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TOWARDS *"LOCAL-LOCAL"* CONTENT IN LOCAL ECONOMIC DEVELOPMENT

By

Honest Prosper Ngowi

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By

Honest Prosper Ngowi[1]

pngowi@mzumbe.ac.tz and pngowi2002@yahoo.com

[1] Professor of Economics, Mzumbe University and Principal Mzumbe University Dar Es Salaam Campus College

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ABSTRACT

The need for local content in economic development in Tanzania has received huge traction in the recent past. This is mainly the case in the context of discovery of natural gas and hopefully oil. Local content concept has mainly implied the extent to which local as opposed to foreign factors of production in the form of local firms and labour as well as raw materials and other factor inputs are used in various economic activities involving several value chains and nodes. Application of the local content concept in its desired way in Tanzania is questionable. Among other things, what is considered local can have more foreign than local content.

More questionable and hardly considered in scholarly, policy and practical spaces is the new concept of 'local -local' content. Through documentary review and use of selected development initiatives in Tanzania as examples, the author identifies issues of concern in the context of local-local content for local economic development (LED) in Tanzania. These issues include understanding and appreciating the concept and role of local-local content for LED, perceived and actual capacity issues as well as concealed local and local-local content issues. Examples used include those from infrastructure development projects with the East Africa Crude Oil Pipeline (EACOP) project as the main case study but also draws from the extractive industry. The author proposes ways forward in ensuring that there is not just local but also local-local content in the country's economic development processes.

Key words: Local content, local-local content, local economic development.

1.0 INTRODUCTION AND CONTEXT

Economic development is among key objectives of governments. Various interventions at international, continental, sub-regional, national, and sub-national levels (districts, wards and villages in Tanzania) have been and are in place in the bid of attaining economic development. Among the current thinking in the economic development space is the need to focus on Local Economic Development (LED). This (LED) is among the latest preoccupations in development (du Plooy, 2017; Khambule, 2018). According to Sekhampu (2010), LED focuses on identifying and utilizing primarily local resources, capital, ideas and skills to stimulate economic development.

According to UNCTAD (2018) and World Bank (2017), the current focus on LED globally reflects concerns over the limited utility of aggregating the contributions of vast and occasionally distinct populations into countries or economic regions of productive sub-national entities. Swinburn et al (2006) argue that attractiveness of LED as a development strategy owes much to its supposed ability to create contextually-relevant and organizationally flexible entities capable of responding to changes and demands of local, national and international market economies.

It is argued in this paper that attaining LED is a function of many and closely intertwined, dependent and self-reinforcing variables. These include but are not limited to availability of economic productive activities in a given locality. The activities include production of goods and services in virtually all sectors of the economy including mining, agriculture, industry, tourism, finance, transportation, recreation and many other ones. Production of goods and services lead to direct and indirect jobs creation, incomes generation, consumption, savings and investments.

Production in a given locality can be done by Multinational Enterprises (MNEs) also known as Transnational Corporations (TNCs) undertaking Foreign Direct Investments (FDIs). It can also be done by local firms. Production can be done by use of foreign or local factor inputs. It is in this context that the issue of local content (LC) arises. As will be elaborated in other parts of this paper, LC can be local in the sense of factor inputs from anywhere within a given country. In Tanzanian context it can be a factor input from any geographical zone, region, district, ward or village. This paper departs from this general and commonly referred to LC to discuss a relatively new concept of local-local content (LLC). As will be elaborated in other parts of this paper, LLC looks beyond the normal LC and focuses on factor inputs not from anywhere within the country but from a given specific location within a region, district, ward or village. It is an important concept because LED happens at a specific location. The more the local content from that location, the higher the LLC and by extension the higher the LED in that particular location ceteris paribus and vice versa.

1.0 LOCAL CONTENT (LC)

Kolstad and Kinyondo (2015: 4) give a simple definition of local content as the incidence of domestic inputs (capital, labour, intermediate products) in the various parts of a value chain. According to the authors, the definition encompasses earlier definitions of the term as 'the share of employment—or of sales to the sector—locally supplied at each stage of [the value] chain' (Tordo et al. 2013: 2), the use of a certain proportion of domestic components or intermediate inputs in production (Belderbos and Sleuwaegen 1997; Grossman 1981; Qiu and Tao 2001), or the inclusion of local companies in production (Vaaland et al. 2012). For Kolstad and Kinyondo (2015: 4), domestic inputs can refer to either inputs that are made in the host country or made by entities owned by host country nationals.

