This is one in a group of cases the Case Consortium @ Columbia developed in conjunction with the Aga Khan University Graduate School of Media and Communications (a Consortium member at the time). The cases, which look at various aspects of journalism practice in East Africa and South Africa, are being distributed under an agreement with Columbia University (and will be available on the AKU website).

**Spike or Suffer?**

*Jamhuri and the Bribe Offer*

In January 2012, Deodatus Balile—managing editor of the weekly *Jamhuri* newspaper—obtained documents suggesting improprieties in the privatization of Shirika La Usafiri Dar es Salaam (UDA), or Dar es Salaam Transport Company, the city’s commuter bus company valued at Tanzanian shillings (TZS) 12 billion ($7.6 million). Quality Group Ltd, one of the biggest conglomerates in Tanzania, in early 2011 had lost its bid for UDA. Balile had letters indicating that, instead of accepting the decision, Quality Group had gone directly to two parliamentary committees and the finance minister to ask for reconsideration. This was illegal, and violated the Public Procurement Act, which required all complaints be directed to the Central Tender Board.

But before publishing a story, Balile had to confirm the authenticity of the letters and give Quality Group an opportunity to comment. He called the assistant to Yusuf Manji, chief executive officer of Quality Group, but no one answered the phone. So Balile went to his office. The assistant wasn’t there, so Balile left a note explaining the story and requesting comment. Still nothing. But in February, a Manji associate paid Balile a visit and offered him money to spike the story.

This wasn’t the first time Balile had been offered a bribe. Whether it was called “brown envelope” journalism (sources pay journalists), or “checkbook” journalism

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1 This case was written to promote classroom discussion. The case neither approves nor disapproves of any actions taken by actors in the case. The views of those quoted in the case are not necessarily those of the Case Consortium @ Columbia, Columbia University or the Aga Khan University Graduate School of Media and Communications.
(journalists pay sources), bribery of some description occurred regularly in Tanzania. Twice before during his two decades as a journalist, Balile had been tempted with offers—each time about TZS100,000. This time, the amount was much greater: according to Balile, Manji’s associate offered him and one of his reporters TZS500,000 at first; then TZS2 million; and a day later, TZS5 million (more than US$3,000) each.

But Balile was determined to publish the story. He felt the public had a right to know about cozy relations between the country’s businessmen and politicians, and the UDA privatization story had been making headlines for months as questions emerged over the bidding process itself. The story would help establish Jamhuri, only a few months old, as a quality publication, brave enough to take on the country’s biggest tycoons.

Nevertheless, Balile was aware of the risks of refusing a bribe from a high-profile player. Jamhuri had barely $1,000 in savings and was completely dependent on finding three advertisers each week to stay in business. What if Quality Group pressured potential advertisers to withhold their business? Manji might also succeed in filing a court order against Jamhuri, preempting the publication’s coverage of the matter. Fighting back could involve legal fees, fines and the threat of jail. Balile had to decide—publish, or spike the story?

Brief history—Tanzanian Press

By 2012, Tanzanian media had existed free of government ownership for some two decades. The country’s modern history could be characterized by three phases. From 1890—1961, Tanzania was a colony—first of Germany (until 1919) and then of Britain. The country had no independent press. The second phase, from 1961—1991, was post-colonial. In 1964, two former colonies—Tanganyika and Zanzibar—combined to create the United Republic of Tanzania. Its new president, Julius Nyerere, took the country in a socialist direction with a 1965 constitution that established one-party rule. He aligned Tanzania with China and, in 1967, nationalized factories, banks and other private companies. The media was strictly controlled; dissent was prohibited.

Only in 1992 did the government move towards a multiparty system, which opened the doors to a freer press. Until then, Tanzania had had one state-owned radio station. Three of its four newspapers had state connections, while the Catholic Church owned the fourth. Ten years later, there were 78 Swahili language newspapers, 26 English language newspapers, eight radio stations and two major TV stations. Newspaper Act. However, there was no change to the 1976 Newspaper Act, which gave the president and the information minister the power to issue an injunction against any publication that, in their view,

