

# SYNTHESIS REPORT



REPOA's 24TH ANNUAL  
RESEARCH WORKSHOP



## LOCAL ECONOMIC DEVELOPMENT: UNPACKING POTENTIALS FOR ACCELERATED TRANSFORMATION IN TANZANIA

APRIL 10TH – 11TH 2019



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Tanzania has achieved sustained rates of economic growth for the past ten years and is moving towards middle income status. Maintaining these gains while ensuring that development is inclusive is a core objective of the second National Five-Year Development Plan which places industrialisation as the key pillar of national development strategy. Capturing value through agro-processing, manufacturing for regional markets and harnessing the potential of the natural resources with which the country is richly endowed are envisaged as drivers of accelerated economic transformation.

The Government of Tanzania has made substantial investments in infrastructure, renegotiated contracts with international investors and introduced major reforms to maximize value extraction across the natural resources sector. Considerable challenges remain. Tanzania attracts less foreign direct investment than its East African competitors. Regulatory environments are demanding.

The majority of Tanzanians earn their living in the informal sector in both urban and rural areas. Incomes and productivity are low. Some 26.4 percent of the population lives in poverty. Regional disparities in economic opportunity are substantial. Local governments remain focused on service delivery and coordination of policy from the centre.

REPOA's 24th Annual Research Workshop examined the potential opportunities and binding constraints on local economic development. The workshop noted that investment in itself cannot bring about the kinds of changes in productivity and investment climate on which successful industrialisation depends. Policy and institutional changes are also important in reconciling local development priorities with existing resources.

The two-day workshop explored these issues through presentations, panel discussions, research papers presented in parallel sessions and plenary discussion. Workshop delegates included representatives from central and local government, Members of Parliament, research institutions, academia, the private sector, civil society organisations and development partners.

The Guest of Honour, Her Excellency Samia Suluhu Hassan, Vice President of the United Republic of Tanzania, opened the conference. Professor Peter Knorringa of the Institute of Social Studies, the Hague, gave a keynote address on the theme of Economic Transformation, Local Economic Development and Frugal Innovation.

Discussions at the event were wide ranging and took place through various platforms. Plenary panels examined barriers and pathways to local economic development, the role of technology uptake and the contribution of local government authorities. Relations between central and local government were addressed in a parallel session. Parallel sessions investigated pervasive informality and job creation, relations between central and local government, and strategies for addressing regional disparities in natural resource endowments.





The final plenary brought all the themes together in considering how to leverage jobs, informality and natural resources for local economic development. A closing session highlighted key policy implications and areas for further research.

**“Local economic development strategies must look beyond district boundaries to maximize trans local synergies”**

This report provides edited highlights of presentations and discussions at the workshop. Key issues and recommendations from the workshop fall into three areas, namely:

## 01 Business Dimensions of Local Economic Development

**Improving institutional performance can contribute to better enabling environment for businesses, however, these must be supported by investments in rural roads and lowering transport costs for enhanced local economic development –**

High transport costs are a significant barrier to local economic development in Tanzania. Prohibitive transport costs affect local producers and deter investors, perpetuating regional and interregional disparities in economic and social development. While institutional factors can contribute to an improved environment for business, accelerated transformation cannot occur without targeted investment in infrastructure in high potential areas.

**Policy Consistency, Collaboration and Communication Build Trust Between Government and Business.**

The current regulatory regimes for business are complicated and inconsistent across local and central governments and different sectors of the economy. Transaction costs of compliance are high. Streamlining of registration processes could have positive impacts on investment and formalisation.

Expectations about investment leading to large increases in jobs are unrealistic. Accelerating inclusive local economic development is a collaborative process. Government and private sectors have to work together to ensure investment across the economy in order to create employment. Attempts to devise effective strategies for Local Economic Development must begin with inclusive dialogue with all stakeholders. Trust matters.

**Local Economic Development requires `local local' strategies**

Within country differences in factor inputs including natural resource endowments, and levels of economic development work against template approaches to local economic development. Effective strategies should seek to build on existing areas of economic activity. Innovation uptake has greater chance of success where it responds to local needs. Local economic development strategies must look beyond district boundaries. Regional and cross border economies account for a large proportion of production demand in Tanzania. Trans-local synergies should be maximized.

Value addition is not confined to production processes. More attention could be paid to value addition along the chain. Incentives to attract investors to local areas should be considered. Investment will have more impact on local economies where efforts are made to ensure provision for content from a local area. Current local content policies need revising to ensure that populations in areas where investments are located can derive some economic benefits through supply of goods and services.

## 02 Local Government

**Decentralisation as Driver of Local Economic Development Require Institutional Reform**

Local governments have the potential to play a stronger role in promoting the economic development of their areas. At present local government authorities do not have the specific remit or departmental structure to take the lead in driving local economic development. The current institutional structures for local governments under local government reform may have hindered the capacities of local governments to plan for economic development. Regional Secretariats can play a coordinating role in supporting local economic development.

**“Effective Local Economic Development must embrace spatial differences in resource endowment”**

**Lower Local Governments Need More Support**

Decentralisation as enshrined in the constitution gives communities responsibility for oversight of development activities in their local areas, including financial responsibility for high value projects financed by central government through local authorities. Elected representatives working with district staff have gained skills in implementing projects but have little experience in local economic development. Lower local governments and the districts which support them need technical assistance if they are to play a catalytic role in local economic development.

**Increase Resources and Capacities of Local Governments to catalyse LED**

Local authorities in Tanzania do not currently have a clear mandate for job creation or attracting investment. Changes in the decentralization policy are expected to increase their responsibilities in these areas. If this is to yield results, Local Authorities must be given the policy space and revenues to take action to promote local economic development. Increased powers and resources will lead to capacity improvements across local governments.

## 03 Priority Areas for Further Research

**Trajectories of Business Development in Tanzania: How Do They Scale?**

Much of the discussion about the direction of economic change in Africa is based on economic theories. Little is known about actual trajectories of business development in Tanzania and the possible pathways from smaller to larger enterprises. Empirical multi-disciplinary research must investigate links between formal and informal economic activities. Quantitative approaches can capture processes of growth and scale. Qualitative research can provide insights into the incentives and actor strategies that enable and constrain formalisation. To begin, research needs to prioritise the role of the service sector in inclusive economic growth, and revisit policy concerns on distribution of benefits and inequality.

**From Comparative to Competitive Advantage: What Can We Learn from the Minerals Sector?**

An urgent question central to enhancing the industrialisation strategy is how comparative advantage can become competitive advantage. Ongoing interventions in the minerals sector, including gemstones, which aim to maximise local value addition through increased local content and longer-term beneficiation provide a massive learning opportunity with potential read across for other sectors.

**Capacity is An Effect of Functional Institutions: What Works Where and Why?**

Finally, the concept of `capacity' is often used as an explanatory device in discussions about policy failure in Tanzania. Capacity is an effect of institutional functionality not a cause. Researchers must investigate what constitutes capacity in a context using participatory approaches prioritising mutual learning in order to design sustainable and context specific interventions.



# INTRODUCTION

01

REPOA's 24th Annual Research Workshop (ARW) was held on April 10th and 11th, 2019 at the Ledger Plaza-Bahari Beach Hotel in Dar es Salaam, Tanzania. The theme for this year's workshop was, Local Economic Development: Unpacking potentials for accelerated transformation of Tanzania. The workshop aimed to provoke and promote policy dialogue and research on Local Economic Development (LED) as a viable policy strategy in the transformation of Tanzania's economy. The workshop focused on LED as a necessary process in leveraging Tanzania's comparative advantages; global value chains and options for strategic linkages to enhance competitiveness in agriculture, industries, and other sectors; and how local authorities can promote local economic growth and create employment opportunities.

The workshop was opened by the Guest of Honour, Her Excellency Samia Suluhu Hassan, Vice President of the United Republic of Tanzania. The workshop featured a keynote address, on the potential for frugal innovations to support local economic development in Tanzania, by Professor Peter Knorringa of the Centre for Frugal Innovation at the International Institute of Social Studies at Erasmus University in the Netherlands. Some 350 delegates including high-level representatives from Government, Ministers, Regional Commissioners, District Commissioners, Members of Parliament, Ambassadors, Development Partners, Academics and representatives from a range of private sector organisations attended the workshop over the course of the two days.

**Presentations and discussions at the workshop were organised under the following three key themes:**

- Pervasive Informality and Elusive Jobs
- Spatial Variations in Resource Endowments
- Inter-governmental relations and empowerment of local authorities

## The structure of the report

This report presents syntheses of the main presentations and discussions at the workshop structured as follows:

### Section 2

snapshots key points from discussions following opening presentations by the Guest of Honour, Her Excellency Samia Suluhu Hassan Vice President of the United Republic of Tanzania; REPOA's Executive Director, Dr. Donald Mmari, and the Keynote Speaker, Prof. Peter Knorringa. The three focused on the role of government, research and industry on Local Economic Development and Frugal Innovation as catalysts for the desired economic and social transformation in Tanzania.

### Section 3

highlights discussions from a thematic panel on how best to unlock local economic development as a viable policy option for socioeconomic transformation in Tanzania. Panel presentations and discussions focused on the enablers and constraints to LED and how to overcome them.

### Section 4

synthesizes discussions from four thematic panels that explored key questions on LED concerning, the: pervasiveness of informality and elusive employment in local communities; role of central and local governments and relations thereof in empowering local communities; exploitation of spatial disparities in development to empower local communities and LGAs for inclusive LED; promotion of cross-country learning to leverage from global value chains through frugal innovation.

### Section 5

summarizes discussions from a high-level panel on opportunities and challenges for LED within contextual realities of the need to leverage jobs, informality and natural resource use and distribution for LED.

Section 6 reflects on the closing session which highlighted pressing policy concerns and way forward on LED, and earmarked emerging areas of future research.

A full programme of the workshop is enclosed as Annexure 1 to this report.

# OPENING PLENARY

02

## Welcoming Remarks

REPOA's Executive Director, Dr. Donald Mmari, welcomed participants to REPOA's twenty fourth annual research workshop, noting that REPOA has been at the forefront of research on economic development and the reduction of poverty reduction in Tanzania since its establishment in 1994. Dr Mmari informed delegates that the fifth phase Government Tanzania is working hard to improve the welfare of all Tanzanians.