According to Ado (2013), local content is the extent to which foreign producers of goods and services procure inputs in form of goods and services from the local economy. Giving examples from extractives, Ado (ibid) argues that LC can be inputs at different stages of the investment cycle. The stages include prospecting, feasibility phase, establishment, operations and decommissioning. Also, it can be inputs of different kinds including engineering services, maintenance, equipment, catering, security, transport, training, etc. The author informs that LC in extractive operations ranges from almost zero in some developing countries to an average of 45% to 75% in more advanced resource-rich economies. Multinational Enterprises (MNEs) undertaking FDIs can create local content as part of their sourcing strategies and in response to public policy.

The literature on local content (LC) is relatively rich and diverse. They include works of Kolstad and Kinyondo (2015) on alternative to LC, Ovadia (2012) on critique of local content policies from a political economy (PE) perspective; Hansen et al. (2014) on LC on Tanzania, Uganda, and Mozambique; Belderbos and Sleuwaegen (1997); Grossman (1981); Lahiri and Ono (1998); Qui and Tao (2001) on LC effects on market-seeking foreign direct investment (FDI). Other works on LC included but are not limited to Hansen et al (undated) on political economy of local content in African extractives being lessons from three African countries and Morrissey (2012); Kazzazi and Nouri (2012) and Hansen

(2014) who have focused on conditions and effects of local content in African extractives and how it should be promoted and Diyamett and Mutambala, (2017) on local content and technological capability building in the oil and gas sector bring evidence from Latin America and lessons for Tanzania.

2.0 LOCAL CONTENT (LC) IN TANZANIA

Hansen et al (undated) have come to the conclusion that as is the case for Uganda and Mozambique, local content in Tanzania has moved to the fore of economic development debates as huge mineral, oil and gas deposits have been opened for exploration. Also, various interventions to ensure local content have been introduced in the country. They include development of LC legal, policy and regulatory frameworks.

Generally, local content means the quantum of composite value added to or created in the economy of Tanzania through deliberate utilization of local human and material resources and services in the petroleum operations. According to URT (2017: 7), local content means the quantum or percentage of locally produced materials, personnel, financing, goods and services rendered in the mining industry value chain and which can be measured in monetary terms.

3.1 LC Policy Framework

Hansen et al (undated), argue that governments across the world can promote local content in various ways including through local content policy. Citing Ado (2013), the authors inform that the issue of local content has become increasingly important. According to UNCTAD (2013), developing countries have introduced a tide of local content requirements and rules, indicating a significant change in policy toward more restrictive approaches to foreign investors. According to Todaro (2013), across Africa, mining codes and oil and gas concessions contain more or less elaborate provisions for local ownership, hiring and procurement. They all aim at mitigating the inherent enclave nature of much extractive activity.

Hansen et al (op cit) are of the correct view that local content rules can be quite demanding. Therefore, they should be introduced in a transparent and gradual manner to allow local and foreign firms to adapt. Hufbauer (2013) recommends that local content policies should not just focus on placing demands on foreign investors. They should also focus on developing technological, commercial, organizational and absorptive capacity of local industry and/or the local business environment required for local content. Furthermore, rules should treat investors equally in order to avoid distorting competition. They should not be introduced ex post and in an arbitrary manner that ignores the time horizon of local content investments.

According to Todaro (2013), local content rules should be subjected to rigorous cost benefit analysis (CBA). This is because they may have large hidden costs including in the form of foregone investments or visible costs in the form of tax exemptions and subsidies.

For Hufbauer et al (2013) there are measures employed to create local content. They include but are not limited to rules stipulating percentages for local procurements; tariffs, taxes and pricing aimed at facilitating local content; licensing and concessions dependent on ability to create local content; local firm reservations for certain inputs and services; requirements on service provision, etc.

Hansen et al (undated) argue that much of the academic literature on local content is based on economic logic of ensuring that rents from foreign-controlled extractive operations stay in the host country. In the content of this paper (local-local content), the issue will be to ensure that the benefits remain in a given locality (region, district, ward and village). This is very important in order to promote local economic development (LED) and produce spill over effects from extractives to other industries. LED can be brought about both directly and indirectly through multiplier effects that can accrue from local employments, procurement of goods and services, spending, Corporate Social Responsibilities (CSRs) and revenues such as taxes, fees and even fines. In the context of local-local content, the more a locality (region, district, ward and village) contributes in local contents the more it benefits and the higher the LED.

