gary W. 2006. "Swing Voters, Core Voters, and Distributive Politics." *Presented at the Conference on Representation on Popular Rule, held on October 27-28, 2006 at Yale University*.
- Cox, Gary W. and Matthew D. McCubbins. 1986. "Electoral Politics as a Redistributive Game." *The Journal of Politics* 48 (2): 370-89.
- Dasgupta et al. 2009. "Electoral Goals and Center-State Transfers: A Theoretical Model and Empirical Evidence from India." *Journal of Development Economics* 88 (2009): 103-119.
- Diaz-Cayeros, Alberto, Frederico Estevez, and Beatriz Magaloni. 2008. *Strategies of Vote-Buying: Poverty, Democracy, and Social Transfers in Mexico*. Unpublished Book Manuscript.
- Dixit, Avinash and John Londregan. 1996. "The Determinants of Success of Special Interests in Redistributive Politics." *The Journal of Politics* 58 (4): 1132-55.
- Fjelstad, Odd-Helge. 2001. "Taxation, Coercion, and Donors: Local Government Tax Enforcement in Tanzania." *The Journal of Modern African Studies* 39 (2): 289-306.

- Fjelstad, Odd-Helge and Joseph Semboja. 2001. "Why People Pay Taxes: The Case of the Development Levy in Tanzania." *World Development* 29 (12): 2059-74.
- Hyden, Goran. 1999. "Top-Down Democratization in Tanzania." *Journal of Democracy* 10 (4): 142-55.
- Hoffman, Barak D. and Clark C. Gibson. 2005. "Fiscal Governance and Public Services: Evidence from Tanzania and Zambia." *Unpublished Manuscript*.
- Kasara, Kimuli. 2007. "Tax Me if You Can: Ethnic Geography, Democracy, and the Taxation of Agriculture in Africa." *American Political Science Review* 101 (1): 159-72.
- Kelsall, Tim. 2000. "Governance, Local Politics and Districtization in Tanzania: The 1998 Arumeru Tax Revolt." *African Affairs* 99:533-551.
- Lake, David and Matthew A. Baum. 2001. "The Invisible Hand of Democracy: Political Control and the Provision of Public Services." *Comparative Political Studies* 34: 587-621.
- Lawson, Andrew and Lise Rakner. 2005. "Understanding Patterns of Accountability in Tanzania." *Chr. Michelsen Institute Final Synthesis Report*.
- Levitt, Steven D. and James M. Snyder. 1995. "Political Parties and the Distribution of Federal Outlays." *American Journal of Political Science* 39: 958-80.
- Lindbeck, Assar and Jorgen W. Weibull. 1987. "Balanced-budget Redistribution as the Outcome of Political Competition." *Public Choice* 52: 273-97.
- Local Government Fiduciary Assessment. 2006. *Tanzanian Public Expenditure Review*.
- Magaloni, Beatriz. 2006. *Voting for Autocracy: Hegemonic Party Survival and its Demise in Mexico*. Cambridge: Cambridge University Press.
- Miguel, Edward and Farhan Zaidi. 2003. "Do Politicians Reward their Supporters? Regression Discontinuity Evidence from Ghana." *Unpublished Manuscript*.
- Mukandala, Rwekaza and Samuel Mushi. 1997. *Multiparty Democracy in Transition: Tanzania's 1995 General Elections*. Dar es Salaam: University of Dar es Salaam.
- Olsen, Mancur. 1993. "Dictatorship, Democracy, and Development." *The American Political Science Review* 87 (3): 567-76.
- Othman, Haroub. 1990. *Tanzania: Democracy in Transition*. Dar es Salaam: Dar es Salaam University Press.
- Reinikka, Ritva and Jakob Svensson. 2002. "Assessing Frontline Service Delivery." *World Bank/Development Research Group*.
- Robinson, James A. and Thierry Verdier. 2002. "The Political Economy of Clientelism." *The Center for Economic Policy and Research at Harvard University, Discussion Paper 3205*.