REPOA has consistently worked with the government and development partners to increase capacity for research and policy as well as contributing to greater transparency and improved governance in the country. REPOA is currently finalizing a new five-year research programme for the period 2020-24 which will examine how industrialization, good governance, gender equity and accountability can strengthen the foundation for sustainable economic development in Tanzania and meet the SDGs at a time of new global challenges.

The core objective of the National Five-Year Development Plan is sustainable industrialisation as a means of accelerating transition to middle income status and meeting SDG targets. Dr Mmari explained that the government is making sustained efforts to ensure that the necessary infrastructure is in place. However, investment in itself will not be enough to ensure long term success of the industrialisation policy. Far reaching changes in systems and institutions are necessary to bring about sustainable transformations in productivity.

Dr Mmari introduced the workshop theme as 'Maendeleo ya ngazi ya chini', the literal translation of which would be 'Development at the lower levels'. In the Tanzanian system of administration this refers to both local areas and the systems of government—at districts and below—through which they are managed.

REPOA has carried out extensive research on local governance and service delivery since its inception. Further, consistent with the objectives of the current national development blueprint, a focus on local economic development is now necessary. The workshop would contribute to the development of strategies by which local government working with the private sector can catalyse the social and economic development of their areas using locally available resources.

To underscore the importance of local development in national priorities and achievements, Dr Mmari referred to an influential study of how regional economic development happens by the late political scientist Judith Tendler. Tendler's seminal text published in 1997, titled "Good Government in the Tropics", highlighted the role of development initiatives adopted by local authorities at different levels to attain increased rates of economic development in their areas.

Tendler's work asserts that the ability of local governments to catalyse local economic development depends on robust but supportive partnerships between all stakeholders, including state, federal and local governments, and between private sector actors and public authorities. In Tendler's case studies in Brazil, the quality of these partnerships was especially important in resource poor settings. Where these relationships were strong small businesses flourished, boosting local and regional economies.

Tendler's widely cited study is instructive in demonstrating that that local governments can build the capacities of small businesses and



**“Robust and supportive local governance partnerships boost businesses and local economies”**

retailers as a foundation for development of their areas. Dr Mmari clarified that the purpose of REPOA's 24th Annual Research Workshop was to discuss the kind of policies and institutions which need to be in place for Tanzania to accelerate local economic development and achieve its aspirations of sustainable industrialization. Representatives from Regional Administrations and Local Government had been invited to the workshop so that discussions could develop concrete policy and strategies for implementation.

Dr Mmari acknowledged the long-term support of development partners including Sweden, Denmark, Norway, Ireland, the UK Department for International Development, IDRC, the African Capacity Building Foundation and the Gates Foundation. The Government of Tanzania had also contributed to REPOAs work over many years.

Dr Mmari thanked Government departments and development partners for their support. He explained that this funding and the freedom to carry out its research has enabled REPOA to maintain its position as one of Africa's leading policy thinktanks.

**Remarks from Development Partners**



The Honourable Ambassador of Denmark, Mr. H. E. Jensen, gave the opening remarks on the behalf of development partners. He congratulated REPOA on the theme of the workshop, elaborating that while Tanzania's recent pace of economic growth had been impressive at around seven percent, ensuring that growth improved livelihoods and reduced poverty continued to be a concern. The role of research is vital in understanding what the impediments are and designing optimal solutions.

The Ambassador emphasized that development partners were committed to supporting research which helps to overcome challenges of local economic development. He stressed that a climate where research can be conducted freely is essential for developing effective policies. Remarking on the high quality of REPOA's research, he drew attention to REPOAS excellent reputation among think tanks in Africa and its substantive contribution, over many years, to policy formulation in Tanzania.

The Ambassador noted that REPOA assists government faced by incessant and unpredictable technological, political, demographic and

climate change make vital evidence-based decisions. He said that credible independent thinktanks are indispensable in providing unbiased research and helping governments and development partners design appropriate programs and evaluate ones they have implemented. Governments must create the space for the work of independent researchers and thinktanks to inform the economic transformation agenda.



**Opening Address:  
Her Excellency Samia Suluhu Hassan, Vice President of the United Republic of Tanzania**

The opening address was given by the guest of honour, Her Excellency Samia Suluhu Hassan, Vice President of United Republic of Tanzania. The Vice President thanked REPOA for the invitation to open this important workshop for a second time. She explained that as a specialist in economic development she valued the opportunity to learn and to share ideas with delegates at the workshop.

Her Excellency remarked on the timeliness of the workshop theme. She reminded delegates of importance of local economic development in the Government's approach to inclusive social and economic development in Tanzania through the second Five Year Development Plan and the national industrialisation agenda. She emphasized that Local Economic Development is the means to inclusive economic transformation. President Mwalimu Nyerere understood that "Maendeleo ni watu" -development is people.

Transformative growth and industrialization are one with extensive and intensive linkages between social and industrial components of development. An industrialising economy is a prerequisite for Tanzania's attainment of middle-income status by 2025. Industrialisation will boost employment, value addition and foreign exchange earnings.

Tanzania has made a decisive start in driving forward its industrialization strategy. Large scale investments in infrastructure, mining, transportation, aviation and energy are creating good conditions for continued economic growth. Ongoing investment in health and education is also necessary to ensure that no one is left behind. Development depends on the contributions of the people - (nguvu kazi) and on fair and effective partnerships between the private sector and the government, but the people are the foundation. Industrial development is human development (maendeleo ya viwanda ni maendeleo ya watu).

**“Maendeleo ni watu” – “development is people”.**



Tanzania has a long history of implementing local, and rural, development policies. Such history is nuanced with experimentation and experiences shaped not least by the Arusha Declaration of 1967 and Madaraka Mikoani (Deconcentration) in 1972. The objective of local development has long been to make social services available in local areas. At present, the Government faces two longstanding challenges at local level. The first is helping local communities to effectively make use of own resources. The second is ensuring that elected local representatives prioritise public interests.

Tanzania is not the only country dealing with the problem of poverty. The experience of other countries can be useful if we contextualise the environment in which they occur. In promoting pro-poor local economic development, the fifth phase Government has prioritised enhancing performance effectiveness in public services, eliminate ghost workers, preventing misuse of fake certificates and reduce wasteful spending on travel. The recent relocation of ministerial activities to Dodoma aims to bring the government closer to the people in the quest for inclusive and responsive governance. However, there remain several areas for further improvement which could benefit from collaboration between the public and private sectors. Among others, improvements can be made by extending the participation at policy debates such as the 24th ARW by elected representatives from local government authorities, responsible for operationalizing local development agendas.

Arenas that bridge research and policy sphere offer opportunities for broad and inclusive solutions to existing economic development problems. These inform us on how to move from where we are right now relative to long-term national goals. In closely analysing local economic development, it is important for policy and research, including this workshop, to focus on the following five critical issues:

1. Peoples' participation in the economic development; why is there low peoples' participation in economic development agendas and activities, and what should and/or can be done to address the situation?
2. How can we address regional disparities in local economic development and resource endowment?
3. What can be done to raise incomes in the informal sector and create more employment and increase government revenue?
4. Since 1990s, the decentralization by devolution has allowed local authorities to make substantial improvements in access to health and education services. They have been less successful in job creation and growing local economies. How can local governments take a leading role in driving local economic development?
5. What are we building for our young people and what are we leaving for them? How can we ensure that young people have a better future and are included in economic and social development?

The Government of Tanzania values the contribution of research institutions to designing effective policies and evaluating their ongoing implementation. The fifth-phase Government is determined to continue supporting research and its larger operating environment.

The Vice President concluded her opening remarks by thanking development partners for their financial contributions over the years which have made REPOA's research possible. Further research from REPOA is essential to prepare government for the challenges posed by rapid technological change, globalisation, demographic shifts, and climate change, and many others as they emerge.

**“ Innovation uptake has the greatest effects on productivity where new technologies are integrated with existing practices ”**



**Professor Peter Knorringa** - Professor of Development Economics at the Institute of Social Studies at Erasmus University, the Netherlands, and director of the Centre for Frugal Innovations in Africa

The keynote address focused on how low cost, high impact technologies are changing how small producers and manufacturers in poor countries are integrated into the global economy. He explained that the world is now entering a fourth industrial revolution in which the distribution of technology, made possible by the internet affects economic relations at global scale. These changes have important implications for industrial policy in countries like Tanzania. The benefits Tanzania could gain from the fourth industrial revolution depend to a great extent on its ability to encourage the uptake of suitable low-cost high impact technologies.

The development world is awash with examples from across the global South that show how simple, affordable technology has the potential to fast track local economic development if other conditions are right. However, it is important to bear in mind the need to create optimal conditions for the uptake of frugal innovation in countries with largely agricultural economies and low levels of industrialisation. Frugal innovation is not cheap innovation. The concept of frugality refers to making best use of limited available resources. Frugal innovations are those which can achieve high impacts at low cost. The remainder of the presentation explained some of the factors to consider in selecting the kinds of frugal technologies which could have the highest impacts in a particular setting.

Professor Knorringa gave a brief background to the relationship between local economic change and frugal innovation. Rapid technological change and the transformation of the global economy mean that local economies have to constantly adapt to keep pace with changing demands and markets. Creating the environments which foster rapid adaptation is a springboard for successful transformation.

A country's ability to respond quickly to change is so important now because the pace of change in today's globalized economy is unprecedented. The kinds of changes which are occurring are creating different forms of organisations, systems and processes through which production is managed as well as new manufacturing technologies. Some analysts argue that the extent of the social, economic and technological changes which are being experienced globally are so different from the way that the global industrial economy was previously organised.

Whereas the first industrial revolution was set in train by heavy machinery- such as steam engines and power looms, the second by electrification and the third by information technology, the main stimulus of the fourth is the ability to connect production facilities, devices, designers and consumers instantaneously – what is referred to as 'the internet of things'.