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jeopardized the national interest.\textsuperscript{1} The act also treated as seditious any publication that identified errors or shortcomings in the government or law, or fed public criticism of the country's leadership. Journalists, editors, owners and even vendors could face a fine and imprisonment for up to two years.\textsuperscript{5} The Act contradicted Article 18 of Tanzania's 1977 constitution, which guaranteed citizens the right to freedom of opinion and expression. But as of 2012, the government had not reconciled the two.\textsuperscript{6}

As media outlets mushroomed, the government in 1993 proposed a bill to regulate the conduct of private media houses. The Media Professions Regulation bill would have allowed the minister for information and broadcasting to screen journalists, ban publications and close radio and television stations. Outraged journalists lobbied instead for self-regulation, resulting in the formation of the Media Council of Tanzania (MCT) in 1995 as an independent, voluntary and non-statutory body to assist and maintain the freedom of the press.\textsuperscript{7}

In 2009, the MCT formed a study group to address a number of challenges facing Tanzanian media—including corruption and bribery. The group’s conclusions were published in 2011 as the Dar---es---Salaam Declaration on Editorial Freedom, Independence, and Responsibility (DEFIR). DEFIR in its preamble stated that journalists were not the only ones to blame for corruption in the media. The government, private media owners, businessmen and other powerful entities had also infringed on media independence. ""In addition to the state and private owners, non---state actors whose pressure, influence, power and interference impact on editorial independence and freedom, pose threats to the exercise of fundamental rights and freedoms to the public,"" read the document.

DEFIR aimed instead to enlist those groups to promote editorial freedom. A priority was combatting corruption.

**Brown Envelopes and Bribes**

Researchers of journalism in Africa regularly found that practitioners accepted bribes to suppress or invent information. It was hard to say who was more culpable: those who gave or those who accepted money. Some explained it as a consequence of colonialism, with its culture of limited accountability and transparency. The subsequent


\textsuperscript{6} For more on the constitution and the media, see: http://www.article19.org/resources.php/resource/3398/en/tanzania:-ban-on-newspaper-mwanahalisi-violates-rightto-freedom-of-expression

\textsuperscript{7} Self Regulate or Perish: The History of the Media Council of Tanzania up to 2009, Media Council of Tanzania, 2010 ISBN 9878 9987 9267 4 9.
Nyerere government had also restricted the press, encouraging a system of backroom deals and slanted coverage.

Even after the advent of multiparty democracy, a culture endured of powerbrokers who expected they could arrange for favorable reporting. Accountability journalism, which some publications attempted to practice despite the restrictions of the Newspaper Act, came at a high price. Reporters could provide multiple examples of reprisals or backlash against unfavorable stories from political and cultural leaders and advertisers—and even from a public unaccustomed to criticism of authority figures. “Journalists face enormous problems in trying to get the information to represent the activities of government and other services to the public,” wrote Tanzanian academic Denis Mpagaze. He added:

> Journalists in Africa are constantly exposed to the culture of bribery, and media organizations, which are supposed to be bastions of editorial freedom, are taken over by powerful political and economic actors and corrupted to the heart of their decision-making.

In Tanzania, so-called “brown envelopes” were typically handed out by companies or politicians at press conferences to entice journalists to attend and to help cover transport expenses. Many reporters were young, inexperienced, and poorly compensated freelancers, who were paid by the article rather than given a secure monthly salary. Journalists felt that the small payments from those they covered were a deserved supplement to their meager income. More than half of 36 reporters and editors Mpagaze interviewed for his research said they were forced to take any source of funding they could get to feed their families.

But brown envelopes were just the tip of the iceberg. Absalom Kibanda was managing editor of the daily Swahili newspaper *Tanzania Daima* (*Tanzania Forever*) and chairman of the Tanzania Editors Forum, a union of editors who lobbied for media reform. Kibanda says political and business leaders found multiple ways to influence press coverage. One approach was to fund negative articles about their competitors. Alternatively, powerful individuals could establish their own media outlets. Or they could advertise (or not), depending on how favorably a publication treated them. But bribes were the easiest.

**Examples.** Kibanda knew this from personal experience. In 2005, for example, he says editors were paid to support Jakaya Kikwete for president; he won. In 2008, journalists were paid to write stories that reflected poorly on Prime Minister Edward Lowassa—who was eventually forced to resign over a government contract scandal. Sometimes a reporter was paid even if no request was made. Kibanda remembers a three-day trip

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8 Denis Mpagaze & Robert A. White, “Tanzanian journalists’ ambivalent perception of their ethics: A ‘Jekyll and Hyde’ occupation.” Mpagaze was a faculty member at St. Augustine University in Mwanza, Tanzania.