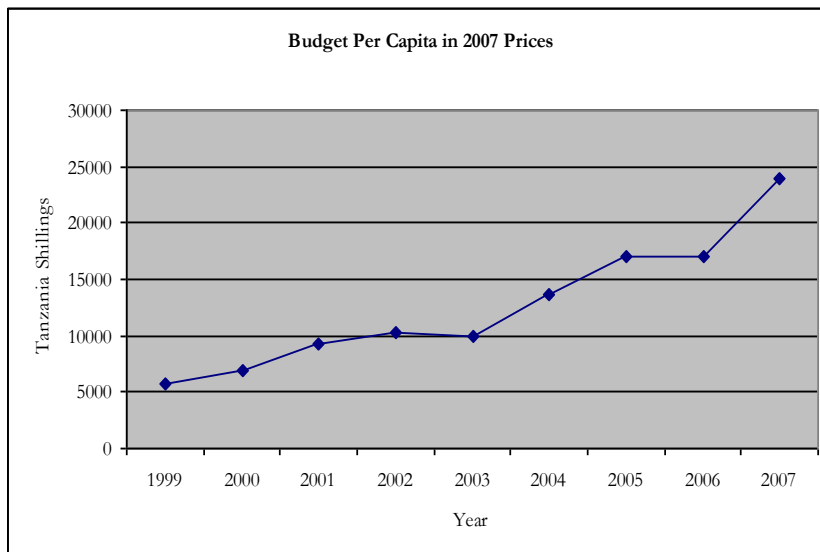
- Scarritt, James R. and Shaheen Mozaffar. 1999. "The Specification of Ethnic Cleavages and Ethnopolitical Groups for the Analysis of Democratic Competition in Contemporary Africa." *Nationalism and Ethnic Politics* 5 (1): 82-117.
- Schady, Norbert R. 2000. "The Political Economy of Expenditures by the Peruvian Social Fund (FONCODES), 1991-1995." *American Political Science Review* 94(2): 289-304.
- Stasavage, David. 2005. "Democracy and Education Spending in Africa." *American Journal of Political Science* 49 (2): 343-58.
- Sundet, Geir. 2007. "Public Expenditure Tracking Surveys: Lessons from Tanzania." *CHR. Michelsen Institute U4 Brief*. November 2007: 14.
- TEMCO. 2000. "The 2000 General Elections in Tanzania." *Report of the Tanzanian Election Monitoring Committee*.
- The Guardian. Oct. 2007 "Local Government Reforms: Methodologies of Resource Allocation" Joe Mponguliana.
- Van de Walle, Nicolas. 2001. *African Economies and the Politics of Permanent Crisis, 1979-1999*. Cambridge: Cambridge University Press.
- Wantchekon, Leonard. 2003. "Clientelism and Voting Behavior: Evidence from a Field Experiment in Benin." *World Politics* 55 (3): 399-422.
- Weinstein, Laura. 2008. "The Politics of Tax Mobilization: Evidence from Sub-Saharan Africa." *Unpublished Manuscript*.
- Whitehead, Richard. 2003. "The Institutionalization of Tanzanian Opposition Parties: How Stable Are They?" *Chr. Michelsen Institute Report*.

Figure 1: Shares of Local Government Authority Expenditures, 2004-2005



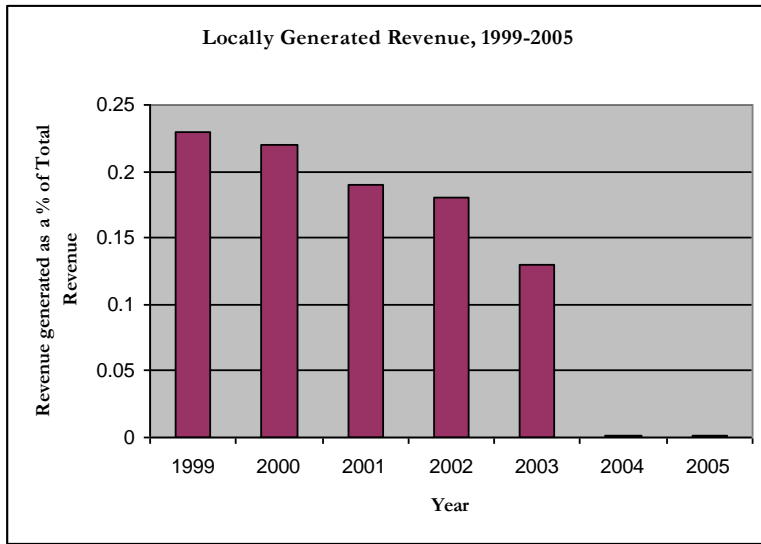
Source: Local Government Fiduciary Assessment, 2006