Previous models of economic transformation based on planned industrialisation with the state as driver have been superseded. Economic change in much of today's world is largely business driven, characterised by experimentation and the need to take the environment into account. Small scale businesses operating in the informal sector become drivers of technological transformation. Whereas previously access to new technologies which could increase productivity was limited to large firms which could afford the high costs, of plant and machinery for example, the opportunities presented by the low-cost technologies of the fourth industrial revolution are more widely available. The Fourth Industrial Revolution in which states play a regulatory role as enablers of continuous technological innovation presents unprecedented opportunities for accelerated technological and industrial change, even in countries which have previously had low



levels of industrialisation. Internet connectivity combined with technologies like 3 D printing speed up the global distribution of low-cost technologies, making innovation more accessible.

Affordable adaptation puts low cost innovations within reach of small-scale producers in manufacturing and agriculture with significant impacts on productivity. But the right policy environment affects how these processes occur. The policy models guiding industrial development under the previous industrial revolutions- import substitution, export promotion and vertically specialised industrialisation via upgrading value chains need revising in this new context where the role of the state and of business and the driving forces of innovation have shifted.

There are many examples of frugal innovations that are currently in widespread application in Africa, Asia and North America. These include, mobile money services such as M-PESA's payment platforms through mobile phone networks, the assimilation of small diesel-powered irrigation pumps into diverse local farming systems, and mini grid solar energy units which can be used as supplementary backups to national electricity networks illustrate this trajectory. Power tillers and hand-held cardiograph machines now used in urban doctor's surgeries and remote rural clinics the world over provide other examples.

Policy makers wanting to encourage innovation have to recognize that availability of technology in itself does not predict that it will be sought after. Innovations like MPESA or power tillers were successful in cases where they responded to a local need which fuelled local demand. Technologies must be perceived to be relevant for meeting what are locally considered to be priority needs before adoption occurs.

Innovation uptake has the greatest effects on productivity where new technologies are integrated with existing practices. Diversification and upscaling of technological capabilities can be accelerated by the selective combination of local knowledge with new technologies. The upscaling of technological capabilities must also consider a more prominent role for young people who are likely to be more confident with new technologies and could play a pivotal role in supporting older people to adapt existing production systems to the opportunities presented by new technologies.

Promoting frugal innovation is not without risks. Technology of any sort has costs as well as benefits. Ensuring inclusivity needs careful consideration. Recent digital innovations, for example business platforms such as uber and Facebook, have created economic opportunities for many people but their business model is such that the greatest financial benefits accrue to large corporations, while providing the architecture for unregulated exploitation of the masses. The digital divide is real and can be accentuated by rapid and unequal adoption of high impact technologies.

Policy makers have to ensure that the technologies they promote can capture gains for small producers. Professor Knorringa concluded his presentation by suggesting that frugal innovation, with the right frameworks, could be foundational to sustainable and inclusive local economic development in Tanzania.

**“Promoting frugal innovation is not without risks. Technology of any sort has costs as well as benefits. Ensuring inclusivity needs careful consideration”**



03

## THEMATIC PANEL 1

REFLECTIONS ON THE KEYNOTE ADDRESS

Issues raised in the Keynote and Opening address were considered by a panel moderated by Professor Paschal Mihyo. Prof Mihyo thanked the Guest of Honour for her participation as amounting to a vote of confidence in REPOA which as a non-government organisation is committed to working effectively with government.

Panel members represented the private sector, central and local government. Each panellist gave a brief presentation from their perspective of core issues affecting local economic development in Tanzania. The session was opened to general questions and insights which were commented on by panellists.

### ABDALLAH NGODU,

CEO of the Association of Local Authorities of Tanzania (ALAT) that represents 185 local government authorities. He provided a brief overview of the role of local government in stimulating local economic development (LED).

The key to LED lies in creating and nurturing mutually beneficial partnerships between public and private entities. Recent policy blueprints led by the National Five-Year Development Plan 2015/16 – 2020/21 in Tanzania offer grounds for optimism in how such partnerships can flourish especially with incentives provided in local contracting regulations. Nonetheless, additional improvements are needed in the local operating environments for Small and Medium Enterprises and to attract larger investors. Local authorities have to do more to promote local industries which can provide employment and to better market what their areas can offer so as to promote investment, especially in the agro- processing value chains which will drive industrialization.

### SANTINA MAJENGO BENSON,

CEO of the CEOs Roundtable of Tanzania, stressed the importance of stakeholder engagement in achieving local economic development. Tanzania has vast untapped economic potential, notably in oil, gas and tourism. Effective communication between investors, policy makers and communities are critical.

The oil and gas sector have begun to build capabilities in supply of local content by investing in skills development of local SMEs. Important lessons can be learned from the local economic development strategies of Ghana and Trinidad and Tobago, which have prioritized bringing all partners to the table.

### DORA ALBERT KYUNGU,

representing the Banking sector in a personal capacity, suggested that frugal innovations may bring change, but they do not necessarily displace established technologies and institutions. On the contrary, they can prompt adaptive experimentation. As a banker, for example, 'I'm not scared of MPESA'.

Thinking outside the box is helping established financial institutions create new products and markets. Adopting an ecosystem perspective is a useful way of looking at local economies because it helps identify where connections between different actors could be improved. There is scope for local authorities to play a stronger role in developing the livelihoods of people in their jurisdiction, for example making farm inputs available to the large proportion of farmers who cannot afford or are unable to access credit from formal financial institutions.

### BAKARI MACHUMU,

representing Mwananchi Communications, highlighted the innovative ways in which digital technology has transformed media in East Africa and made it more accessible and interactive. Newspapers are gradually being replaced by digital spaces. Social media platforms such as WhatsApp not only personalize newsfeeds according to subscriber interest, but also, because they reach millions of people daily, they can offer new avenues for stakeholder involvement in all stages of the local economic development process.

### PROFESSOR FAUSTINE KAMUZORA,

Regional Administrative Secretary, Kagera, reminded delegates that a country as diverse as Tanzania requires context specific development strategies. It was also important to recognise that ordinary citizens have a long history of innovation. Synergies between formal innovation and indigenous knowledge should be nurtured. Tanzania has a track record of technology uptake and adaptation. Interoperability between mobile money networks was first implemented in Tanzania. It has been hugely successful.

Skills development and curriculum upgrading are critical in laying the foundations for development as a process which starts at the local level. He suggested that development should be thought about as coming from the bottom up, a process of 'trickle up' rather than trickle down. "Unless the communities have their development the nation cannot develop".

The session was opened to questions and discussion from the floor. **Prof. Paschal Mihyo**, the discussion's moderator, reminded delegates that the Guest of Honour had asked them to consider how to increase local participation in economic development, address regional disparities and whether current systems of decentralisation help or hinder local economic development? How can the dynamism of the informal sector be captured productively? How can we protect local producers while responding to global demands? And how can we ensure that young people share the rewards of growth?

Prof. Mihyo suggested that the concept of 'glocalisation' applied to Tanzania's current situation which highlights the balance between openness to emergent technologies and being responsive to demand while being needs-driven and locally oriented. Invited to respond to panellists' contributions, Prof. Knorringa agreed that "Local economic development is at the heart of development". 'Trickle up is needed because trickle down doesn't work'.

What matters in technology uptake is building on existing practice, having effective regulation- in the finance sector for example where mobile networks are regulated differently compared to banks- and ensuring that governance keeps pace with ongoing changes in the fundamental structure of the economy. Professor Knorringa accepted that sometimes frugal innovations which are perceived as lower cost may be perceived as second rate by those to whom they are marketed. He emphasized that frugal innovation should be supplementary and complementary to large scale technological and industrial transitions. It does not replace them.

Contributions from attendees reflected further on the institutions and incentives required to prepare Tanzania's economy for the Fourth Industrial Revolution. Delegates pointed out that current regulatory regimes are disincentives to investment by national and international companies. There are many stages involving many different regulatory bodies. Processes for obtaining work permits must be made faster and simpler.

Delegates expressed agreement that local and central governments have to work together to lower the transaction costs of getting businesses off the ground. Fiscal incentives in the form of tax reductions are also necessary. Initiatives such as business centres which provided support to new investors and small businesses in a single location centres should be replicated across the country.

An expert in industrial strategy, reminded the conference that regulations can be restrictive for producers as well as investors. A pragmatic response could be to have different standards for national and export markets. 'We don't need to disturb small producers- let them produce'. Several delegates made the point that trajectories of economic transformation are not linear. Investment in new enterprise and uptake of technology is expensive. Pockets of technological adaptation will coexist with older forms of industrial and agricultural production

Strategies to support local economic development have to be realistic. Priorities need to be sequenced based on an assessment of local needs and constraints. Investment in services and infrastructure is urgently needed to ensure that all Tanzanians benefit from economic growth.

One regional official urged policymaker to start from a realistic appraisal of the situation and identify the primary problem. Concrete solutions are more valuable than analyses which are 'intelligent but irrelevant'. Development analysts overemphasise production when small scale farmers are already producing. He gave the example of tomato farmers to show that the problems they face are transport, pricing and access to markets.

"I cannot tell them how to produce- they are producing. They will say I am mad because I have heaps and heaps of tomatoes, piles and piles of them, but the roads are so poor that I cannot take them to the market".

High transport costs need to be addressed before returns on investment are possible in many areas. It was suggested that better use of value chain analysis could help inform selective investments in agricultural sector. National markets and cross border trade have huge potential for growth.

A delegate subsequently explained how Tanzania's coffee farmers were slow to redirect production towards increased global demand for Robusta as a result of changes in roasting technologies which effectively eliminate the difference in taste between Robusta and Arabica varieties of coffee. High risks work against innovation in existing practices. Agricultural producers need help in responding to fast changing markets.

Limited livelihood opportunities for young men and women can be further restricted by adoption of agricultural technologies. Delegates raised concerns about the possible impacts of technological leapfrogging on job creation across all sectors of the economy. Graduates unemployment is high. Land ownership is increasingly concentrated amid rising inequality.

Ensuring that young people are included in economic development demands involving them in the design of development strategies, availability of relevant high- quality vocational training and promotion of employment opportunities. Local authorities can support young people's access to land and loans made available under the Finance Act. They should also strengthen partnerships with the private sector and actively encourage investment.