The LC policy governing Tanzania is the 2014 Local Content Policy of Tanzania for Oil and Gas Industry. It states among other things that delivering local benefits to the communities where oil and gas companies operate is no longer an option. It is a commercial necessity — and one that is increasingly mandated by law in many countries.

3.1.1 Local Capabilities

Diyamat (2011) and Hufbauer (2013) correctly state that policies and institutions alone are not enough for local content. If there is no local industry – and capable one for that matter, local content does not make sense. That is why it is very important for local content policy to take into account the actual state of local industry. This is true not only for local content but also for local-local content in the context of this paper. Local content policy has to provide measures for developing local industrial capacity.

In large parts of Africa and Tanzania for that matter, capable local (and local-local) supply industries are virtually non-existent. Where they exist, the technology, financial, attitude and organizational gaps between local (and naturally local-local) suppliers on one hand and MNCs on the other, are likely to be too large to bridge. According to Diyamet, Ngowi and Matambala (2012) local firms and MNCs can be very distant neighbours. Given the huge gaps local firms are typically only able to make inputs that require low technological and organizational skills as well as financial and other resources. The input includes but are not limited to involvement in catering, transport, cleaning and security. Amendolaigne et al (2013) and Merlevede et al (2011) correctly conclude that the weak local capacity implies that developing local content in the best of cases has to be a very long- as opposed to medium- and short-term process.

Hansen et al (undated) have come to the conclusion that much of the so-called local inputs are inputs provided by foreign firms and service providers located in the country. Sometimes these are disguised as local firms by having a local figurehead. Likewise, there is more LC than LLC in Tanzania. The implications here include the fact that the desired benefits, including contributions to LED through local and local-local contents may not be reaped.

3.1.2 Challenges on Local Content in Tanzania

Hansen (2014) argues that Tanzania has been unsuccessful in its attempts to foster linkages between foreign firms and local industry. They argue that Tanzania has not been able to reap the full potential of FDIs and linkages in extractives remain weak and shallow. Backward linkages are usually provided by foreign firms and service providers. As they look for greater efficiency, reduced costs, risk diversification and asset augmentation, MNCs are fostering many linkages with supplier and service providers that mainly foreign firms. High standards required provide prohibitive entry barriers for local firms. This is among barriers and constraints towards local-local content and LED through the same in the context of this paper.

Reasons for inadequate linkages and by extension inadequate local and local-local content for that matter are many. According to Mjimba (2011), they include lack of specific targets, monitoring mechanisms, incentives and sanctions. Others are uncertain and inefficient contract enforcement environment, the industry structure having the 'missing middle' by way of having very few capable Small and Medium Enterprises (SMEs). Tanzania is dominated by informal micro-enterprises and a handful of relatively large conglomerates.

Hansen (undated) concludes that where local content exists, local firms are delivering at inflated prices. There is little or no upgrading of local firms that is taking place. There is therefore welfare loss from ineffective or captured local content practices. Whereas this is difficult to estimate, there is no doubt that costs in terms of foregone investments, waste and diversion of rents to unproductive purposes is substantial. In this context, LC and LLC should not be demanded for their own sake. They should ensure that there are no foregone investments, waste and diversion of rents that might lead to lower LED.

3.1.3 Legal Framework

The LC legal framework in Tanzania is enshrined in Section 219(1) of the Petroleum Act, 2015 Cap. 392 of the Laws of Tanzania obliges licensees, contractors and subcontractors to give preference to goods and services which are produced or available in Tanzania rendered by the Tanzanian citizens or Local Companies.

Section 219(2) provides that where goods and services required by the licensee, contractor or sub-contractor are not available in Tanzania, such goods and services shall be provided by a company which has entered into a Joint Venture with a Local Company. The local company referred to in sub-section (2) shall own share of at least 25% in the Joint Venture or as otherwise provided for in the regulations. The local company may mean those incorporated under the Company Act, 100% owned by Tanzanian citizen or those with shares not less than 15%.

Section 220(1) obliges the licensee, contractor or sub-contractor to employ and train Tanzanians in accordance with the prepared and approved Local Content Plan. Section 220(2) provides that the training and recruitment programme should take into account gender, equity, person with disabilities, host communities (local-local content, in this context the 8 regions, 24 districts and villages in Tanzania) and succession plan. Section 220(4) requires licensee, contractor and sub-contractor to submit to the Authority annually, a report on the execution of a programme prescribed above.