Figure 2: Tanzanian Expenditures Per Capita in 2007 Prices



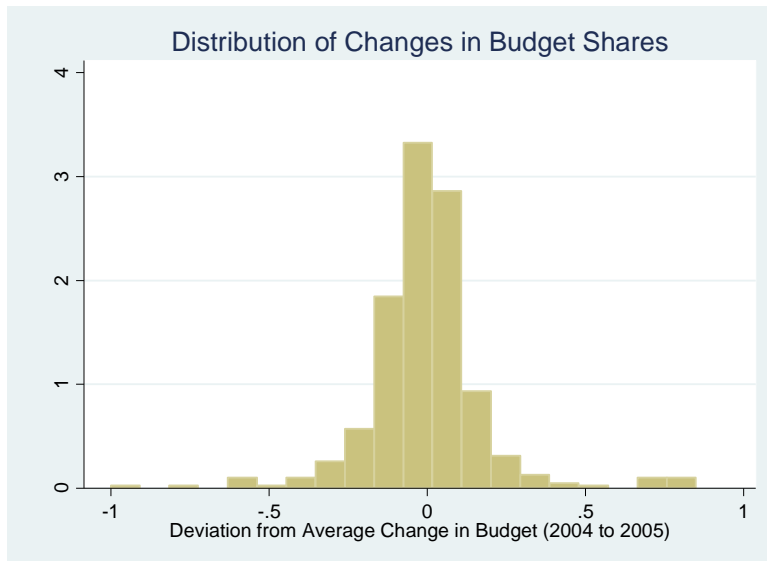
Source: Tanzania National Bureau of Statistics

Figure 3: Locally Generated Revenue as a % of Total Revenue



Source: Research on Poverty Alleviation (REPOA)

Figure 4: Distribution of Changes in Budget Shares



Candidate (Party)	% Votes
Benjamin Mkapa (CCM)	61.82%
Augustine Mrema (NCCR-Maguezi)	27.22%
Ibrahim Lipumba (CUF)	6.40%
John Cheyo (UDP)	3.97%

Candidate (Party)	% Votes	% Change
Benjamin Mkapa (CCM)	71.74%	9.92%
Ibrahim Lipumba (CUF)	16.26%	9.86%
Augustine Mrema (TLP)	7.80%	-19.42%
John Cheyo (UDP)	4.20%	0.21%

Candidate (Party)	% Votes	% Change
Jakaya Kikwete (CCM)	80.28%	8.54%
Ibrahim Lipumba (CUF)	11.68%	-4.58%
Freeman Mbowe (CHADEMA)	5.88%	0.00%
Augustine Mrema (TLP)	0.75%	-7.05%

Source: African Elections Database

Table 4: Log of Per Capita Expenditure Estimates, Post-1995 Presidential Election

Independent Variables	Opposition Model	Marginal Model
% Vote for Opposition Presidential Candidate	-0.31*** 0.05	
CCM Margin of victory (from next most winning opposition candidate)		0.18*** 0.02
Revenue (% of total district budget)	-1.59*** 0.05	-1.57*** 0.05
Population (log)	-0.33*** 0.02	-0.32*** 0.02
Rural (0) or Urban (1) District	0.15*** 0.01	0.15*** 0.01
Kilimanjaro Dummy	0.16*** 0.03	0.17*** 0.03
Percentage "No" votes (1985)	-0.014** 0.004	-0.011** 0.004
Intercept	5.97*** 0.11	5.74*** .12
N	948	948
Adjusted R²	66.5	66.8

*p < .05, **p < .01, ***p < .001.

Table 5: Change in Per capita Expenditures Estimates, 1999-2007

Independent Variables	Opposition Model	Marginal Model
% Vote for Opposition Presidential Candidate	-0.11* 0.05	
CCM Margin of victory (from next most winning opposition candidate)		0.05* 0.03
Budget per capita (log)	0.30*** 0.03	0.30*** 0.03
Population (log)	0.14*** 0.03	0.14*** 0.03
Intercept	-1.72*** 0.22	-1.78*** 0.21
N	948	948
Adjusted R²	14	14

*p < .05, **p < .01, ***p < .001.