Opinions regarding the role of local governments varied. Delegates acknowledged that to date, local governments in Tanzania have been primarily concerned with service delivery rather than economic development. There was discussion about the extent to which local government capacity was an issue and the different issues affecting lower local government and district authorities.

Delegates were of the view that both technical staff and councillors would benefit from greater financial literacy and awareness of technological and investment options. More attention to leadership in lower local government could contribute to improved ability to attract investment and innovations. Smart technologies and app platforms have the potential for regulation and linking producers with markets. There was consensus among delegates that further research is needed on the factors which could catalyse local economic development in Tanzania. A delegate made the important point that there is a large gap between research findings and the people who could benefit from them. Research institutions must make more efforts to make research findings available in a format which is accessible to end users. "Research is not for the shelves but for the people".

In response, the panel highlighted the urgent need to revising curricula to ensure that young people are adequately prepared to participate in the new economy. It's important not to lose sight of the objective of technology especially by considering 'how smart are smart partnerships between public and private sectors when current ways of working together are not working as well as they should.

One panellist gave the example of Alice in Wonderland. Alice is lost but without knowing where she wants to go, and she can't be given proper directions. They implored delegates to be mindful of where they want to go. "You have to understand where you want to take your communities".

Overall, the panel emphasised the need for clear local priorities and of the need to localise economic development. For this to happen some degree of flexibility in the Government's approach to development and policy is necessary. In addition, approaches could also be enhanced by adopting positive stances to development which can start by talking more about wealth and prosperity than talking about poverty alone.

The Chair brought the session to a close by encapsulating the discussion in three words: incentives, integration and institutions. He suggested that the concept of 'glocalisation' is useful in thinking about Tanzania's place in the Fourth Industrial Revolution as local economies deal with global trends.





## THEMATIC PANEL 2: UNLOCKING LOCAL ECONOMIC DEVELOPMENT: ENABLERS AND CONSTRAINTS AND HOW TO OVERCOME THEM

04

This panel, moderated by Dr Donald Mmari of REPOA, considered enablers and constraints to local economic development in Tanzania. The panellists were Colonel Joseph Simbakalia, former CEO of the National Development Corporation and current Director General of the Export Processing Zones Authority of Tanzania (EPZA), Dr Richard Mushi, University of Dar es Salaam and long-time adviser to the President's Office- Regional Administration and Local Government (PORALG), Professor Francois Bourguignon, former Chief Economist at the World Bank and Professor of Economics at the Paris School of Economics, and the former Minister and current Member of Parliament for Hanang, the Honourable Dr. Mary Nagu.

**“There are four primary factors which negatively impacted local economic development: lack of infrastructure and trading platforms, lack of know how in marketing and valuing natural resources, access to technologies and access to finance.”**

The panel was opened by drawing its key discussion issues from the workshop theme. What are enablers and constraints and how can we overcome them? Any strategy needs the flexibility to respond to local demands, to empower small businesses to respond to the opportunities which surround them and to promote the distribution of economic rents from the country's resources.

Asked to identify the primary enablers and constraints to local economic development, one panellist urged delegates to consider the activities most relevant to local development. The majority of the population are engaged in agriculture, forestry, fisheries and livestock. "These people live in another economy and they operate on the periphery or they just supply raw commodities", he said.

There are four primary factors which negatively impacted on local economic development: lack of infrastructure and trading platforms, lack of know how in marketing and valuing natural resources, access to technologies and access to finance. Overcoming these barriers requires government intervention in providing infrastructure and social services but only the private sector can provide access to markets.

Equally it is important to review some aspects of the way that Tanzania's decentralisation by devolution policy has been operationalised, specifically the removal of the post of Regional Economic Development Director, have had a negative impact on the ability of regional administrations to guide local economic development.

He said that: "The challenge we have is that when we reformed our local government system, we removed the regional link, the regional development director post has gone...There is no capacity to really define and coordinate the economic development agenda. The structure of regional government is dysfunctional to drive development. The region was before this the key link between central and local government".

Another panellist considered the role of the private sector and the state in moving towards local economic development (LED), focusing on the balance of responsibilities between local and central government. Reserving a role for the private sector in LED is consistent with prevailing economic theory underpinning decentralisation because of its emphasis on the allocation of decision making and the costs involved. Approaching decentralisation as an economic problem sheds light on what is at stake and could also guide policy choices about what is best done centrally and what should be the responsibility of local authorities.

It is equally important to view decentralisation as a long-term process in which the trade-offs between cost and effectiveness of decision making have to be evaluated. Some activities will be best managed at local level, others centrally. Central government can disseminate learning across districts and ensure that local policies align with national objectives. Investing in the capability of local authorities to make better decisions is critical.

Reflecting on the role of central government in mobilizing people to leverage resources to change their lives, panellists suggested that it was time to assess whether local governments have sufficient powers to move forward with local economic development and whether the private sector in Tanzania is strong enough to lead this transformation.

The devolution of economic and social development is difficult to achieve in practice despite public support for greater control over local affairs. Rural roads need much more investment than they are now getting. There are inequalities in public spending between urban and rural areas, exacerbated by urban areas benefitting disproportionately from central revenue allocations and from local sources, which in turn reduces the potential of initiatives like the soft loans now available to groups of the disabled, women and youth. Rural underinvestment may precipitate youth migration to towns and cities. The Government has to explore new ways of ensuring that rural districts can access the resources they need to promote local economic and social development.

**“Dr. Richard Mushi, Retired Lecturer, University of Dar es Salaam: Decentralisation reforms have paid lip-service to Local Economic Development ... (leading to) no department or structure to implement local economic development (at local level)”**

The panel also deliberated on the specifics of how Decentralisation by Devolution can support local economic development were addressed. The panel explained how the decentralisation process to date through the Local Government Reform Programme (LGRP) from 2000 to 2013 had been oriented towards human resources and financing. As a result, local government authorities in Tanzania do not have the institutional structure to implement local economic development.

One panellist observed that "We had a policy, a paper, and later a programme (on decentralisation by devolution). But just for your knowledge the focus of the D by D policy was on financing and HR, on the issues of political administration. Let me put it that way-the focus was on strengthening governance in the local authorities. Of course, promoting development language was used, but there was no instrument in place to move into Local Economic Development. As a consequence, if you had LGAs which were established under the D by D they are structured to implement good governance. There is no department or structure to implement local economic development".

Local government planning practices are concerned with the utilisation of government funds for small scale projects, influencing the ways that citizens and local government staff understand planning primarily in terms of using resources coming from central government.

The situation is further complicated by a lack of clarity about the relative responsibilities of District and Regional Commissioners as representatives of central government in relation to local authorities. Because decentralisation is enshrined in the constitution greater efforts must be made to ensure that policies across all sectors support it. The government is preparing an updated policy on decentralisation which is expected to yield improvements.

Following the panel's deliberations, delegates discussed the question of relations between local and central government. Several delegates cited recent moves towards recentralization in the water and road sectors. It was noted that increased decentralisation, in giving local authorities responsibility for secondary education, had proved positive but there were possible risks that it could be the start of a return to recentralisation.

The budgetary practices of local authorities also came under scrutiny. Failure to disburse funds was generally caused by lack of funds from the centre, even if this was a return of TRA collected own source revenue. Delegates clarified the responsibilities of regional administrations in supervising local government authorities at district and lower local government levels. It was noted that oversight is essential to ensure that local authorities can access the level of technical expertise needed to manage large budgets and recruit specialist professional staff.

At present, local governments in Tanzania are responsible for several key functions. These include the implementation of national policies from central government, to pass budgets and to make by laws. Despite this limited remit, capacity deficits prevail at the local authority level. These affect the performance of local government particularly at village level. "

**“ Hon. Aggrey Mwanri, Regional Commissioner, Tabora:**  
*You need competent people not only within village government, you need a competent cadre within local government who can deal with new responsibilities and who can read a budget* ”

The need for capable personnel applies to elected members of village governments who may be responsible for projects costing billions of shillings. Improving the capacity of elected and unelected officials in districts requires investment over time. 'Democracy is expensive'. Representatives from the business sector raised the lack of trust between public and private sectors as an obstacle to building productive partnerships and highlighted the need to start small in local industrialisation strategies. The policy of using ten percent of own source revenues to provide soft loans intended to kickstart small local enterprise was welcomed. Delegates questioned whether lending to groups was appropriate in this case, suggesting that individual entrepreneurs were likely to be more successful in using credit to create scalable business models.

In closing, panellists stressed the need for councils to have sufficient revenues for development investment in addition to salary costs. Panellists also reiterated the importance of understanding decentralisation as a process which must happen in progressive stages. "You can't go from centralisation to decentralisation in simple steps". It is a long-term process which requires capacity and resources so that local governments can carry out their functions and learn by doing. As such it is imperative for decentralisation to adopt a gradual approach in the (re) allocation of both political and administrative functions. Equally, it is also worthwhile to note that decentralisation on its own is not a panacea for the problem of local economic development. Learning from regions which are developing their economies quickly can provide insights into ways forward. Kigoma's interregional trade which takes place in the informal sector has massive potential to grow and boost local and national economies. "We have to learn from these people what can work".

Panellists also cautioned delegates against not recognizing the knowledge and experience of ordinary people in the informal economy and in rural areas— "people are not stupid- what they do is amazing". Looking at the regional economy of Kigoma shows that "The local does not start at the borders of a district". Development strategy has to take into account the dense network of relationships in which the category of the local, at whatever scale, is situated.

The panel concluded the session by reminding delegates that political will can help or hinder the de-centralisation agenda. Getting institutions right is paramount. Recently established agencies for managing water and road funds enable service bottlenecks to be addressed more quickly because funding is more predictable. The downside in terms of local accountability is possible as have removed some elements of responsibility from local authority control.



**PERVASIVE INFORMALITY AND ELUSIVE JOBS: CHALLENGES AND IMPLICATIONS FOR DESIGNING LOCAL ECONOMIC DEVELOPMENT**

The session was moderated by Mr. John Ulanga and two papers were presented. Also, the session had two discussant, Mr. Ivan Tarimo and Dr. Rose Mwaipopo.