Section 221(1) obliges the licensee, contractor and sub-contractor to clearly define and make commitment to annual training programme, scholarships and other financial support for the Tanzanian employees of the licensee, contractor and subcontractor so as to maximize knowledge transfer to Tanzanians. Section 221(4) requires the licence holder to provide a report on progress made by Tanzanians on training programme and steps taken by licensee to close any identified learning gaps.

3.1.4 Regulatory Framework

The Petroleum (Local Content) Regulations, 2017 were issued by the Minister responsible for petroleum, on 5th May 2017. It became effective on 6th November 2017. There are 48 regulations some of which are outlined here. Regulation 4 provides seven (7) objectives of Local Content. These are to: promote the maximization of value addition and job creation; develop local capacities in petroleum value chain; achieve the minimum stipulated local employment level; increase capability and international competitiveness of domestic business; create the petroleum and related supportive industries to sustain the economy; achieve and maintain the degree of control over development initiatives; and provide a robust, and transparent monitoring and reporting system to ensure delivery of Local Content Policy objectives. Local-local content is not vividly seen or implied in the regulations.

Regulation 5 provides that any person vested with functions and responsibilities under the Act and Regulations has to adhere to three underlying principles. These are acquisition of services must prioritise local service providers or locally manufactured goods; qualified Tanzanians are afforded first opportunity for employment; and prioritization of on-job training for the Tanzanian citizens.

Regulation 8 provides that any person conducting petroleum activity shall ensure three main things. These are: a qualified Tanzanian citizen is given priority in employment and training in any matter relating to petroleum activity; a preference is given to goods and services provided, manufactured or locally available in Tanzania; and a Tanzanian citizen is given priority in any matter relating to technology transfer, research, development and innovation.

Regulations 9 through 11 indicate submission of Local Content Plan, approval of Local Content Plan, and the contents of Local Content Plan. Regulations 12 and 13 describe how the employment and training plan and the succession plan are prepared. Regulation 14 describes how semi-skilled and unskilled labour are to be engaged. In the context of LLC, one is likely to have more unskilled (than skilled and semi-skilled) labour in a particular location procured from that location than from outside it. Regulation 15 covers procurement of works, goods and services from Tanzanian entrepreneurs. The observation on LLC made above on labour applies here as well.

3.1.5 LC Issues in Mining

LC requirement for mining, according to URT (2017) states that a contractor, subcontractor, licensee, the Corporation or other allied entity carrying out a mining activity shall ensure that local content is a component of the mining activities engaged in by that contractor, subcontractor, and licensee, the Corporation or other allied entity. URT (ibid) provides for LC plan. It states that as far as practicable, before carrying out any work or activity in the mining industry a contractor, subcontractor, licensee or other allied entity shall set up a project office within the district where the project is located.

This (locating office in districts is a typical LLC aspect that is very essential for LED at the district level. This poses potentials for LED through LLC in various contexts including through the whole process of offices construction and operations including direct and indirect jobs, revenues including taxes, fees and even fines of various kinds from various sources as well as Corporate Social Responsibilities (CSRs). The more these are available in a location, the higher the LED ceteris paribus and vice versa.

According to URT (2017:15), the local content plan shall contain detailed provisions to ensure among other things that first consideration is given to services provided **within the country** and goods manufactured **in the country** where the goods meet the specifications of the mining industry as established by the Standards Authority or by other internationally acceptable standards.

A contractor, subcontractor, licensee or other allied entity shall establish and implement a bidding process for the acquisition of goods and services to give preference to indigenous Tanzanian companies. The regulations provide for local content levels to be attained from date of effectiveness of license or mining agreement. It provides for increasing percentages of LC from start, five years and ten years of operations. The above requirements are potentially good for LC but do not focus on and require LLC.

3.0 LOCAL-LOCAL CONTENT CONCEPT

The LLC concept has been coined by the author of this paper. It looks beyond the normal LC and focuses on factor inputs not from anywhere within the country but from a given specific location within a region (say Kigoma, Dodoma, Iringa etc), district (Kibondo, Kasulu, Kakonko, Mpwapwa, Moshi Rural, Same etc), ward or village. LLC assumes that there is LC in the first place. Proponents of LLC are not satisfied with just LC in its broader sense. While aware of national LC, they focus on sub-national level of LC at regions, districts, wards and village levels. They focus on having the identified LC issues not just at national but at sub-national levels listed above. LLC is an important concept because LED happens at a specific location. The more the local content from that location, the higher the LLC and by extension the higher the LED as measured by various indicators in that particular location ceteris paribus and vice versa.

