

# Rural-Urban Linkages: Tanzania Case Study

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# Rural-Urban Linkages: Tanzania Case Study

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## SUMMARY OF KEY MESSAGES

**Urban definition and demography:** The most consistent definition of 'urban' in Tanzania is that used by the National Bureau of Statistics (NBS), which rests on the classification of census enumeration areas as either 'urban' or 'rural' based on the judgement of local officials in consultation with NBS. Using this definition, the urban population of Tanzania has increased at about twice the rate of population growth of about 3% p.a., raising urbanization from about 6% in 1967 to nearly 30% in 2012. Within the urban hierarchy, Dar es Salaam is dominant, accounting for about 10% of the national population and a third of the urban population. However, some regional capitals such as Arusha, Mbeya and Mwanza have also grown strongly as have many smaller settlements. Unfortunately, urban authorities have been pretty much overwhelmed by this growth and have struggled to provide housing, infrastructure and other services so that much of the growth has been in informal shanty-type structures.

At the same time, it is important to note that despite rapid urbanization, over 70% of the mainland population remains rural. Moreover, of the 31.6 million increase in population between 1967 and 2012, 19.6 million were not absorbed into urban areas so that there has been a nearly threefold increase in the population of rural areas, adding greatly to the pressures on land and other resources.

**Food systems:** About 70% of the mainland population of Tanzania is still rural, with the majority engaged in subsistence farming for their own or very local consumption. Where agricultural production for wider markets is concerned, this has historically been predominantly of crops such as sisal, tea, coffee and cashew nuts for export. However, production to serve internal (mainly urban) markets has been growing. Generally, systems for getting produce from rural areas to the main markets remain rather poorly developed. Nevertheless, some encouraging examples of promising developments in some areas for some products can be found. For example, there are milk cooperatives in several parts of the country which have been organized to deliver milk and other products to urban areas (e.g. Tanga Fresh to Dar es Salaam). Another example is poultry and eggs. Chickens are widely kept by villagers for their own consumption; now some larger scale producers are producing for urban markets. FAO reports that "The large-scale poultry farmers have their own transportation facilities and some in Dar es Salaam have a cold chain system which ensures the maintenance of good quality eggs and dressed broiler meat. The small scale farmers usually depend on itinerant middlemen to sell their produce and often end up being denied fair prices." More generally, there are

several channels whereby dressed chicken and table eggs reach consumers, including farm gate, sales outlets, distributors, hotels, restaurants and food vendors, supermarkets and open markets. However, the marketing system, particularly away from Dar es Salaam, “is still very informal and lacks good organization and infrastructure, including facilities specifically for marketing of poultry.” The picture is similar for fruit and vegetables.

**Labour markets:** The Tanzanian labour force of people over 15 years old in 2006 was about 21 million (the number of those under 15 was similar), of whom 16.6 million were considered to be employed. However, 75% of these were mainly subsistence farmers. Only some 1.9 million were in formal employment. Another 1.7 million were informally employed, including 1.3 million under-employed. 2.2 million were unemployed. With rather few new opportunities for formal employment, and urban populations currently increasing at about 5% p.a. (i.e. around 500,000 more each year) through a combination of natural increase and in-migration, the situation facing new entrants to the labour market is clearly very difficult. This helps to explain the large numbers just scraping a living in the informal sector. Against this background, the expansion of small scale artisanal gold and gemstone mining since the 1980s is very significant, particularly in Geita, Mwanza, Shinyanga and Tabora regions, to the extent that some 500,000 people were engaged in this activity by 2006. The dilemma for the government is how to balance this valuable contribution to employment creation against permitting large international companies to mine more efficiently in the same areas, giving rise to much larger government royalty revenues but many fewer jobs.

**Within country migration:** Census based analysis of the evolution of regional populations in Tanzania since 1978 shows that a significant proportion of the natural increase in the rural populations of most regions has migrated internally but the experience of different regions has varied considerably, with some regions, notably Dar es Salaam, gaining substantially while others have lost out. To a large extent, these movements can be explained by migration to urban areas, either within the same region or to another region (see **Figure 1**). There is also evidence of migration to the rural areas of some regions, particularly associated with small scale artisanal mining. There has been little recent research into the explanation for these trends. However, one recent study in the Kagera region has documented the poverty reduction associated with migration in that area, finding that migration added 36 percentage points to consumption growth for those who moved compared with those who did not.