**The session began with a presentation on Rural Labour Productivity and urbanization in Sub-sahara Africa by Hanne Van Cappellen of the University of Antwerp and the International Growth Centre (IGC).**

The presentation analysed the relationship between urbanization and rural labor productivity. The analysis was done to see the influence of urbanization to the rural labor productivity. Motivation for the study is the fact that Sub-Saharan Africa (SSA) has been urbanizing at an unprecedented rate. While there is evidence that this has led to rural-to-urban migration, real structural transformation has not taken place: the majority of Africa's poor people still live in rural areas and are primarily engaged in low productivity agriculture. Further, the paper contributes to the discussion that provides evidence that urbanization might provide both: demand for agricultural products from surrounding urban centers is stimulating labor inside of agriculture, while the urban economy also provides opportunities to fill employment gaps with hours supplied to non-agricultural sectors.

Discussions of the paper opened by acknowledging the timeliness of the paper as it addresses the link between rural and urban centers which is crucial in today's discussion especially for developing countries. Beside much evidences of rural-urban linkages presented, the audience remarked that there is a need for incorporating more evidence and data to capture household level dynamics to be able to articulate the linkages better. The audience recommended the use of more qualitative data to help strength the evidence covered in this paper.

Other respondents to the presentation suggested that, it is good if nonlinear relations will be used in the analysis to capture nonlinear trends. It was further suggested that, it is important during analysis the authors to control for urbanization since urbanization is also influenced by migration and should use other indicators of urbanization and not only spatial data.

Lastly, discussants questioned the use of fixed effect and random effect in the analysis, suggesting the use of lags model to pick the points where the effects occur. Other comments in the same line of improving the analysis of the paper were; to see that the authors analyze the influence of urbanization on production levels in rural areas. Also, the author was advised to link the analysis with policy scenarios and see what kind of policy would be needed in order to realize the local economic development.

Complementing the analysis on rural labour productivity, the audience was subsequently treated to an **assessment of Spatial Impacts of Transit Trade on Local Communities with Evidence from Tanzania by Dr. Josaphat Kweka of Talanta International and the International Growth Centre (IGC).** This presentation addressed how transit trade affects local economic development. The study argued that the benefits of transit trade are mainly linked to the number of landlocked countries connected to the country with port. However, most often, there is



knowledge gap to ascertain how the transit/coastal country such as Tanzania gains from facilitating transit trade.

Despite the drawback of transit trade that can be observed in the country such as diseases from prostitutions, increase in land value, crimes, there are vast benefit of the transit trade. Transit trade generates enormous benefits to the economy of a transit country. Such benefits are largely contingent to changes in the volume of transit trade operations. Most important, transit trade contributes to the employment along the transit chain besides other economic units that will be establish along the transit route.

Transit trade is reported to have been a catalyst of local economic development, including a magnet for rural-rural migration in the transit townships which would have otherwise been economically deprived rural areas. Emergence and growth of local business enterprises in the transit and border townships provide reliable source of jobs, incomes and investment.

During discussions, it was noted that, it is important to consider analysis of the impact of transit trade on towns neighbouring those directly covered by transit routes. Discussants also pointed out the importance of understanding the vulnerability of transit trade between 2015 and 2016, when tax and regulatory reforms were believed to have adversely affected transit trade and use these lessons to plan for the future in tapping the potentials of transit trade to Tanzania economy. Tanzania stands a better chance to reap a lot of benefits if Tanzania will position its self well in the transit chain as Tanzania is surrounded by about eight landlocked countries. This is important to support local economic development of Tanzania especially in those areas that fall under transit trade route.

## Part 2:

### Panel on How can Tanzania Tap from The Experiences of other Countries such as China, India and Europe in Leveraging from Global Value Chains Through Frugal Innovation?

The session was moderated by Eng. Dr. George Mulamula and involved five panelists; Hon. Zainab Abdallah, DC Pangani, Prof. Peter Knorringa (ISS), Mr. Jones Mrusha (KINU Innovation Hub), Mr. Charles Matondane (NEFRIDS Africa), and Mr. Edwin Bruno (Smart Code).

The moderator initiated the session by posing a question on what can Tanzania do to stimulate innovation? But he also drew on experience from the Indian experiences with Jugaad Innovation whereby innovation springs directly from the very concrete restrictions that characterize everyday life in India. Jugaad is a "frugal, flexible, and inclusive approach to problem solving and innovation developed in India that is beginning to make its mark in major multi-national companies like Philips and General Electric (GE) and other in a business context.

***Demand-driven local innovations tend to be more adaptable, easily diffused and readily assimilated***

Panelists observed that, in order to stimulate innovation, it remained imperative to understand what communities want and develop solutions based on local needs and wants. Demand-driven local innovations tend to conform better to local contextual realities including gaps in schooling, technology and other infrastructural challenges. Consequently, this helps their diffusion and assimilation. The demand-responsiveness of local innovations can be improved by designing, integrating and mainstreaming innovation in the wider school and college curricula to stimulate creative thinking and innovation among youth. Improving the inclusion of youth in creative thinking programmes would also be a good step towards stimulating innovation. Broadening the participation of youths in innovation is important not only because of the relative importance of this demographic group, but also the dynamism it possesses as a driver of the 4th industrial revolution. Nonetheless, improved youth inclusion needs to be done in parallel with enhanced visibility and formalisation of local inventions including the use of more formalised showcase platforms such national workshops, innovation competitions and others.

Ultimately, the Government remains central in supporting such diffusion through the creation of an appropriate system of incentives, business environment and installation of supporting infrastructure (both hard and soft) necessary for innovation led local economic development. Local innovation can be boosted by reconfiguring vocational training institutions to provide improved spaces for experimentation to promote practical learning-by-doing that can be used to solve problems. One delegate suggested that, it is high time now to create technical hubs that people within certain locality/area can visit and learn something. Additional benefits from diffusion could be had through changes in local cultures and opening-up to embrace exposure and different knowledge. Local authorities could partake in the act through participation in sister cities schemes, which may enhance technology advancement since people from one country may visit their sisters to learn and get exposure of what their sisters are doing.

The panel further emphasized that the role of the Government needed not be limited to that of an implementer but also as a facilitator and willing partner in collaborating with the private sector to spur innovation induced LED. Collaboration with the private sector offers an opportunity to commercialise innovation in ways that realises its economic potential and secures long-term sustainability. Teaming up with commercial private actors has the potential to incentivise learning through the latter's access to global value chains, and exposure to competitive market environments. As the private sector tends to be mainly profit-oriented, the type of innovation that would be promoted through collaboration, would likely espouse problem-solving and awareness about what is available where and for what purpose. However, collaboration of such nature has historically proved to be difficult to implement prompting the need for iterative small-scale experimentation to encourage incremental progress in innovation. The panel concluded by observing that society should not fear innovation, rather work to leverage its associated opportunities to create jobs and allow creation of local content.



This session featured six papers which examined how the management of natural resource endowments affects local economic development.

## Part 1

Papers by Donald Kasongi and Ragnar Torvik respectively investigated the potential gains made through improved water basin management and counterfactuals to the assumed pervasiveness of declines in productivity associated with natural resource booms known in the literature as 'Dutch disease'.

Kasongi's presentation on Leveraging Water Diplomacy for Smarter Water Basin Governance Towards Resilient Local Economic Development Transformation in Tanzania made the case for collaborative water management involving a wide range of stakeholders in reducing water conflicts and enhancing resilience to water scarcity. Empirical research conducted by the author had shown that Tanzania's water basin authorities have yet to implement this kind of approach. Water diplomacy is advocated as means for unlocking the cooperation of informal and formal actors whose interests and usage patterns affect availability and sustainability of water resources.

Torvik's presentation titled Dutch Disease Dynamics Reconsidered examined the applicability of the Dutch disease analytical framework to the evolution of the Norwegian oil sector. It showed how Norway's oil boom created large productivity gains across several sectors unrelated to the oil industry. Moreover, gains in productivity within the oil sector itself were not negatively affected by declines in oil prices. The presentation argued that productivity declines and economic stagnation are not inevitable outcomes of a natural resource boom. Impacts on productivity are determined by other dimensions of a country's economy. In the case of Norway, considerable expertise in engineering and shipbuilding enabled it to quickly adapt to emerging high level technical demands of the oil sector. These skills are now globally exported.

Of relevance to the workshop's theme, it was learnt that local economic development (LED) in Norway benefited from sustained economic and productivity growth in the national oil sector. Nonetheless, the foundations for distributed LED hinged on the presence of strong institutions at the national level. These include Norway's sovereign oil fund and regulatory frameworks which have fostered the emergence of the domestic industries serving the sector and nurtured the consolidation of the domestic oil supply industry and attendant linkages with sub national economies.

Reflections on the papers were led by discussants Drs. Charles Sokile and Godfrey Nyamrunda. The potential impact of hydro-politics on LED in riparian states was observed as being dependent on the relative availability of water resources in those neighbouring regions. An example of the conflict between Egypt and Ethiopia on water from Nile basin was cited. It was noted that hydro politics has an increasingly international dimension. People in different countries are now considering the importance of dialoguing to best ways to use the water source to have mutual benefits to all users.



**“ Prof. Honest Ngowi, Mzumbe University:  
local economic development cannot occur without  
an imperative for `local local' content ”**

Basing on Norway's economic status and history, it is unrealistic to compare Norway and African countries like Tanzania because the success of Norway's oil generated transformation was enabled by its previous industrial capabilities, notably shipbuilding. Other factors which have contributed to the economic transformation of Norway are the country's high human capital investment and high levels of trust among people and in the national leadership. Delegates noted the need for adaptive policy making and learning from approaches that have worked in other countries.

**Part 2:**

Four papers were presented in Part Two. These considered the applicability of the Triple Helix Model of innovation to Kenya and Ethiopia, why local economic development cannot occur without an imperative for `local local' content, challenges of adaptation in the coffee sector and new approaches to measuring local government performance. Ms. Judith Valerian, and Mr. Mwombeki Baregu acted as discussants. Dr. Julius Gatune presented his paper on Leveraging the Triple Helix Model (THM) of Innovation to Drive LED: What can Tanzania Learn from Kenya and Ethiopia? The triple helix model refers to the tripartite interaction of research and development organisations, industry and government in fostering and distributing innovation.