9 Author’s interview with Absalom Kibanda on June 28, 2012, in Dar es Salaam. All further quotes from Kibanda, unless otherwise attributed, is from this interview.
to Botswana with former President Benjamin Mkapa, during which Kibanda was given about $3,000 for “expenses” even though everything was paid for.

By 2012, the courts had punished a few journalists for accepting bribes. For example, a correspondent for *Mwananchi Communications* in Songea, southeastern Tanzania, had been sentenced to two years in jail, or a fine of one million shillings, for taking bribes. He paid the fine. In 2011, a television journalist who aggressively covered police corruption was charged with soliciting a bribe. He won his case because he pleaded innocent and, when police detained him, he had not yet received any cash. The view in media circles was that he had been framed. No one had been sentenced for offering a bribe.

**Opposition.** Whether or not a bribe was suggested, the price of media opposition to authority could be painful. On January 5, 2008, men armed with machetes and acid burst into the offices of the weekly *Mwanahalisi* newspaper, known for its critiques of the president and his cabinet. They beat Publisher Saed Kubenea and his colleague, and threw acid in their faces. Regional Police Chief Jamal Rwambow said the attack was an attempt to silence journalists who helped uncover scandals.\(^{10}\) Kubenea survived, although his eyesight was impaired. In December 2011, Kibanda himself was arrested and charged with “incitement”—which could carry a jail term of up to two years—after he authorized publication of an article calling on police to refuse orders to kill people attending political rallies.

But rather than resorting to violence, most powerful actors were willing to offer considerable sums to advance their interests. Paying people off for personal gain was common in Tanzanian business and political life. “Hardly a day goes by without the revelation of some political corruption in the daily newspapers, with thousands of cases pending before the national bureau of corruption in the government,” wrote Mpagaze.

### The UDA Privatization

A story that broke in mid-2011 pointed to possible corruption. In 1974, the government had established UDA to provide bus service to the capital. In 1983, 51 percent of the company was transferred to Dar es Salaam City Council, with the remaining stake held by the federal government and managed by the Treasury registrar. In 2007, the government slated the company for privatization and handed it over to Consolidated Holding Corporation (CHC). CHC opened the bidding for a 51 percent stake in the company.

One of the companies which bid in 2007 was Quality Group, a Dar-based real estate firm. But nothing happened until, in February 2011, the government accepted a bid

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\(^{10}\) “Two suspects arrested for acid attack on newspaper journalists,” Reporters Without Borders, January 10, 2008. See: [http://www.unhcr.org/refworld/publisher,RSF,TZA,47a83e141a,0.html](http://www.unhcr.org/refworld/publisher,RSF,TZA,47a83e141a,0.html).
from a local company called Simon Group, which for unclear reasons was acquiring the entire company for TZS1.142 billion. This was well below a 2009 valuation of TZS12 billion.11

The deal soon attracted public attention. On July 11, 2011, the Citizen newspaper reported that Simon Group had in fact paid only TZS285 million (on February 25), and that on June 21 it had forcibly broken into UDA headquarters and taken over the company.12 It then emerged that UDA’s board of directors had sold the stake without following proper procedures.13 The parliamentary Public Organizations Accounts Committee (POAC) started a review of the privatization, and in August 2011, Prime Minister Mizengo Pinda announced that the government would launch a separate investigation into alleged corruption at UDA.14

The parliamentary investigation discovered multiple irregularities in UDA’s privatization, including a payment of 400 million shillings from Simon Group Executive Chair Robert Simon Kisena into the personal and associated bank accounts of UDA Chairman Iddi Simba. Both men denied wrongdoing. POAC chair Zitto Kabwe said that UDA had no right to sell its assets without approval from CHC, and that therefore UDA remained a public entity. In October, the Controller and Auditor General’s (CAG) office hired the international accounting firm KPMG to audit UDA.15

While public attention focused on UDA and Simon Group, in January 2012 Jamhuri reporter Manyerere Jackton brought Managing Editor Balile several interesting documents. These showed that another UDA bidder, Quality Group, may have also engaged in questionable activities.