**Government policies:** Administration at local level has received considerable attention following new legislation in 1982 and the 1998 Policy Paper on Local Government Reform. Implementation of the latter started in 2000 and has made progress since but significant problems remain, relating particularly to the tension between central directives and local democracy, financial constraints (including very limited local

revenue resources), shortage of trained personnel and complicated planning procedures (with six layers of formulation, scrutiny and approval). In general, these Local Government reforms focus on rural development. Urban policy does not have a high profile in Tanzania. Most government plans and related documents take a sectoral approach (agriculture, mining, industry, etc; or education, health, water, roads, etc.) so that the urban dimension is only incidentally touched on. An exception is the National Human Settlements Development Policy of 2000. This identified urban development issues and policies covering: Physical growth; Rural-Urban migration; Township boundaries; Urban renewal; Urban economy; Urban transport; and Urban agriculture. However, as the document goes on to note “Urban authorities are facing financial problems thus limiting their capacity to serve their inhabitants ...”, including “over-dependence on central government subventions ... lack of capacity to collect and manage revenue [and] lack of internal control and accountability leading to misuse of funds”. In consequence there remains an urgent need for more coherent policies to guide urban development in Tanzania. A further observation is that while the larger urban authorities have formal designation as city, municipal or town councils (some 30 in all) and so have appropriate (if rather weak) administrative structures, large numbers of other settlements now recognised as urban remain within the purview of District Councils whose remit is rural development so that the increasingly urban character of the problems faced by these areas becomes difficult to address properly.

## **DEFINITIONS**

The World Bank (2009) notes that “There are three perspectives on ‘urban’ in mainland Tanzania: 1) the politico-administrative perspective adopted by the Prime Minister’s Office, Regional Administration and Local Government (PMO-RALG); 2) the human settlements perspective, embraced by the Ministry of Lands and Human Settlements Development (MoLHSD); and the statistical perspective, adopted by the National Bureau of Statistics (NBS).” The first approach limits the term urban to cities, municipalities and town councils gazetted under the Local Government Act, 1982. The second is said to be based on population size, level of services, economic base and level of self-financing – however, the urban populations given in Tanzania, MoLHSD (2000) greatly exceed those from other sources and their derivation is unclear. The third approach classifies census enumeration areas as either ‘urban’ or ‘rural’, with urban populations found by summing the former for recognized settlements. Wenban-Smith (2014) offers best estimates of mainland urban populations for the years 1967, 1978, 1988, 2002 and 2012 derived from the census reports (and therefore based on the NBS definition). NBS (2002) provides more detail on the urban definition, indicating that local judgement was also applied. Both World Bank (2009) and Wenban-Smith (2014) explore the potential for a density-based definition of ‘urban’ in Tanzania (e.g. over 150 persons/sq. km) but to date such an approach has not been adopted by the Tanzanian authorities.

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World Bank (2009) *The Urban Transition in Tanzania* Report No. 44354-TZ

## DEMOGRAPHY

Wenban-Smith (2014) provides a comprehensive compilation of the data on population growth, internal migration and urbanization in mainland Tanzania (Zanzibar is not included in his analysis) based on the five post-Independence censuses (1967, 1978, 1988, 2002 and 2012). The key figures are shown in the **Table 1** below.

**Table 1: Urban and Total Population, Mainland Tanzania, 1967-2012**

Tanzania	1967 Census	1978 Census	1988 Census	2002 Census	2012 Census
<b>Mainland Urban Population</b>	685,092	2,257,921	3,999,882	7,554,838	12,701,238
<b>(Growthrate % p.a.)</b>		(11.5%)	(5.9%)	(4.7%)	(5.3%)
<b>- of which: Dar es Salaam</b>					
<b>(Growthrate % p.a.)</b>	272,821	769,445	1,205,443	2,336,055	4,364,541
		(9.9%)	(4.6%)	(4.8%)	(6.5%)
<b>Mainland Total Population</b>	11,975,757	17,036,499	22,507,047	33,461,849	43,625,354
<b>(Growthrate % p.a.)</b>		(3.3%)	(2.8%)	(2.9%)	(2.7%)
<b>Urbanisation (%)</b>	5.7	13.3	17.8	22.6	29.1

This shows that population growth over the period has averaged about 3% p.a. with a peak of 3.3% in 1967-78 declining to about 2.7% p.a. in 2002-12. The urban population has grown much faster – by 11.5% p.a. in 1967-78, 5.9% in 1978-88, 4.7% in 1988-2002

and 5.3% in 2002-12. Within the urban population, the position of Dar es Salaam has always been dominant, accounting for 39.8% of the urban population in 1967 and still 34.4% in 2012, despite the decision in 1972 to designate Dodoma as the country's capital in place of Dar es Salaam. Growth rates for the 19 other principal regional towns of Tanzania have also generally been quite rapid but more variable. 4 grew at less than the national population growth rate in 1978-88, 7 in 1988-2002 and 6 in 2002-2012. Meanwhile smaller settlements classified as urban grew rather faster, both in number and size, accounting for 34% of the urban population by 2012 compared with only 7% in 1967. An indication of this growth is that the number of towns other than regional capitals with a population over 10,000 was none in 1967, 14 in 1978, 38 in 1988, 80 in 2002 and 150 in 2012<sup>1</sup>. While urban growth in Tanzania can be accounted for by migration and natural growth (see **Section 5** below), the economic drivers of this growth and the reasons for some towns growing faster than others remains to be researched. In general, urban systems seem to be largely self-contained within regions, although most regions have connections with Dar es Salaam. At the same time, it is important to note that despite rapid urbanization, over 70% of the mainland population remains rural. Moreover, of the 31.6 million increase in population between 1967 and 2012, 19.6 million were not absorbed into urban areas so that there has been a nearly threefold increase in the population of rural areas, adding greatly to the pressures on land and other resources.