Table 6: Districts with Significant Changes in Budget Shares after 2005

Column 1: Decrease in Expenditure Share						Column 2: Increase in Expenditure Share					
Region	District	Diff	VS 95	VS 00	VS 05	Region	District	Diff	VS 95	VS 00	VS 05
Arusha	Arusha CC	-0.47	0.4	0.58	0.76	Arusha	Arumeru	0.27	0.49	0.86	0.88
DSM	Illala MC	-0.65		0.56	0.73						
DSM	Kinondoni MC	-0.37		0.56	0.73						
DSM	Temeke MC	-0.37		0.49	0.66						
Kagera	Bukoba MC	-0.23	0.53	0.58	0.64	Kagera	Biharamuro	0.24	0.49	0.69	0.87
Kilimanjaro	Moshi	-0.41	0.1	0.35	0.68						
Lindi	Lilwale	-0.23	0.88	0.86	0.6						
Mara	Musoma MC	-0.22	0.6	0.67	0.74						
Mwanza	Mwanza CC	-0.22	0.52	0.55	0.79						
Pwani	Kisarawe	-0.26	0.76	0.68	0.71						
Pwani	Mafia	-0.28	0.66	0.57	0.59						
Pwani	Rufiji	-0.21	0.71	0.58	0.57						
						Mbeya	Ileje	0.5	0.57	0.78	0.89
						Mbeya	Mbarali	0.34	0.65	0.74	0.89
						Mtwara	Masasi	0.23	0.9	0.91	0.85
						Mtwara	Mtwara MC	0.29	0.73	0.84	0.76

Appendix A: List of Tanzanian Regions and Districts (regions in bold)

Arusha: Arumeru, Arusha C.C, Karatu, Monduli, Ngorongoro; **Dodoma:** Dodoma D.C., Dodoma M.C., Kondoa, Kongwa, Mpwapwa; **Iringa:** Iringa, Iringa M.C., Ludewa, Makete, Mufundi, Njombe; **Kagera:** Biharamuro, Bukoba, Bukoba M.C., Karagwe, Muleba, Ngara; **Kigoma:** Kasulu, Kigoma, Kigoma M.C.; **Kilimanjaro:** Hai, Moshi, Moshi M.C., Mwanga, Rombo, Same; **Lindi:** Kilwa, Lindi, Lindi T.C., Liwale, Nachingwea, Ruangwa; **Mara:** Bunda, Musoma, Musoma M.C., Serengeti, Tarime; **Mbeya:** Ileje, Kyela, Mbarali, Mbeya C.C., Mbeya D.C., Mbozi; **Morogoro:** Kilombero, Kilosa, Morogoro, Morogoro M.C., Ulanga; **Mtwara:** Masasi, Mtwara, Mtwara M.C., Newala, Tandahimba; **Mwanza:** Geita, Kwimba, Magu, Misungwi, Mwanza C.C, Sengerema, Ukerewe; **Pwani:** Bagamoyo, Kibaha, Kisarawe, Mafia, Mkuranga, Rufiji; **Rukwa:** Rufiji, Mpanda, Nkasi, Sumbawanga, Sumbawanga M.C., **Ruvuma:** Mbinga, Songea, Songea M.C., Tunduru; **Singida:** Iramba, Manyoni, Singida, Singida M.C., **Sinyanga:** Bariadi, Bukombe, Kahama, Maswa, Meatu, Sinyanga, Sinyanga M.C.; **Tabora:** Igunga, Nzega, Tabora M.C., Tabora, Urambo; **Tanga:** Handeni, Korogwe, Lushoto, Muheza, Pangani, Tanga C.C.

Appendix B: List of historical opposition regions in previous presidential elections

1965: Coast, Dodoma, Mara, Mwanza, and Tabora

1970: Arusha, Coast, Dodoma, Mtwara, Mwanza, Shinyanga, Tabora

1975: Dodoma, Kagera, Mwanza, Shinyanga, Tabora

1985: Dodoma, Kagera, Kigoma, Lindi, Mara, Mbeya, Mwanza, Mtwara, Rukwa, Shinyanga, and Pemba North.

Source: Othman 1990

Appendix C: List of districts that decreased levels of support

Region	District	1995 Vote share	2000 Vote Share	2005 Vote Share
Dodoma	Kondoa	71%	63%	72%
Lindi	Kilwa	80%	63%	61%
Lindi	Lilwale	88%	86%	60%
Pwani	Kisarewe	76%	68%	71%
Pwani	Mafia	66%	57%	59%
Pwani	Mkuranga	69%	62%	65%
Pwani	Rufiji	71%	58%	57%
Tabora	Uyiyi	62%	59%	73%

Source: Othman 1990