Gatune gave a brief overview of how planners in the United States and the Netherlands had used this approach to promote economic development. This was achieved through the deliberate clustering of industries together with supporting institutions such as universities and vocational training centres to maximise synergies and bring about the productivity gains deriving from economies of scale.

An in-depth analysis of the value chains of sesame in Ethiopia and rice in Kenya show that the level of readiness across the triple helix actors is low to moderate. The key ingredients of trust, shared vision and a local institutional structure which can coordinate activities are absent. A suggested strategy to strengthen the context in which THM can operate could start from relatively low-cost interventions such as establishing franchise systems for input supply and upgrading middle traders to service providers.

The audience deliberated on the presentation by Professor Honest Prosper Ngowi on Towards Local Local Content in Local Economic Development. This paper made a convincing argument for reframing of local content policy in Tanzania to prioritise defined localities for the supply of low investment intensive goods and services.

At present the local in local content policy in Tanzania is defined in relation to international firms. This may work for the oil, gas and mining sectors which require highly skilled labour. Longer term requirements to train nationals and give preferential hiring help build capabilities. However, this approach has little to offer unskilled workers. National contracting often favours established firms located in major urban centres rather than the rural locations where extractive activities take place.

Using the example of the natural gas pipeline which will pass through 8 regions, 28 districts, 232 wards and 126 villages in Tanzania and require a large number of less skilled labourers along with provision of various services that could be sourced in the immediate locality Ngowi's paper clearly demonstrates that a policy focused on local- local content would substantially increase employment opportunities and accelerate economic growth in local areas.

The third presentation by Dr. Andrew Coulson explored **how local government authorities could devise locally relevant performance indicators to identify areas in which they could improve their service delivery.** Reporting on the findings of a three-year participatory project in several local authorities, the authors highlighted divergences between theoretical models of governance and accountability which have dominated donor reform agendas and how local government operates in practice.

Improving services and making local governments more accountable must start from close analysis of how services are delivered in local areas. Improvements will stem from dialogue and reflection rather than penalties. This research suggests that conventional governance frameworks and performance indicators need rethinking if local governments are to be helped to better serve their communities.

The final paper examined the multiple constraints faced by Tanzania's smallholder coffee farmers. Prof. David Gongwe Mhando examined how institutional constraints have led to limited support for research and extension activities, limited production and distribution of hybrid seedlings, weakness in data collection and weak cooperative organizations. Lack of political will, low levels of government investment and policy churn further accentuated weaknesses in the sector where annual production has remained stagnant at fifty thousand tonnes for the past forty years.

Findings of the study provides ways of unlocking institutional constraints for increasing coffee production including investment in research and extension services, input supply and seedling availability. There is scope for gaining entry to new markets in the US and Europe where the label "Kilimanjaro" has a strong marketing power. The coffee industry Act of 2013 opens the way for deeper private sector collaboration. Finally, stakeholder consultation should precede policy change in the coffee sector.

Discussion of the session papers questioned the relevance of the triple helix model for a country like Tanzania which as limited industrial clustering. It was noted that Tanzanian universities have strong collaborative relationships with SIDO and COSTECH as state managed innovation drivers,

Participants supported the call for multi-stakeholder involvement in designing and implementing any performance index for local governments. The point was made that any indicators developed need to be regularly updated to preclude gaming.

Participants called for a re-thinking of strategies to increase coffee productivity in the country rather than repeatedly discussing the constraints. For LED to be realized, a reorganisation of development thinking, planning and design is important. Strategies to boost agricultural productivity and LED must be optimised to exploit local strengths and opportunities rather than dwell on constraints. Further, the role of NGOs and other stakeholders needs to be adequately re-considered. Some delegates suggested that the age of coffee farmers may also be significant in determining farmer receptivity to adapting to new coffee varieties and cultivation techniques. Because issues, affecting the sector, are multifaceted, multidisciplinary research is needed to better understand the challenges faced by the sector, and its contribution to LED.



**Paper Session Day 1**

This stream explored intergovernmental and institutional factors which impact on local economic development (LED) through a paper session and a panel discussion. Prof. Samuel Wangwe and Prof. Francois Bourguignon presented their paper on Tanzania Institutional Diagnostics. They examined causes of institutional weaknesses across business and politics, the civil service, state coordination, land rights and electricity regulation.

The authors suggested that institutional ineffectiveness is pervasive in Tanzania thus affecting LED. The main causes are ill-defined structures of public decision making, an underperforming civil service, weak regulatory frameworks and relations between central and local government. The two authors argued that these were in turn caused by what they called `deep factors', including the structure of power in the country and networks of relationships which foster patronage and corruption. Distrust of the private sector and limited management capacities at local government are also significant impediments in the creation of effective institutions for LED.



They extended their analysis to propose possible interventions which would make institutions more effective. Given the centrality of corruption and patronage to the institutional dysfunctionality affecting the direction of economic development in Tanzania these include greater use of market mechanisms, regular independent external evaluations and increased competition. Relations between central and local government and the modalities of de-centralisation need revisiting.

A subsequent presentation by Mr. James Musukanya examined the Drivers of Change within the Local Economic Development Agenda. This presentation focused on local economic development interventions in South Africa where local governments have a specific mandate to further social and economic development. If LED is to create resilient sustainable economies and reduce inequalities by creating a minimum standard of living it must benefit local people by responding to local demands and opportunities.

**“Xolile George, Chief Executive Officer of the South Africa Association of Local Authorities:**  
*Local Authorities in Tanzania can learn from their South African counterparts on how to create and utilise the policy space and revenue to take action to promote local economic development*”

Musukanya's paper showed how participatory approach to local economic development can build on existing practices and promote new markets within local areas through adapting existing products to emerging demands created by changing consumer preferences. Increased product differentiation is taking place in South Africa as incomes rise and consumers seek greater choice of products including those associated with particular local areas. Emerging national demand for local products presents an untapped opportunity for value addition and diversification in the SME sector. The production of local beer provides an example. After many years of low-end domestic production in small volumes, partly as a result of state controls which had tried to promote licenced beer halls, artisanal producers were shown to adopt modern technologies to produce higher quality local brews in larger volumes. These are marketed at a locally conscious consumers and packaged to be sold beyond the immediate area.

It was further noted that the expanded production of spinach at scale for national markets by a single company Spinach King was another example. The data presented in this paper clearly demonstrates the potential of effective localisation in economic development strategies. These are indeed lessons that approaches to LED in Tanzania can heed, particularly looking at how local authorities and the private sector can collaborate.

Discussions of the above papers sought to identify areas of complementarity with the wider LED theme that the audience could engage with. The examination of institutional factors had not considered the growing influence of private sector lobbyists or the effects of anti-corruption legislation particularly as enforcement affects international companies.

Current tendencies towards re-centralisation were noted. In Tanzania this restricts the capabilities of local governments to pursue local development agendas because priorities pursued are always those of central government. Moreover, in Tanzania, unlike South Africa, local governments have up to now not had a strong mandate for pursuing local economic development.

#### **Panel Session: Day 2**

A panel comprising Hon. Aggrey Mwanri, RC of Tabora, Xolile George, Chief Executive Officer of the South Africa Association of Local Authorities (SALGA) and Mr Khalifa Kondo from PO-RALG examined these issues in detail. The discussion was moderated by Dr Mary Rutenge of Mzumbe University.

The first round of discussion concerned the role of local authorities in employment creation and promoting capital investment. Panellists were of the view that local authorities in Tanzania do not currently have a clear mandate for job creation or attracting investment. Local governments need greater powers and more resources to manage their responsibilities effectively.

Changes in the decentralization policy are expected to increase their responsibilities in these areas. If this is to bring the required changes Tanzania needs to follow the South African example where Local Authorities are accorded the policy space and revenue to take action to promote local economic development. The representative from SALGA informed delegates that South Africa has also taken steps to consolidate and reduce the number of local authorities from around 800 to 257.

Panellists and audience members agreed that debate in Tanzania has focused too much on employment creation. More effort should be made in promoting opportunities for self-employment and supporting entrepreneurs to become employers. Reductions in red tape as well as investment were needed. Local governments have made a start with allocating loans to youth, the disabled and women but monitoring

is essential. Councils with lower sources of revenue have limited loan funds. Results which they can achieve will be correspondingly limited compared to larger urban authorities.

Asked how local governments can respond or adapt national policies, panellists explained that the role of local government in Tanzania is to implement policies made by central government. How policy is implemented is affected by the capacities of local governments to take decisions and manage resources. These in turn can be constrained by central control and lack of technical capability at lower local government level. Leadership matters.

Improved local decision making cannot occur without political will and increased access to resources. Current institutional systems for decision making in district councils may lead to an over concentration of power in the finance committee which make decisions without ratification by the full council. Recent institutional reforms in the management of roads and water have improved implementation and controlled leakages in both sectors. Better systems are needed for managing projects at district level which ensure a balance between local ownership and national oversight.

On the issue of pervasive informality in labour markets, local authorities can promote business development by setting up business centres and streamlining access to permits and information. They can also improve efficiency of land titling. Recognising the limited scope for local authority involvement in job creation, delegates argued for changes in education and training which would better situate young people for a future of entrepreneurial self-employment.

Technical and Vocational Education and Training needs to be relevant to core sectors of the national economy such as livestock, bee keeping and fishing. Access to digital skills and financial services must be enhanced. The example of south Africa shows how growing businesses often start in the informal sector. Ensuring that ladders exist between informal and formal businesses is essential for local economic development.



## THEMATIC PANEL 3: LEVERAGING JOBS, INFORMALITY AND NATURAL RESOURCES FOR LOCAL ECONOMIC DEVELOPMENT

06

This panel moderated by Professor Wangwe considered the complex relationships between informality, job creation and natural resources in leveraging local economic development. The panellists were Professor Knorringa from the Centre for Frugal Innovation ISS, Mr Ahmed Salim from Shell Tanzania, the Honourable Amina Salum Ali, Minister for Trade and Industry, Revolutionary Government of Zanzibar and Mr Salim Awad, CEO of SSC Capital.