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([www.theigc.org/publications/workingpaper/urbanisation-tanzania](http://www.theigc.org/publications/workingpaper/urbanisation-tanzania))

World Bank (2009) *The Urban Transition in Tanzania* Report No. 44354-TZ

## FOOD SYSTEMS

About 70% of the mainland population of Tanzania is still rural, with the majority engaged in subsistence farming for their own or very local consumption. The National Panel Survey of 2010-2011 found that "only a third of farmers are selling some of their crops" (Tanzania, NBS (2011), p.24). It may be noted here also that many urban dwellers retain plots in rural areas or engage in urban farming. Where agricultural production for wider markets is concerned, this has historically been predominantly of crops such as sisal, tea, coffee and cashew nuts for export. However, production to serve internal (mainly urban) markets has been growing. The products principally concerned include: (a) Staples (maize, rice and wheat); (b) Meat products (mainly beef); (c) Milk and milk products; (d) Poultry and eggs; (e) Fish; and (f) Fruit and vegetables.

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<sup>1</sup> Provisional estimate based on author's examination of 2012 census ward level data.



Generally, systems for getting produce from rural areas to the main markets remain rather poorly developed. Transport is often difficult (particularly during the rainy season), distances can be considerable, vehicles are rarely specialized, storage (particularly cold storage) – whether in producing areas, en route or at destination – is generally inadequate. Nevertheless, some encouraging examples of promising developments in some areas for some products can be found.

Information on the main firms active in food production in Tanzania can be found in Sutton & Olomi (2012), with chapters on Coffee and tea, Oilseeds and edible oils, Food processing, Beverages and Sugar. The largest firms in food processing are:

- Bakhresa Group, which is one of the largest private firms in sub-Saharan Africa, employing over 2,000 people. Its main activity is flour milling with three mills near Dar es Salaam with capacity 1,750 mt of wheat flour, 50 mt of maize flour and 50 mt of rice. It accounts for 70% of Tanzania's wheat flour production. Maize and rice are sourced locally (from Ruvuma, Rukwa, Iringa and Uyole) but 98% of wheat is imported. Bakhresa Food Products Ltd, also based in Dar es Salaam, produces ice cream, fruit juice, frozen chapattis and drinking water. The company uses its own vehicles and network of distributors, using the Azam brand name.
- Vicfish, the largest exporter of Nile perch in Tanzania, with sister companies involved in Indian Ocean fish for home and international markets, maize flour and chicken processing.
- Tanga Fresh Ltd, Tanzania's leading dairy foods company, producing products such as yoghurt, cheese and ghee as well as fresh milk. "Dairy farmers in the Tanga region organize themselves into primary societies that run milk collecting centres. Milk received from farmers is chilled ready for transportation to the factory, where it is pasteurised and packed." (Sutton & Olomi, 2012, p.67).
- Azania Wheat Flour, which produces a variety of wheat flours. About 20% of the wheat used is purchased locally, particularly from Uyole (Mbeya); the remaining 80% is imported. 30% of output is exported, mainly to other African countries.
- Coast Millers Ltd, which produces wheat flour for home and bakery use. Only 2% of the wheat is sourced locally. The firm supplies biscuit and bread factories, hotels and restaurants as well as selling into the retail market. The firm sells widely in Tanzania, with major markets in Ruvuma, Morogoro, Dodoma, Arusha, Mwanza and Pemba, and a fleet of seven trucks. It has invested \$5m in a new cereal store at Mbagala with a capacity of 16,000 mt.

Outside of these large companies, there are large numbers of small producers, transporters, traders, etc who play a part in linking mainly rural food production to the growing urban markets, supplying open markets, itinerant traders and small shops. For some premium food products, supermarkets are beginning to develop local supply chains. Research on these linkages is very limited to date. We draw attention here to work on milk and milk products (see **Box 1**), Poultry and eggs, and fruit and vegetables. This is far from giving a comprehensive picture but it does

**Box 1: Cooperative production and marketing of milk and milk products in Tanzania**

Three examples illustrate recent developments:

1. Tanga Fresh Ltd (see above for details): Number of supplying farmers 4,500 (2012); Main market Dar es Salaam (Population 4.4 m; distance 354 km).
2. Mwakaleli Dairy Cooperative Society (MDCS): Number of supplying farmers c. 800 (1992); Main markets Tukuyu (Population 42,000; distance 30 km) and Mbeya (Population 385,000; distance 100 km).
3. Several cooperatives in the Arusha/Moshi area (e.g. Meru Milk Marketing, Nnronga Milk Cooperative, Ng'uni Milk Cooperative): Numbers of supplying farmers not known; Main markets Arusha (Population 416,000; distance c. 20 km), Moshi (Population 184,000; distance c. 20 km), Dar es Salaam (Population 4.4 m; distance c. 800 km).