New Media Face

Balile was managing editor of a new weekly newspaper. The first issue of Jamhuri had hit the streets only weeks earlier, on December 6, 2011. Balile, originally a high school teacher, had graduated from St. Augustine University of Tanzania in 1999 with a journalism

11 The Dar es Salaam-based Land & Property Consultants in 2009 had valued UDA—whose assets included 120 permanent employees, a fleet of 20 buses, land, buildings and equipment—at TZS12 billion.
13 For more details on apparent irregularities in the UDA privatization process, see: http://www.corruptiontracker.or.tz/dev/index.php?option=com_content&view=article&id=192%3Akilling-publicinstitutions-tanzanias-style&catid=18%3Acurrent-issues-&Itemid=51&lang=en
14 The Public Organizations Accounts Committee, which was reviewing the deal, was chaired by Zitto Kabwe, Kigoma North MP and member of the opposition Chama Cha Demokrasia na Maendeleo (Chadema) party. See: http://allafrica.com/stories/201107130842.html. The president appointed the controller and auditor general, the director of criminal investigation, and the Prevention and Combating of Corruption Bureau to investigate. UDA Board Chairman Iddi Simba, Dar es Salaam Mayor Didas Masaburi, City Council Director Bakari Kingobi, MP for Urambo West Constituency Athuman Kapuya and Treasury officials were named in the alleged corruption.
degree. In 2000, he was among the founding editors of Mwananchi, a business daily. In 2004, the Nation Media Group acquired Mwananchi. Balile resigned over a salary dispute, and instead helped found Tanzania Daima with businessman Freeman Mbowe.\(^\text{16}\)

To the surprise of its founders, Tanzania Daima broke even within a year. But Mbowe and Balile had a falling out over ownership shares in the unexpectedly profitable company. Balile, who felt betrayed, decided to pursue a different calling: professor. He was admitted to Hull University (UK) to pursue a degree in mass communication, but needed funding. Balile remembered the words of Ugandan President Yoweri Museveni, who in November 1999 said Africans don’t know how to ask for what they need.\(^\text{17}\) This inspired Balile, who turned to a politician and media owner for assistance with tuition and housing costs. The businessman agreed to have one of his companies, Habari Corporation, sponsor Balile so long as he worked for the group after graduation.

Balile left for the UK in 2006. Kibanda, a former colleague at Mwananchi, was hired to succeed him as Tanzania Daima’s managing editor. At Hull, impatient with the communications curriculum, Balile switched to a master’s in business administration. On return to Tanzania, he joined Habari Corporation and was eventually appointed managing editor for the group. But Balile was frustrated by what he considered insufficient management support for the editorial product, and by 2011 he was ready to move on again. He decided to create a weekly newspaper.

**New paper.** Through his previous positions, Balile knew many Tanzanian public relations officials. He hoped his contacts would help him by buying ad space in the paper. He tried to enlist as investors three former colleagues, including Jackton and Kibanda; Jackton contributed some funding. Balile himself took a TZS10 million ($6,400) loan from Barclays Bank and another TZS18 million ($11,500) from the National Bank of Commerce. He bought three used computers for a few hundred thousand shillings each, a new Apple Mac for $2,800, one printer, a photocopier, and three used air conditioning units and rented a three-room office.

Balile started Jamhuri on a shoestring budget. It cost TZS2 million ($1,200) a week to print the paper. To cover this, Balile aimed for three pages of ads per issue, charging TZS1.5 million for each page. Each week, he printed 15,000 copies. By January 2012, sales were running at 12,000—except when it rained—and then they slipped to 5,000. That was because the company had not yet introduced subscriptions and was wholly dependent on newsstand sales. By comparison, Jamhuri’s competitors sold up to 70,000 copies a

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16 Years later, Mbowe would become leader of the opposition in government.

17 Musaveni used his own example: when Libyan leader Colonel Muammar Quaddafi offered him money and clothing, Musaveni asked instead for guns and bullets to overthrow dictator Idi Amin Dada. The request was granted and Musaveni succeeded.
week. Balile had no funds for marketing, so depended entirely on the quality of his stories to increase sales.

