

REPOA Brief



Addressing Disparities in the Implementation of Local Economic Development Across Councils in Tanzania

By Ambrose T. Kessy and Jamal Msami

Key Messages

Addressing structural inequalities in funding, capacity, and infrastructure is essential for ensuring balanced economic growth.

Differentiated strategies based on contextual needs are critical for addressing the unique challenges faced by rural and urban councils.

Strengthened partnerships among local governments, communities, and private actors can bolster resource mobilization and project success.

Introduction

Local Economic Development (LED) framework offers a pathway for inclusive economic transformation through decentralized governance. However, significant disparities in LED implementation between urban and rural councils undermine its potential to promote equitable development. Urban councils generally benefit from diversified resources and advanced administrative capacity, while rural councils face systemic constraints that limit their effectiveness. This policy brief explores these disparities and provides actionable recommendations to harmonize LED implementation across councils. It aims to shed light on the underlying factors contributing to the disparities in LED implementation between urban and rural councils in Tanzania. By examining the specific challenges faced by rural councils, such as limited financial resources, inadequate infrastructure, and lower administrative capacity, targeted interventions to bridge the gap can be identified. Furthermore, this analysis will explore successful LED strategies employed by urban councils that could potentially be adapted and scaled for rural contexts, fostering a more balanced approach to local economic development across the country.

Findings

- 1. Urban Councils: Resource Advantages and Complexity:** Urban councils such as Dodoma City and Moshi Municipality leverage their diversified funding streams, administrative sophistication, and economic activities to implement large-scale projects like infrastructure development. However, they also face challenges in managing diverse stakeholder expectations and balancing rapid urbanization with socio-economic equity.
- 2. Rural Councils: Resource Constraints and Community-Centred Approaches:** Rural councils such as Chamwino and Masasi struggle with limited resources, weak technical capacity, and inadequate infrastructure. Despite these challenges, they often excel in community-centred development approaches, such as participatory planning frameworks.
- 3. Contextual Factors Influencing LED Success:** Proximity to markets, access to infrastructure, and alignment of projects with local needs are critical factors for successful LED. For instance, Mwanza's Nyamagana Ward thrives due to its strategic location near Lake Victoria, while

Kigoma's palm oil farmers face challenges due to poor transport networks.

Recommendations

1. Enhance Resource Allocation and Financial Support:

- Establish equitable funding mechanisms to prioritize underserved rural councils.
- Foster public-private partnerships to diversify funding sources and enhance project sustainability.

2. Invest in Infrastructure Development:

- Prioritize road, electricity, and water infrastructure in rural areas to unlock economic potential.
- Support urban councils in managing peri-urban growth and improving connectivity with surrounding rural areas.

3. Strengthen Institutional Capacity:

- Provide targeted training programs for rural council staff to improve technical and administrative skills.
- Facilitate knowledge-sharing platforms between urban and rural councils to exchange best practices.

4. Promote Context-Specific LED Strategies:

- Tailor development initiatives to address the unique socio-economic and geographical characteristics of each council.
- Encourage participatory planning to ensure projects align with community needs.

5. Foster Multi-Stakeholder Collaboration:

- Strengthen local platforms for dialogue among government, private sector actors, and communities.
- Leverage urban councils' capacity to support cross-regional initiatives benefiting both urban and rural areas.

Conclusion

Harmonizing LED implementation across Tanzania's councils is imperative for fostering equitable development. Addressing disparities between urban and rural councils through targeted resource allocation, capacity building, and tailored strategies will enable LGAs to better serve their communities and drive sustainable economic growth. By implementing these recommendations, Tanzania can bridge the urban-rural divide and achieve its broader economic transformation goals.

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REPOA HQs

157 Migombani/REPOA streets,
Regent Estate, PO Box 33223,
Dar es Salaam, Tanzania.
Tel: +255 (22) 2700083
Cell: +255 78 455 5655
Website: <https://www.repoa.or.tz>
Email: repoa@repoa.or.tz

Branch Office

2nd Floor Kilimo Kwanza Building 41105,
Makole East, Kisasa,
Dodoma, Tanzania

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