The characteristics of these enterprises include some or all of:

- a. Grouping together of quite large numbers of small dairy farmers;
- b. Introduction of improved breeds of dairy cattle;
- c. Collection facilities with cooling and other capabilities;
- d. Centralised modern milk processing plant;
- e. Transport to urban markets and branding of products (quality control);
- f. Production of milk related products, such as yoghurt, soured milk, butter and ghee;
- g. Provision of inputs to livestock farmers, such as feedstuffs, veterinary services and advice.

indicate the general situation.

**NOTE**

Turning to poultry and eggs, FAO (2007) states that "Of all the livestock kept in Tanzania, local chickens are the most widely and evenly distributed" with 62% of smallholder households keeping chickens (average 10.9 chickens per household). In recent years, there has been a considerable increase in more commercial production with improved chickens but smallholders have played little part in this. Layer production is

concentrated in the regions of Dar es Salaam (28%), Kilimanjaro (15%), Pwani (11%) and Dodoma (11%). The FAO study identifies 19 medium and large scale poultry farms located in Pwani (6), Dar es Salaam (6), Arusha (2), Mwanza (2), Mbeya (1) and Ruvuma (2), producing parent stock, day old chicks, table chickens and eggs. As regards distribution, FAO reports that: “The large-scale poultry farmers have their own transportation facilities and some in Dar es Salaam have a cold chain system which ensures the maintenance of good quality eggs and dressed broiler meat. The small scale farmers usually depend on itinerant middlemen to sell their produce and often end up being denied fair prices. The major means of transportation of eggs in Dar es Salaam is by means of bicycles whereby several egg trays are packed on the back seat of the rider.” More generally, there are several channels whereby dressed chicken and table eggs reach consumers, including farm gate, sales outlets, distributors, hotels, restaurants and food vendors, supermarkets and open markets. However, the marketing system, particularly away from Dar es Salaam, “is still very informal and lacks good organization and infrastructure, including facilities specifically for marketing of poultry.”

Finally, we consider briefly the case of fruit and vegetables. Considerable amounts of locally produced fruit and vegetables are consumed in Tanzania but organized production and marketing is very limited. Thus fruit such as mangoes, oranges and bananas are widely available via street sellers, by roadsides and in town and village markets but the routes by which fruit come to market remain largely informal and undocumented. Sutton & Odomi (2012) note that “Following the collapse of the government-owned juice processing companies in the 1980s, industrial fruit juices were largely imported, mostly from brand-name multinationals. Until recently, domestic production met only 8% of demand. However, this is changing, in large part due to the recent entry of the Bakhresa group into large-scale fruit juice processing. The juices available in Tanzania include orange, guava, coco-pine, peach, tropical plum and passion fruit.” Sutton also reports that over the past 20 years, a new sub-sector has emerged involving the processing of banana juice into a potent alcoholic beverage. This process was pioneered by Banana Investments of Arusha, and the low price of the product attracts low income consumers, who typically buy traditional beers and spirits. For vegetables, the story is similar. Considerable amounts are produced and the quantities of products such as tomatoes, beans, okra, onions and sweet corn reaching urban markets are growing but there is little documentation. Hillbom (2012?) gives an account of smallholder farmers in the Meru area increasingly turning to vegetables (and stall kept dairy cattle) in place of coffee in response to pressure on land and growing demand from Arusha urban area.

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## **LABOR MARKETS**

The best recent source of high quality information on the labour market in Tanzania is the *Integrated Labour Force Survey, 2006* NBS (2007). Additional information is in the report of the National Panel Survey of 2010-2011. There have also been *Employment and Earnings Surveys* for 2001, 2002, 2005/7, 2010/11 and 2012 - see NBS (2013). However, these cover formal sector employment only.