In responding to the question of how frugal innovation can catalyse local economic development, panellists remarked on the importance of locating a niche within a value chain where an innovation can be integrated. Finding niches which can last for twenty or thirty years is, however, difficult. Positioning within the chain is key. Being part of a value chain is not enough to capture gains. What matters is becoming a preferred partner in the innovation process. Leapfrogging and new technologies are changing investment strategies as firms seek to position themselves in anticipation of future niches. In the clothing sector investors are buying up 3D printing companies in the expectation that on demand manufacturing could become common at retain points of sale.

The panel explained that most value addition in the global economy derives from services, systems and marketing rather than manufacturing. Value chains are increasingly long. Production, as in the sports shoe sector, often has the lowest returns and the least value addition. A sports shoe which sells for over one hundred US dollars globally is valued at only 5.5 USD when it leaves the factory.

Consumer behaviour is also changing. A growing global middle class now has around two billion people. These new consumers will demand new and higher quality products and services. China has moved into this space with low cost manufacturing but there are numerous opportunities.

**Hon. Amina Salum Ali, Minister for Trade and Industry, Revolutionary Government of Zanzibar:**  
*Shortcomings in attracting external investment should serve as motivation for local authorities to diversify financial resources and invent alternative sources of financing as part of their own local economic development plans*

The panel further advised on the central place of foresight in being able to respond flexibly to changes in the global economy. The fourth industrial revolution has enormous implications for jobs and economic development. These are not easy to predict. In the gas and oil sectors, job creation can be quite short term so companies have to develop strategies which will support the longer-term economic development of these areas. Investment in foresight is critical, bearing in mind that some of the challenges which will arise are impossible to imagine from the present.

However, the prevailing low levels of external investment in Tanzania are undermining the flow of capital for LED initiatives including efforts to formalise local entrepreneurs and other occupations. Formalisation reduces risk for investors and enables realisation of economies of scale. In Tanzania compliance is costly and there are many barriers to registration. Excessive regulation can have a damaging effect on innovation. Shortcomings in attracting external investment should, however, serve as a motivation for local authorities to diversify financial resources and invent alternative sources of financing as part of their own local economic development plans. Substantial markets exist within the country for locally produced foodstuffs and other items which should be exploited. Better connexions between regions and between neighbouring countries, including changes in tax incentives, could facilitate this trade. The example of fish exports to DRC and Uganda is instructive. Local authorities get royalties but exporters face costs. Incentive structures have to be revised to accelerate trade, create jobs and grow regional economies.

Discussion from the floor explored these issues further. Central to the debate were the qualitative differences between protected versus market economies and the potential of electronic platforms to reduce transaction costs of formalisation. Delegates emphasised the need not only to grow markets, but the capture market share and to find appropriate modalities for the protection of local industries.

LED policy must also grapple with concerns on the protection of intellectual property rights of low-cost innovators. There is a risk that low cost innovations from the global South will be appropriated and scaled by multinationals. Free markets are not the only answer. Delegates considered the need to manage the market economy to ensure inclusivity and protect industries and natural resources. Much can be learned from the experience of other countries, including China.

Expectations about job creation have to be realistic. Job creation is difficult in both the formal and informal sectors of the economy. Many businesses are very small. This limits their ability to supply local content in the natural resources sector. Emerging opportunities in services have the potential to create jobs.

The challenge for Tanzania, and Africa more broadly, is to respond quickly enough to far reaching changes in the structure of the global economy. Fossil fuels are a case in point. African countries risk having excess capacity in oil production at a time when fossil fuel demand is expected to fall.

The future of Africa's infant automotive industry is also uncertain. The export potential of East African automotive plants will be limited particularly should they lack the capacity to produce the electric vehicles which are becoming standard in rich nations where environmental regulation is tight. De Beers, the world's largest producer of cut diamonds, is moving to synthetic industrially produced stones.

Delegates saw potential in web based and digital interfaces to create platforms linking producers and markets They could also reduce the transaction costs of formalisation, some of which are generated by gatekeeping behaviour of officials.

Panellists responded to the points raised by participants by among others calling for more automation and simplification in the business registration system and consistency between local and central governments in regulations for different size of businesses.

**Salim Awad, CEO of SSC Capital:**  
*Investors want to see a local economic development policy with three Cs— consistency, communication and collaboration*

The need for policy consistency across different levels of government remained key to coordinating institutional responses to LED challenges. Experience of working with major international corporations suggests that policy consistency, communication and collaboration are what investors want to see. These three Cs are also the essential elements of strong public private partnerships which are necessary for job creation and subsequently LED

Investments by large multinational enterprises do not create large numbers of jobs directly. Manufacturing or mining for example, in high-tech and mechanized industries, will not employ large numbers of people. In the oil and gas sector, many jobs may be quite short term. Job creation has to be a collaborative effort between government and the private sector. Opportunities are created through using revenue gained across the value chain to diversify local economies beyond the immediate sector where initial investment was made. This requires a long-term approach.



Further, approaches to LED must be informed by critical analysis of past, present and forecasts of the economic, social and political environment. The right balance between free trade and protection has to be worked out so that the benefits of development are widely distributed.

In this vein, the panel alerted the conference to the political economy dimensions of innovation and global economic change which have enormous social implications. Social organising and political movements advocating for social rights ensured that the benefits of the previous industrial revolutions were inclusive in countries such as the Netherlands and United Kingdom for example. It's not yet clear how political organising can be effective in a platform economy. Finally, India has a system for the local registration and banking of intellectual property. Adopting similar systems could help small scale innovators retain more the value from their innovations.



## CLOSING SESSIONS

**“ Prof. Maia Green, University of Manchester:**

*More policies are not the answer. There has to be a balance between flexibility and rigidity through a framework which protects the productive aspects of informal systems without constraining the formal system* ”

### Key Reflections and Recommendations

The closing session reflected on the key issues raised in the workshop, offered suggestions for further research and thanked presenters, sponsors and delegates for their participation. REPOA's Executive Director, Dr Donald Mmari, expressed his appreciation to the government officials and MPs who had taken time from their busy schedules to participate in the two-day workshop. Their participation had helped build bridges between researchers and policy actors. Bringing government, political leaders and researchers into a dialogue can help us reflect on ways forward for economic development in Tanzania. There is scope for both optimism and pessimism. Tanzania has considerable potential but the pervasive capacity issues it faces restrict our access to the opportunities which the Fourth Industrial Revolution could present.

The key takeaways from the workshop reflected the opportunities and challenges to local economic development presented and debated during the two days. These are summarized below in detail.

### Significant points raised at the workshop

Creating optimal conditions for technology absorption in the real economy depends on greater public awareness. Greater understanding of the technology cycle can help policy actors think through how to promote it.

Local communities cannot become active participants in the fourth industrial revolution unless local authorities are better equipped to manage the development process. Unless this happens, Tanzania will remain unlikely to run while others walk, and while some are crawling at the bottom.

More policies are not the answer. Implementation at local level is critical. There has to be a balance between flexibility and rigidity through a framework which protects the productive aspects of informal systems without constraining the formal system.

Policy actors working on LED need to be WISE—Work, Information, Skills and Education all need to be aligned. Better links between government research departments and thinktanks and academics can deepen the evidence base for better policy. In an unpredictable and fast changing world, the importance of Blue skies future oriented research should not be underestimated.

The workshop demonstrated that institutional issues were a recurrent theme across sub themes related to LED. The institutional capacities of local government authorities were extremely important, at district level and in lower local government, in villages and urban sub wards. This is not only a question of leadership but of shifting the priorities of elected representatives from self-interest to development interests. The government is conducting an ongoing review of decentralisation policy which is expected to address some of these issues.

The organisation of small producers presents a barrier to improved production. Fragmented small farms, as in the sugar sector, struggle to increase productivity and income leading to exit and declines in output. There are opportunities in agriculture, livestock, the leather industry and furniture to become more competitive. Synergies between formal and informal economies should be maximized for these sectors to take the lead in LED within a short period of time.

The need for location specific skills has not been sufficiently recognised. Local Government Authorities could adjust procurement systems and develop apprenticeships to foster development of skills to support their local development agendas.

Finally, peer review and knowledge extension can share successful experience within and between countries.

### Way Forward

The two days' workshop had significant and fruitful discussions around local economic development as it was the theme of the 24th Annual Research Workshop. The experiences and papers shared during the workshop paint a bigger picture that most of ingredients needed for local economic development are there in order to see changes on the ground but, how those ingredients are mixed to bring change is where ones need to draw attention.

It is undeniable fact that in local communities do use one or other form of technology in daily life. The key issue now is, how can the government or society make good innovations around what is known which brings us to the idea of frugal innovation. Its clear fact that, frugal innovations are key in order to help Tanzania to enter and land safely in the fourth industrial revelation in order to cope at least with the rest of the world in terms of technology use.

In order to realize the changes though, local economic development must be taken in wholistic manner, meaning that consideration of all sections of production is necessary to see changes in localizing economic development. Also, policy framework in the government should encompass LED across Ministries/Sectors. This will probably help in perfecting implementation of decentralization policy in the country. In the realization of any success from such changes, capacity of implementers at all levels from village to the central government much match the changes that is envisaged.

For successful implementation of different programs that will bring about changes in the LED, youth and women must be at the center as recipients of innovation. It is clear, women and youth compose of the big portion of the population especially in the rural areas. Not only that, but when we really talk of frugal innovation, we cannot subline youth in the development equation. Therefore, women and youth must be part of policy agenda for realization of frugal innovations in the society and hence LED.

Tanzania is a very big country geographically, therefore, when one thinks about frugal innovations for change, one should also recognize the heterogeneity of the country. This is important in order to see that LED approaches take on board the whole idea of local content. Innovations and technology development should suit localities and communities around the country. With the size and the diversities of Tanzania, it may not be very practical to have a solution in one place that will suit all other places (districts/villages) in Tanzania. Local content idea will help in identification of Obstacles and Opportunity (O&OP) and use those to move to the next higher level.

Frugal innovation is wonderful idea, but local policy actors need as well to think of the markets systems, regional and national value chains for locally produced products resulting from LED promoting frugal innovation. It is also important to remember that there is a need of protecting these innovation and user of innovations.