**Balile’s Scoop**

It was in this environment that Balile in late January 2012 obtained two letters written by Quality Group, protesting its loss of the UDA tender and declaring its ongoing interest in a stake. There was nothing wrong with the Quality Group protests; given the controversy surrounding the privatization, it was natural to speak out. But the letters did not go through legal channels. They had both reached (and apparently were intended for) Minister of Finance and Economic Affairs Mustafa Mkulo. The first was dated July 21, 2011 and addressed to Consolidated Holdings Corporation. It sought clarification of why Quality Group’s bid for UDA, made on August 14, 2007, was ignored.

The second letter, dated January 25, 2012, was addressed to POAC Chair Kabwe and Abdallah Kigoda, chairman of the parliamentary Finance and Economic Affairs Committee. It repeated Quality Group’s offer for UDA in light of the ongoing parliamentary investigation. The company wondered why it “had not received any official communication from CHC” and expressed dismay at learning the actual price at which UDA sold to Simon Group. It wrote:

> Understandably, we are now shocked to hear about the sale of... shares in UDA to Simon Group without due considerations to our bid, and that too, much less than what was offered by Quality Group in 2007.

**Illegal.** Balile recognized that a direct approach from Quality Group to the minister and parliamentary committees constituted illegal lobbying. Under the Public Procurement Act, all complaints or inquiries regarding bids for state-owned property had to be sent to the Central Tender Board.

Balile first called the parties mentioned in the documents to confirm they were legitimate. The feedback he got from parliament and the minister’s office was that the letters were genuine. Balile then called Manji’s office and, getting no answer, visited in person. The office was empty, so Balile left a message to say he had the letters and was following up to find out why the company had written to two parliamentary committees and the minister.

For days, there was no answer. That was frustrating, because *Jamhuri* was a weekly paper, so there was a risk that by waiting for Quality Group to respond, Balile could get scooped by a rival. Even without the wait, it could take as long as a month to write a balanced article that would stand up to legal challenge. “We are not leaving avenues for them to go to court,” says Balile. We are striving hard to reduce the number of court cases because here it has turned into a norm that you publish a story, and the people you write
about go to court. They demand a lot of money so we say, no, look, we will be balancing
the story as a canon rule.¹⁸

For this reason, Balile decided to give Quality Group time to respond.

Quality Group Responds

Manji didn’t respond himself, but deputized an assistant, Muhingo Rweyemamu,
who was also district commissioner of Handeni (one of eight districts in Tanga Region in
eastern Tanzania). It was presumably no coincidence that Rweyemamu, who had previously
been Balile’s managing editor at Habari Corporation, was sent. Three days after Balile left
his message, Rweyemamu called to ask Balile if he would negotiate. Balile responded:
negotiate what? He just wanted to report a balanced story. “If it’s true, just say it’s true,”
he said. “And if it’s wrong, just say it’s not true, it’s a concoction.” Rweyemamu, Balile
recalls, hung up.

A few days later, Rweyemamu visited Balile’s newsroom, a small office on the first
floor of the Matasalamat building in central Dar es Salaam. It was around 5 p.m. “You
know, Manji is our friend, he can be of assistance one day. So look at how you can
assist him now,” Balile recalls Rweyemamu saying. He offered 500,000 shillings to Balile
and his reporter, Jackton, to spike the story, says Balile. Balile refused. Rweyemamu tried to
negotiate, and then left, saying they would talk again. Half an hour later, he called and
offered 2 million each, according to Balile’s account. Again Balile refused.

Precedent. Manji’s offer did not particularly surprise Balile: the UDA tender
controversy had already stimulated such proposals. Tanzania Daina Managing Editor
Kibanda, for example, had told Balile that as the affair unfolded, Simon Group had
repeatedly summoned him to their offices and offered “a gift”—which he said he refused.
Kibanda had no idea whether Simon Group had approached other publications, but he
thought it was possible.

Moreover, it was not the first time Quality Group had approached Balile with an
offer. By his account, in September or October 2011 when he was preparing to launch
Jamhuri, Rweyemanu had called him in and introduced Balile to Manji’s lawyers, who told
Balile they checked in with “their friends in the media” on a monthly basis. If Balile had
anything on Manji, would he please tell them? As thanks, they would give him 100,000
shillings a month. “You guys, you sound too cheap!” Balile thought at the time. He
elaborates: I can never be bought with money… I can live on $50 a month, instead of
getting $1,000 which is going to haunt me. So that’s what I told them. We left. But the
way I saw it, a number of editors are going there. After receiving that money, are
they reporting to him or to their newsrooms?