From the 2006 survey, the key figures are summarised in the table below:

**Table 2: Analysis of the Tanzanian Labour Force, 2006**

	Nos (000)	%
a. <u>Total Labour Force</u>		
Population > 15 years of age	21,004	100
less Inactive = Economically active	18,822	89.6
less Unemployed = Employed (see also b. and c. below)	16,627	79.2
less Under-employed = Fully employed	15,335	73.0
b. <u>Employed population by type of employment</u>		
Paid employees	1,754	10.5
Self-employed (with employees)	300	1.8
Self-employed (w/o employees)	1,513	9.1
Unpaid family helper (non-Agric)	576	3.5
Unpaid family helper (Agric)	1,318	7.9
On own farm	<u>11,169</u>	<u>67.2</u>
<b>Total</b>	16,627	100
c. <u>Employed population by sector</u>		
Government (central, regional and local)	439	2.6
Parastatals	66	0.3
Agriculture	12,486	75.1
Informal	1,682	10.1
Other private (formal)	1,432	8.6
Household economic activities (firewood, water fetching)	<u>521</u>	<u>3.1</u>
<b>Total</b>	16,627	100

From this analysis, it is clear that employment includes subsistence agriculturists, with 'On own farm' and 'Unpaid family helper (Agric)' making up 75% of the employed population. Formal employment is then made up of 'Government', 'Parastatals' and 'Other private', together making up 11.5%, while 'Informal' and 'Household' make up 10.1% and 3.1% respectively. Informal employment is defined as activities with no separate legal status and no separation between these activities and a person's other activities. From section (a) of the table, it may be seen that 'Informal' excludes the economically inactive (about 2.2 m, mainly students, sick or elderly) and the unemployed (also about 2.2 m) but includes the under-employed (about 1.3 m). There is thus a somewhat segmented labour market in Tanzania with formal employment making up a relatively small number (about 1.9 m), which is outnumbered by the unemployed, under-employed and informal categories. The 2006 survey also provides some analysis of employment between Dar es Salaam, other urban areas and rural. This shows 8.5% of employed persons to be in Dar es Salaam; however, if agriculture is excluded, the percentage rises to 31%, with other urban areas accounting for 36%. The employment by industry analysis confirms the dominance of Dar es Salaam, with 44% of employment in Transport/storage & communications, 33% in wholesale and retail trade, 28% in public administration, defence, education and health, and 25% in manufacturing. In other urban areas, 45% of employment is found to be in agriculture.

## **Box 2: Impact of gold mining on Geita Town**

Geita town has grown rapidly since the 1980s, when small scale artisanal gold mining began in the area, followed by large scale mining since 1999 when Ashanti Gold Mines was granted a concession. The impact on urban development has been mixed: while the population has grown from about 14,000 in 1988 to 40,000 in 2002 and nearly 100,000 now, the resources to cater for this growth have lagged. A report in *The East African* (17 August 2013) describes the situation:

“A cloud of red dust welcomes you to Geita. It chokes the air and colours life throughout this mining community, which hosts Tanzania’s largest gold deposits. It cakes houses, plants, trees, eateries, and the general merchandise shops that line the town’s main streets and back roads.

For an area that tops all upcountry districts in Tanzania in revenue collection from mining, Geita, 1,050km north-west of Dar es Salaam, is a telling commentary on how natural resources have failed to profit communities where they have been discovered as well as the country at large.

Until 2006, when the government reviewed mineral agreements with mining companies, Geita District had never directly received a penny from the gold mine it hosts ... Following that review, Geita District Council, as well as other district councils where mining companies operate, started receiving a flat annual fee of Tsh315,724,000 (\$200,000) and nothing more.

The impact of the Tsh1.9 billion (\$1.2 million) that this district of over one million people has received to date is hardly visible. Apart from the 1,152km Dar-Mwanza highway that runs through the town, few other roads are tarmacked. The town has an acute shortage of clean water, even though 13.4 per cent of the district’s total area is covered by water. Residents say many water sources are contaminated by the mercury and cyanide that small and large scale miners use respectively.

Mr Mangochie, Geita District Commissioner, blames the low impact on the council. “For example, there are not enough classrooms in our schools; pupils are not sitting at desks. If they made a decision that, well, next year the \$200,000 we receive from GGM (Geita Gold Mine), we will spend to improve the education system, that will have an impact. But once they say Ok we have to distribute it to every ward, will that have an impact?” he asked.

Another interesting analysis in the 2006 Survey is of the 1,682,000 employed classified as informal. This shows both main and secondary employment. Of particular interest is ‘Mining & quarrying’ with 47,000 informal workers giving this as their main occupation but 483,000 giving it as their secondary occupation, reflecting the enormous growth in small scale artisanal mining of gold and gemstones in Tanzania since the 1980s.

### **Box 2 (cont.)**

GGM's concession covers 196.27 square kilometres (19, 627 hectares). By contrast, small-scale miners' concessions do not exceed 10 hectares — a sticky issue in Tanzania's mining industry as it engenders feelings that the government discriminates against its own people. "We have no jobs; our mining area has been taken away by the government and allocated to the investor," said 19-year-old Remy Mwaya, who started mining at the age of 16. It is not uncommon to find young men, women and a few old people idling around pubs as early as mid-morning playing a game of pool while drinking cheap liquor. The more industrious ones transport people on bicycles or motorcycles or sell foodstuffs, cheap electronics and clothes by the roadside."