## Emerging Areas for Further Research

Workshop contributions have identified many factors which constrain local economic development in Tanzania. Rising inequality, the increasing concentration of land ownership and globalisation are the backdrop against which economic development strategies have to be rethought. Innovation is needed in relation to policy thinking and the institutional architecture through which we expect development to happen.

Discourses about challenges, capacity deficits and mindsets are longstanding in Tanzanian development. The real challenge is to move beyond them to think creatively and realistically about the kinds of policies which can accelerate inclusive transformation and the kinds of institutions which can implement them. A research agenda which supports this must start from President Nyerere's insights that 'development is people' and look at what people are doing in particular places.

Research needs to start from empirical grounding rather than normative theory of how an economy should work. We have to look at how it is working and use that as an entry point to understand what is happening and why before we can work out whether and how to change it. The concept of frugal innovation can help us think creatively beyond the technology sector. It has implications for reforming institutions in the context of decentralisation. The examples from South Africa have shown how agility, responsiveness and flexibility are important in enabling effective local responses to a national development agenda.

Understanding how local strategies can be scaled-up is a key research question and must be based on studying actual examples in situ if we are to ensure that policy solutions are both intelligent and relevant. More research is needed on the relationship between capital concentration and inequality and the strategies needed to ensure that local economic growth benefits local communities.

Spatial differentiation is a social not a natural process. Researchers must be sensitive to the social and political decisions through which spatial differentiation is established and consolidated if we are to broaden access to development in Tanzania.

An urgent question central to enhancing the industrialisation strategy is how comparative advantage can become competitive advantage. Ongoing interventions in the minerals sector, including gemstones, which aim to maximise local value addition through increased local content and longer-term beneficiation provide a massive learning opportunity with potential read across for other sectors.

Although workshop participants consistently raised the issue of youth unemployment as impediment to economic development it is essential to recognise that calling for job creation in itself will not resolve this. Urgent research is needed on the links between formal and informal economic activities and changing expectations of work, labour and employment in Tanzania. What are the estimated costs of increasing formal employment with its protections and benefits? What scale of structural transformation would be required? What is the role in the service sector in driving inclusive economic growth and how can Tanzania mitigate the social impacts of structural transformation in a context of rising inequality?

Much of the discussion about the direction of economic change in Africa is based on economic theories. We know very little about actual trajectories of business development in Tanzania and the possible pathways from smaller to larger enterprises. Do small business owners diversify into other businesses or make their business bigger? What are the incentives and constraints which explain the performance over time of small and medium enterprises in Tanzania?

Finally, the concept of 'capacity' is often used as an explanatory device in discussions about policy failure in Tanzania. Capacity is an effect of institutional functionality not a cause. Researchers must investigate what constitutes capacity in a particular context so that context specific interventions can be worked out. This requires a holistic approach.

Whatever the question, the importance of empirical and interdisciplinary research starting with what people actually do and why they are doing it is the starting point for the insights which can yield the kinds of changes in institutions and policies that respond flexibly to Tanzania's needs as it engages with the fourth industrial revolution.

# DAY 1

Wednesday 10th April

08:30 – 11:45  
**OPENING PLENARY**

08:30 - 08:35  
**Welcoming remarks**

Dr. Donald Mmari, Executive Director-REPOA

08:35 - 08:45  
**Remarks from Development Partners**

H.E Einar Jensen, Ambassador to Tanzania at Ministry of Foreign Affairs  
Denmark

08:45 - 08:50  
**Welcoming the Minister**

Major General Prof. Yadon Kohi, Board Chairperson - REPOA

08:50 – 08:55  
**Welcoming the Guest of Honor**

08:55 – 09:25  
**Opening Address**

Her Excellency Samia Suluhu Hassan, Vice President of the United  
Republic of Tanzania

09:25 – 10:10  
**Keynote Presentation**

**K1: Local Economic development**

Prof. Peter Knorringa (Civic research Initiative and  
International Institute of social studies)

10:10 - 11:10  
**Keynote Discussion**

Prof. Paschal Mihyo, REPOA

10:10 -10:25  
**Discussant 1**

Abdallah Ngodu, CEO, ALAT

10:25 - 10:40  
**Discussant 2**

Prof. Adolf Mkenda,  
PS - Ministry of Natural Resources and Tourism

10:40 - 10:55  
**Discussant 3**

Geoffrey Mwambe  
Executive Director, Tanzania Investment Centre

10:55-11:10  
**Vote of Thanks**

Dr. Stigmata Tenga, Board director-REPOA

11:10-11:15  
**Photo session**

11:15 - 11:45  
**TEA / COFFEE BREAK**

All

11:45 - 12:55  
**THEMATIC PANEL I:  
REFLECTIONS ON THE KEYNOTE ADDRESS**

12:55 – 14:00  
**LUNCH  
PARALLEL SESSIONS**

14:00 – 15:30  
**I: Pervasive Informality and Elusive Jobs: Challenges  
and Implications for desired Local Economic  
Development**

SA1:  
**Ms. Hanne Van Cappellen**  
Rural labour productivity and urbanisation in Sub-  
Saharan Africa

SA2:  
**Dr. Josaphat Kweka**  
Assessing spatial impacts of transit trade on local  
communities: Evidence from Tanzania

II: Spatial Variations in Resource Endowments

SB1:  
**Dr. Donald Kasongi**  
Leveraging Water Diplomacy for Smarter Water Basin  
Governance towards Resilient Local Economic

SB2:  
**Prof. Ragnar Torvik**  
Dutch Disease Dynamics Reconsidered

III: Inter-governmental relations and empowerment  
of local authorities for desired local economic  
development



SC1:  
**Prof. Samuel Wangwe and Prof. François Bourguignon**  
 Tanzania Institutional diagnostics

SC2:  
**Mr. James Musakanya**  
 Drivers of change within the Local Economic Development  
 Agenda

**15:30 -16:00**  
 POSTER PRESENTATIONS/  
 TEA/COFFEE BREAK

**16:00 – 18:30**  
**THEMATIC PANEL 2:**  
 Unlocking LED: Enablers, constraints and how to overcome them

**18:30 – 20:00**  
 COCKTAIL RECEPTION AND NETWORKING for ALL

POSTER PRESENTATIONS

**REVITALIZING ESR IN TANZANIA FOR GRICULTURAL COMPETITIVENESS**  
 by Abdallah Jacob Sen

**TRADITIONAL VS MODERNITY: THE UNBEATEN WAR**  
 by Jackson Kaijage

**SELF HELP GROUP IS NOT FOR DEVELOPMENT?**  
 by Mkanibwa Ngoboka

**INCOMPLETE WAREHOUSING RECEIPT SYSTEM FOR CASHEW NUTS**  
 by Alberto Gabriel Ndekwa

**THE PINEAPPLES BREAK**  
 by Gilbert A. Msangi

**YOUTH'S PERCEPTION ON AGRICULTURE: A CASE OF HIGH LEARNING I NSTITUTIONS IN DAR-ES-SALAAM**  
 by Pelagia Apolinali Mutarubukwa

**RICE COMMERCIALIZATION AND LIVELIHOODS IMPACTS**  
 by Gideon Boniface

**ECONOMIC DEVELOPMENT AND INSTITUTIONS**

**08:30 – 11:45**  
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 by Gideon Boniface

ECONOMIC DEVELOPMENT AND INSTITUTIONS

by Shamim Zakaria.

INVOLVE WOMEN IN FYDP

By Regina Opoku

ICT ADOPTION ON ACCESS TO FINANCIAL SERVICES

by Herbert T. Mwashuuya

PARALLEL PANEL SESSIONS

I: Inter-governmental relations and empowerment of local authorities for desired local economic development

II: Spatial Variations in Resource Endowments

SD 1:

Dr. Julius Gatune

Leveraging the Triple Helix Model of Innovation to Drive Local Economic Development. What can Tanzania Learn

from Kenya and Ethiopia?

SD 2:

Prof. Honest Prosper Ngowi

Towards 'local-local' Content in Local Economic Development

SD 3:

Dr. Andrew Coulson

Creating a Local Governance Performance Index in Tanzania

SD4:

Prof. David Gongwe Mhando

Unlocking institutional constraints to increasing coffee production in Tanzania

III:

How can Tanzania tap from the experience of other countries such as China, India and Europe in leveraging from global value chains through frugal innovation?

10:30 - 11:00

TEA/COFFEE BREAK

11:00-13:00

THEMATIC PANEL 3:

Leveraging jobs, informality and natural resources for LED

13:00 – 14:00

LUNCH

CLOSING SESSION:

Dr. Donald Mmari

14:00 – 15:30

Key reflections and recommendations

Panel Chairpersons

Contribution to the way forward for 2020

Dr. Fulgence Mishili

Emerging areas for further research

Prof. Maia Green

15:30-15:45

Closing Remarks

H.E. Ambassador Elisabeth Jacobsen

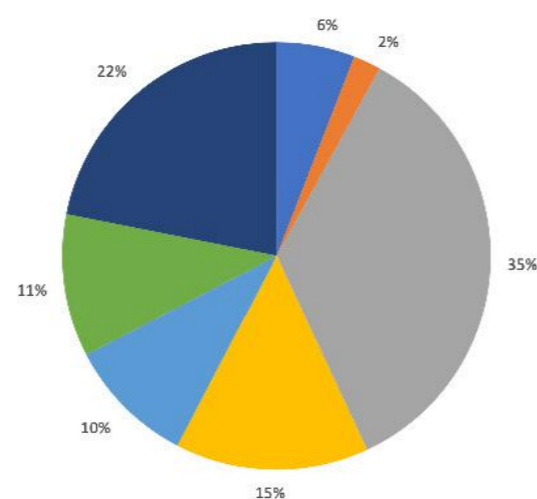
15:45 – 16:00

Vote of Thanks and Expression of gratitude

Dr. Donald Mmari

Figure 1:

ARW 24 attendance, by type of organization. Average attendance, 355



- Development Partners
- Politicians
- CSOs/NGOs
- Gov't
- Private Sector
- Media
- Research and Academia



The Workshop was also Supported by

