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What Lessons can be Learned?
Privatization of the NBC (1997) Ltd.

ABSTRACT

Privatization may be a popular buzz word today but the concept has been around since 1960s. Privatization As a policy, it gained noticeable public attention globally in early 1980s and thereafter, North American governments began harping on the advantages of private actors taking over from the public the responsibilities that were traditionally the latter’s recluse. Through World Bank, IMF and other donor conditions, governments of developing countries were compelled to institute and implement various forms of market and financial reforms. It is evident that the global collapse of communism in the late 1980s inevitably led to a widespread interest in privatizing state assets throughout the former communist states and other socialist countries. To better describe this type of general policy intervention, the term “privatization” is used to define any initiative that makes the market a dominant factor in areas where the public enjoyed a monopoly. This includes among others, the disposal of state assets through sales, limited state involvement in providing public services and leaving that function to private providers. Thus, if privatization is considered in that broad sense, it is obvious that the policy/process has encompassed, if not touched the whole world. The advantages and challenges of privatization have generated a considerable debate among people of all callings and particularly researchers, politicians and public employees. Being part of the world, Tanzania is not isolated from this policy shift. To conform to it, the Tanzanian government has privatized a number of public services and enterprises such as NBC, TBL (Tanzania Breweries), TCC (Tanzania Cigarette Company), ALAF (Aluminium Africa) and many others. This research looks at NBC’s privatization, merits and disadvantages resulting thereof, and lessons that can be learned from this experience.