Some further information on secondary sources of income comes from the National Panel Survey of 2010-2011. This finds (p.24) that "around 65 percent of farm households in rural areas earned income outside their farms", either as wage labour or self-employed (the NPS does not give details but anecdotally this may include activities such as working in small repair workshops or fishing, charcoal production, handicrafts, etc.).

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### **WITHIN-COUNTRY MIGRATION**

In the 1960s and 1970s, soon after Tanzania's Independence, rural-urban migration was the subject of considerable academic attention. Much of this focused on the dual economy model of Harris & Todaro (1970). In Tanzania, important studies were undertaken by Collier (1979) and Sabot (1979). Sabot worked within a Harris-Todaro framework ("The excess supply of urban labour increases until there is equality between the expected income of migrants, the product of the urban wage and the probability of obtaining a job, and the rural wage" p.2) but provides a long historical perspective (1900-1971) and adds investment in human capital (i.e. primary or secondary education) as a determinant of migration. Collier goes further, finding the Harris-Todaro model over-simplistic, and its implications unwarranted once more realistic features of the labour market are introduced. He also moves from static partial equilibrium to dynamic general equilibrium – an important innovation in this context. After 1980, work of this kind rather tailed off as academic attention moved on to new problems and, in Tanzania's case, some disenchantment set in regarding its development policies.

However, there have recently been some new studies: For the wider SSA area we have Barrios *et al* (2009), who consider the influence of climate change on rural-urban migration, Bruckner (2012), who investigates the relationship between agriculture and urbanization, Gollinet *al* (2013), who distinguish between urbanization with and without industrialization, and Christiaensen *et al* (2013), who draw attention to the growing significance of natural population growth in urban areas, giving rise to 'urban push'. For Tanzania, Beegle *et al* (2011) have tracked migration in the Kagera region (see **Box 3**

### **Box 3: Study of migration and economic mobility in Kagera region of Tanzania**

In an important study in the Kagera region of Tanzania, Beegle *et al* (2011) explore to what extent migration has contributed to improved living standards, using data from a panel survey covering 13 years from 1991 to 2004. Their key findings include:

- The average consumption change of individuals who migrated was more than four times greater than that of individuals who did not move;
- Those who had moved out of Kagera by 2004 experienced consumption growth that was ten times greater compared with those who remained in their original community;
- For those who stayed in the community, the poverty rate decreased by about 4 percentage points over the thirteen years. For those who moved elsewhere within the region, the poverty rate decreased by about 12 percentage points, and for those who moved out of the region, the poverty rate decreased by 23 percentage points;
- Although moving out of agriculture resulted in much higher consumption growth than staying in agriculture, growth was always greater in any sector if the individual physically moved;
- As to why more people do not move given the high returns to geographical mobility, the analysis finds evidence consistent with models in which exit barriers set by home communities prevent the migration of some categories of people.

Christiaensen *et al* (2013) extend the results of this survey to point out that most of those who exited poverty did so by finding their way into the rural non-farm economy and secondary towns ("the middle") rather than moving to the big cities (Dar es Salaam, Mwanza, Kampala).

below); and there is a report by World Bank (2009) on the urban transition in Tanzania, which makes use of the 2002 census question on residence in the previous year.

In a similar vein, The National Panel Survey of 2010-2011 finds (pp.31-34) that growth in consumption since the previous survey in 2008-2009 is positively associated with the level of education of the household head, working in non-agricultural jobs, living in Dar es Salaam or (to a lesser extent) in other urban areas.