4.1 LC and LLC in Infrastructure Projects: The Case of EACOP Project

Unless otherwise stated, the information on EACOP has its source from Mujuni (2018) and author’s analysis. The East African Crude Oil Pipeline (EACOP) Project is US$3.55 billion project. There are three phases in the project. These are the re-construction (two to three years); construction (three years); and operations (28 years). The pipeline is 1,445 km long and arguably the world longest heated insulated crude oil pipeline. It is for transporting crude oil from Albertine Graben, Hoima in Kabaale, Uganda to Chongoleani in Tanga, Tanzania. About 20% (296 km) of the pipeline length will be laid in Uganda and 80% (1,149 km) in Tanzania. Similar crude oil pipelines were constructed in India (580 km) from Rajasthan to Gujarat, Venezuela Orinoco (200 km), and Canada Athabasca and Labrador. These can provide lessons on local and local-local contents for Tanzania.

The pipeline will traverse eight districts in Uganda. For Tanzania it will cross through eight regions (Kagera, Geita, Shinyanga, Tabora, Singida, Dodoma, Manyara and Tanga), 24 districts and several villages in Tanzania. A bout 10,000 people will be employed during the construction phase and will be reduced to less than 2,000 people during operations. There will be six steps- (1) construction of staging and storage yards; (2) clearing the right of way; (3) excavating the trench; (4) pipe stringing and assembly; (5) handling obstacles; and (6) testing and restoration. All early EACOP project activities have been spearheaded by M/s Total East Africa Midstream B.V of the Netherlands (See details here www.eacop.com).

In the context of LLC, one expects that LED in the 8 regions, 24 districts and several villages to be covered by the pipeline to be positively impacted. This is because the many and various project activities in all phases are expected to leave marks on the localities (regions, districts, towns and villages) concerned. LED stands to be positively impacted through among other things, local-local procurements, jobs, incomes, consumptions, savings, investments, government revenues, CSRs etc. For all these to be a reality however, it will depend on the extent, quality and duration of local-local contents.

4.2 Local Content and LED Issues in the EACOP Project

EACOP considers Local Content as key success of its operations in East Africa. It will therefore promote Local Content development by engaging the local Tanzanian and Ugandan workforce. Incorporating local content programmes in all its project contracts will encourage and develop local procurement of goods and services. EACOP will encourage and support the formation of Joint Ventures between international and local companies to facilitate transfers of competencies and technology.

4.3 Opportunities for LED through Local and Local-Local Content

EACOP has many activities prior and during construction phases. Opportunities during construction include the following: equipment and pipes of over 500,000 tonnes will be imported through Tanga and Dar es Salaam. They have to be cleared, forwarded, and appropriately stored. The 1,445 km, 30 metres right of way will be cleared, trenched, backfilled and restored. The 1,445 km pipeline will be assembled, stringed, lowered and tested for pressure. About 10,000 employees (skilled, semiskilled and unskilled) will be employed for three years of construction. They have to be appropriately accommodated, fed (standard food supplies like beef, poultry, pork, fish, eggs, vegetables, soft drinks, and water), medicated, entertained, transported etc in various locations along the pipeline.

Pre-construction activities include engaging the land owners, surveying and staking, preparing the right of way, digging and trenching, and stringing the pipe. Construction activities include welding, bending, coating and positioning the pipeline as well as installing valves and fittings, and restoring the sites. Post-construction activities include testing under pressure, remediating the land and regulating the pipeline (monitoring and inspection) for 30 years.

Other opportunities are in civil, mechanical, electrical, environmental and ICT engineering, architecture, land and quantity surveyors' services; security, legal, finance, mobile banking, litigation, consulting and audit services; flying doctors, medical assistants, and nurses; supply of ambulances, excavation, electricity, Internet, fuel and transportation vehicles for goods and workers for three years of construction.

These activities, especially constructions that do not need skilled labour and feeding activities provide huge potential opportunities for LED through local-local contents in the 8 regions, 24 districts and villages along the pipeline path. The important thing is actualizing the potentials.

Tanzania and Uganda governments are forefront spearheading the project. However, it is purely a private project. For Tanzanian entrepreneurs to participate, their names must be placed on the Local Suppliers and Service Providers (LSSP) database. Otherwise it will be difficult to appeal. EWURA (in Tanzania) and PAU (in Uganda) have established websites from which M/s Total East Africa Midstream B.V. will call for entrepreneurs to express their interests. This has major and far-reaching implications for local-local content in 'remote' districts and villages.