¹⁸ Author’s interviews with Deodatus Balile on June 27 and 28, 2012, in Dar es Salaam. All further quotes from Balile,
unless otherwise attributed, are from these interviews.
It was also common knowledge that Manji over the years had made extensive use of the courts to muzzle the press. As the US-based Committee to Protect Journalists (CPJ) had reported: “If the threat of hefty fines, suspensions and arrests were not enough to muzzle Tanzania’s press, public officials and prominent businessmen can always use the courts to make sure the story never emerges.”

Tom Rhodes, East Africa consultant for CPJ, continued:

Business tycoon Yusuf Manji knows this well. The business mogul, accused of mass corruption by various independent media houses, has managed to file at least nine court injunctions against the press in order to prevent critical stories from being published.

But as Tanzania Daima Managing Editor Kibanda knew, the muzzling was selective: if Manji had a problem, or wanted to clarify his position, he temporarily lifted the injunctions and advertised in the same publications he had sued. “He asked the court to stop papers writing about him, but he himself wants us to write about him,” Kibanda says. Even then, writing an article could be risky. “We know these people are hooligans,” clarifies Kibanda.

So whenever we write about these people, sometimes we take precautions. Where we go, where we stay, when we are with friends, who we are meeting, because it’s possible they can plan something bad for you.

Balile had also experienced this. When he was managing editor at Habari Corporation, the paper’s advertising department had consulted him about ad copy that arrived together with a letter from Manji. The letter advised Habari that, for 30 days, Manji would waive an existing court injunction against reporting on his affairs; apparently, this was a sweetener to persuade the paper to run his commercial advertisement. As Balile recognized, the paper had to watch the calendar. It could now report on Manji—but only for the stipulated 30 days. After the reprieve expired, the paper would risk court proceedings if it continued to write about him.

But now it was February 2012; the day after Rweyemamu made his initial offer he renewed his suit. This time he called to offer TZS5 million each. Balile told Rweyemamu that Jamhuri was a legally registered company. If Manji wanted to clarify something, he could issue a press release. If he wanted to place an ad, Balile could take the money and give him an invoice.

But Rweyemamu wasn’t interested in advertising. He coaxed Balile to accept the money,

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20 Rhodes’ article continued: “The quantity and extensive powers of these injunctions induced the Media Owners Association of Tanzania to write to Principle Judge Fakihi Jundu. ‘The situation has deteriorated to an extent where it would be inexcusable for the Media Owners Association of Tanzania to remain silent,’ the letter read. The association’s executive secretary, Henry Muhanika, accused the courts of granting Manji “blanket ex parte injunctions” that maintain excessive restrictions applying to "everything under the sun."
saying they were friends. Balile asked Rweyemamum what the money would be for. What would Quality Group be buying? There was no reply.

What price no?

Balile was prepared to refuse a third time. But he was worried. “We had to be very cautious, very cautious on that,” he recalls.

We said there could be a trap. Apart from wanting to kill your story, this is something unique. Why offer all that money for such a small story?

As soon as Rweyamamu hung up, Balile began to weigh his options. No news outlet had yet published anything about Quality Group and the letters, so Balile’s story would gain Jamhuri a lot of credibility. Balile was also fairly confident that Quality Group could not have him jailed on false charges because, he felt, the courts and the public would not stand for it. “I have never seen any journalist who is [falsely] arrested to remain behind bars for more than eight hours,” he says.

But even though a jail term was unlikely, Balile knew that the arcane Newspaper Act made it hard for journalists to defend their stories. That’s why he and his peers continued to press for a new media law. “I think if you can get this law, oh my God, this country will change very fast,” he says.

You know, it’s no shame to be doing shameful things. But it’s shameful to be known that you are doing shameful things. So for [corrupt businesspeople], they are doing a lot of shameful things… But once that veil is taken out, ahhh.

Balile also realized that if he published the letters, Jamhuri at a minimum risked a court injunction. Going to court wasted time and money, and was stressful. Balile was not sure his young publication could afford legal costs, or the time needed to defend itself. More than a month had passed since Balile first obtained the letters. He believed they were genuine. At the same time, Manji had made it clear he wanted to stop publication and was willing to pay. Balile had to publish, or spike the story.