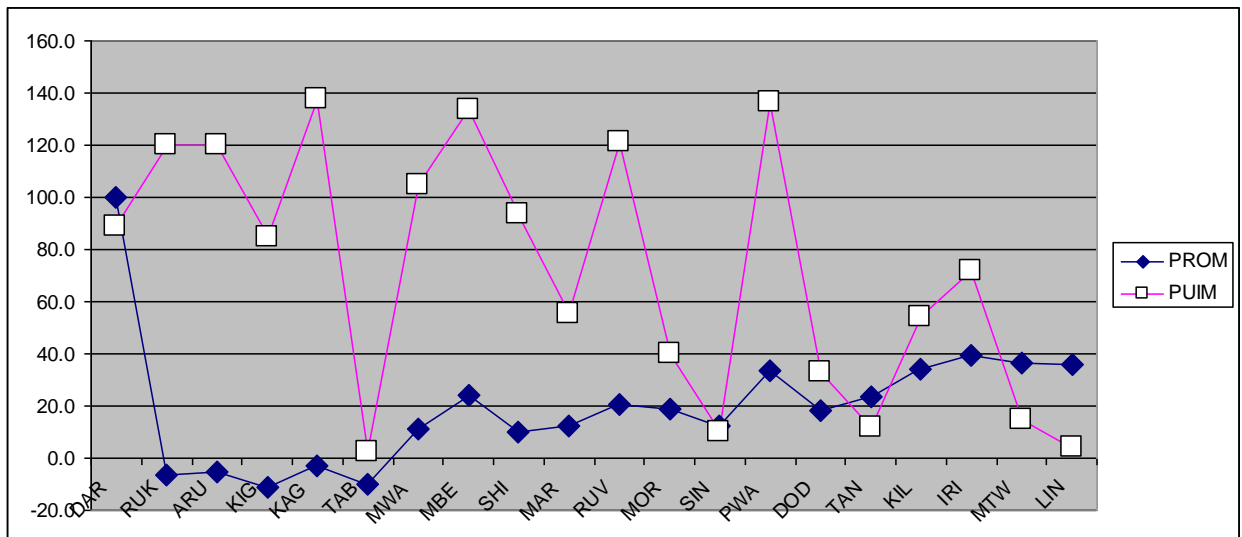
A more comprehensive numerical analysis of internal migration across 20 regions of Tanzania, based on the five censuses since Independence in 1961, is provided by Wenban-Smith (2014). He estimates flows of migrants from rural areas to urban areas in their own or other regions, or to rural areas in other regions (e.g. in connection with artisanal mining); and derives from them summary measures of these flows, termed:

- The regional propensity for rural out-migration  $P(rom)$ ;
- The regional propensity for urban in-migration  $P(uim)$ ; and
- The regional propensity for regional in-migration  $P(rim)$ .

These measures compare expected populations with actual populations.

The results are illustrated in the figure below:

**Figure 1: Regional propensities for rural out-migration ( $P(rom)$ ) and urban in-migration ( $P(uim)$ ), with regions ranked by overall in-migration (Dar on the left, Lindi on the right), Tanzania 1978-2012**



At the regional level, Dar es Salaam dominates with over 70% of the increase in its population between 1978 and 2012 being accounted for by in-migration. Rukwa and Arusha regions have also been persistent gainers but at a more moderate rate. In contrast, the bottom eight regions have consistently lost population, with Mtwara and Lindi regions experiencing the largest outflows. As the figure shows, the broad pattern of rural out-migration is consistent with the regional picture, with regions to the left gaining rural (as well as urban) population (except Dar es Salaam which had no recorded rural population in 2012), while regions to the right lost around a third of their expected rural populations. The pattern of urban in-migration is more varied. Except for Tabora, regions with rural in-migration also show high urban in-migration. However, several regions with high rural out-migration also experience high urban in-migration, notably Mbeya, Ruvuma and Pwani regions. On the other hand, some regions with high rural

out-migration, such as Mtwara and Lindi, showed very little urban in-migration, suggesting that for some reason the urban areas of these regions held little to attract rural migrants – something which may be changing in the wake of oil and gas development in South East Tanzania. These findings are largely descriptive. A second phase of this project is planned to seek explanations for the observed patterns of migration in Tanzania by relating urbanization trends to developments in the national economy and by examining how gaining regions and towns differ from the losers.

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## **PUBLIC POLICIES AND PROGRAMS**

Given the efforts of the Tanzanian government to drive development since Independence, the structure of local administration is an important aspect of rural-urban relations – or more accurately of local-central government relations. The colonial system of indirect rule by small numbers of colonial officials through chiefs and native authorities was dropped soon after Independence. Then after 1972, local government officials were replaced by local representatives of the ruling party – who were heavily (and controversially) involved in the villagisation programme of the 1970s (Coulson 2<sup>nd</sup> Ed, 2013, Ch. 22). With mounting economic difficulties in the early 1980s, far-reaching economic and political reforms were adopted. Administration at local level then received considerable attention leading to new legislation in 1982, which reinstated local authorities. Continuing weaknesses led to the 1998 Policy Paper on Local Government Reform. Implementation started in 2000 and has made progress since but significant problems remain, relating particularly to the tension between central directives and local democracy, financial constraints (including very limited local revenue resources), shortage of trained personnel and complicated planning procedures, with six layers of formulation, scrutiny and approval). An assessment of both progress and continuing problems in local government can be found in LATA (2011), whose recommendations include “7.1 (i) D-by-D (Decentralisation-by-Devolution) needs to be implemented in a manner that ensures the central government does not govern by directives that override local priorities and interests” and “(vi) ... restructure the LGDG system and other central government/sector budgetary allocations to give LGAs more resources and financial autonomy.” A description of how the local planning process is supposed to work is in a University of Groningen (undated) paper, noting how village level preferences are scrutinised first at ward level and then at District Council level before being incorporated (or not) in the District Plan, which goes on to further scrutiny at regional level and then by ministries before being incorporated in the national plan and budget and put to Parliament for approval. In consequence, the laudable objective of fostering local involvement in the planning process is subject to considerable amendment and the process can be very lengthy. In general, these Local Government reforms focus on rural development.