4.4 Post Construction LED Opportunities through LC and LLC

Project life span after construction is 28 years subject to availability of crude in the reservoir. It could be longer or shorter than that. The assumption is EACOP will operate on 24/7 basis, 350 days a year. During the first 10 years complete shut-up for maintenance is assumed to be 15 days a year. During that period less than 2,000 employees most of them trained on-the-job will be engaged. Others include engineering; Health, Safety and Environment (HSE); legal; finance; audit; banking; consultancy; supplies of food and beverages; running cafeteria and accommodation facilities; fuel (petrol and diesel); electricity and water; transport; preventive maintenance; surveillance services for erosion and leakages; supplies of spare parts and repair equipment; flying doctors, medical officers, nurses and ambulances; on-the-job training of Tanzanian employees in new technologies and technology transfer; investment for operations and maintenance (O&M) activities will continue over 28 years. The easiest way for the Tanzanian citizen to participate is register under LSSB database.

4.5 Discussions of LC, LLC and Implications of EACOP for LED

The EACOP description above is silent on LLC. It is argued in this paper that it is not enough to promote just LC as stated above but also LLC. By implications, engagement of local workforce is likely to see more unskilled compared to skilled and semi-skilled jobs going to local-locals. These are unfortunately likely to be of short-term nature (the first three years) out of the 28 years of the project life cycle. They are also likely to be low paying jobs. Wages and salaries earners in these kinds of jobs, as opposed to high skilled and high earning ones, have high marginal propensities to consume (MPC) and low marginal propensities to save (MPS) and by implications low marginal propensities to invest (MPI). This implies that the impacts on LED from such workers are likely to be relatively small.

High incomes earners may not necessarily consume a large proportion of their incomes and invest a large proportion of their savings in some sub-national locations (villages, wards or even some districts). From consumers' behaviour point of view, poorly developed (accommodation, recreation, catering, medication, insurance, schooling etc) sub-national locations (especially villages, wards and some districts) are not attractive for high income earners' consumption. These income earners may be willing and able to commute from 'remote' project sites to districts and even regions centres daily. Their presence therefore may not necessarily lead to more LED in some sub-national levels.

Similarly, the local procurement stated in the EACOP project including encouraging joint ventures, may not necessarily lead to more LED in some 'remote' sub-national levels. This is due to perceived or actual local firms' existence and capacity. If the focus is just on LC and not on LLC, goods and services for a project site at a given sub-national level maybe procured from anywhere in the country. For example, substantial amounts of goods and services are likely to be locally procured from Dar Es Salaam compared to be procured from the eight regions. Goods for specific sites in the 24 districts are likely to be procured at regional head centres such as Tanga, Manyara, Singida and Dodoma towns than at districts where the pipeline passes. This is likely to be the case as well for sites located at a given village and small townships to be crossed by the pipeline. It boils down to supply side constraints at these sub-national levels.

4.6 LC in Gas

According to Kolstad and Kinyondo (2015:3), discovery of some 50 trillion cubic feet of gas in Tanzania since 2010, has led to the formulation and adoption of a LC policy by the government. The authors inform that Sutton (2014) emphasizes on creating a well-functioning local content unit in Tanzania. Policies and advice on LC in Tanzania, according to Kolstad and Kinyondo (op cit), are based on an intuitively appealing premise that the discovery of petroleum presents an opportunity for the country to increase direct and indirect employment and upgrade skills of workers. It is also expected to improve productivity through technology transfer from multinational corporations (MCs) undertaking Foreign Direct Investments (FDIs) to local Tanzanian firms involved in various extractive industry value chains and their nodes.

4.7 LC, LLC and LED in Other Projects

What has been discussed on LC and LLC and implications for LED above apply to many settings. They include large and strategic projects such as Stigler's Gorge, Standard Gauge Railway (SGR) and other infrastructure projects both small and large involving roads, bridges, ports, harbours, airports, railways, dams, real estate etc.

4.0 CONCLUSIONS AND RECOMMENDATIONS

Based on the central thesis of this paper, it is concluded that local content and local-local content are opportunities to unlock LED potentials. They stand to awaken sleeping giants and to turn LED potentials into actualities in a given locality. Local-local content – lead, based and driven LED is a function of investment in local-local capabilities of local firms and individual services providers. Expecting local-local content to contribute meaningfully in LED without investing in local-local competitive capabilities of local-local firms and individuals is seeking to harvest without planting and is seeking to accrue profit and dividend without investing. This defeats basic economic and business logic. In the final analysis however, local content and local-local content is supposed to be all about economics and business. The need for strong business cases in this context cannot be overemphasized.

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