In contrast, urban policy does not have a high profile in Tanzania. Most government plans and related documents (e.g. Poverty Reduction Strategy 2000, National Strategy for Growth and Poverty Reduction 2005 (MKUKUTA), 5-Year Development Plan 2011/12- 2015/16) take a sectoral approach (agriculture, mining, industry, etc; or education, health, water, roads, etc.) so that the urban dimension is only incidentally touched on. An exception is the National Human Settlements Development Policy of 2000. This identified urban development issues and policies covering: Physical growth

("Control over physical growth of urban areas is necessary in order to reduce urban sprawl"); Rural-Urban migration ("The rate of urban population growth ... is so high that urban authorities cannot cope ..."); Township boundaries ("Villages engulfed in urban areas as a result of the expansion of township boundaries shall cease to be villages whether or not they are registered and their administration shall come under the respective urban local authorities."); Urban renewal ("The government shall encourage optimum utilisation of the land in urban areas ..."); Urban economy ("Issue: Inadequate, unreliable or lack of services and infrastructure, weak municipal institutions, poor financial services and an inappropriate regulatory framework inhibit urban productivity."); Urban transport ("The government shall facilitate the establishment and operation of swift, safe and efficient transport systems in urban areas."); Urban agriculture ("The government shall ... review existing laws to facilitate planned urban agriculture"). However, as the document goes on to note "Urban authorities are facing financial problems thus limiting their capacity to serve their inhabitants ...", including "over-dependence on central government subventions ... lack of capacity to collect and manage revenue [and] lack of internal control and accountability leading to misuse of funds".

Unfortunately, the good intentions signalled by the 2000 policy statement seem to have had little effect, as the following extract from Tanzania's report to the UN Conference on Sustainable Development, Rio + 20 (April 2012) acknowledges:

#### **"7.2.9 Unguided Rapid Urbanization**

Rapid urbanization is a common phenomenon in many cities in developing countries. Whilst urban population was only 4% of the national population of Tanzania at independence in 1961, it rose to 23% during the 2002 national population census and is projected to be about 34% in year 2012. With this trend it is estimated that by the year 2030, 50% of the national population will be urbanized through natural growth, inward migration and transformation of rural settlements into urban centres. This is expected to be a positive evolution if it is well guided. However history shows that over the years of pre- and post-independence of many developing countries the difference in livelihood between urban and rural areas has catalyzed rural-urban migration. Of late, climate change and other weather vagaries have caused instability in peasantry activities in rural areas hence aggravated rural to urban migration. This migration is mostly eroding rural youth labour to urban areas hence scramble for the limited employment opportunities in towns (as explained in Section 7.2.8). It exerts pressure to the existing social and physical infrastructure besides increasing social security risks in urban centres. Among these is urban sprawl, which exacerbates the already existing inefficient urban public transportation, waste management and hygiene. Programmes for sustainable cities and safer cities now implemented (specifically in Dar es Salaam) seem not adequately addressing the urbanization challenges. The Government has now to have more stringent national policies and strategies focusing more on urbanization and strengthen intensive rural production to maintain positive rural-urban continuum amidst the changing stand (MLHSD, nd).

...

### **7.2.11 Housing**

Housing is a challenge to all urban and rural settlements in terms of both quality and quantity. Housing finance has long been a pertinent issue. Alternative low cost building materials and building technology have inadequately been addressed in terms of research and construction. Whilst rural areas are more faced with poor quality of houses, in towns shortage and poor hygiene prevail especially in unplanned settlements. Encroachment in hazardous areas has also become a commonplace. There is an arbitrary shortage of 2,000,000 housing units each year. There is no established Housing Bank for long term loans for building new houses and/or improving housing conditions.”

To address these problems, the Tanzanian Government has a number of programmes to increase and improve housing condition in the country. Some of the recent programmes include formalization of properties in unplanned settlements (a programme known in Kiswahili as MKURABITA); also, with the assistance of the World Bank, implementation of Community Infrastructure Upgrading in parts of the major cities; and it is transforming the National Housing Corporation to deliver as a master developer initiative. Other initiatives taken by the government are the implementation of The Sustainable Cities Programme and the Safer Cities Programme. It has also enacted the Unit Titles Act of 2008, Mortgage Financing (Special Provisions) Act of 2008 and the establishment of the Tanzania Mortgage Refinancing Company in year 2010. Despite the initiatives taken, the report concludes that the country still lacks appropriate housing development strategies.

It may also be observed that while the larger urban authorities have formal designation as city, municipal or town councils (some 30 in all) and so have appropriate administrative structures, large numbers of other settlements now recognised as urban remain within the purview of District Councils whose remit is rural development so that the increasingly urban character of the problems faced by these areas becomes difficult to address properly.

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