

Urban Spatial Planning and Local Economic Development: Comparative Assessment of Practice in Tanzanian Cities

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Abstract

There is a consensus that traditional approaches to planning for urban and regional economic development are neither beneficial nor environmentally affordable. Local Economic Development (LED) has been conceived as an alternative approach to bringing about sustainable and equitable economic growth. Spatial strategies applied through urban planning and management are among the dominant strategies that have been advocated for promotion of LED. Discussing the application of these spatial strategies in Tanzanian context is the main objective of this paper. Tanzanian context is presented as typical case in Sub-Saharan Africa where conventional approaches of urban planning have led to inefficient cities throughout the continent. Actually, the data used in this survey were the results of studies in preparation of state of cities report which was also done Ghana, Botswana and Ethiopia. Therefore, lessons from Tanzanian could be applicable in other cities in sub-Saharan Africa and beyond. This paper undertakes a comparative analysis of the level of adoption of these spatial strategies, and subsequently examines the utility of these measures in bringing about desired goals, and finally it reflects on the intuitional structures established by the Tanzanian planning law on the requirement for LED. Briefly, the study confirms that the performance of Tanzanian cities towards desired developmental outcomes depends very much on the adoption of LED strategies. Despite the variations among the cities, the study establishes that Tanzanian cities are generally ill equipped to promote LED. The architecture of institutional structure towards facilitating development control rather than enabling capital attraction and nurturing is one of the root causes for the lack of competitiveness in Tanzanian cities. The paper proposes reorienting the focus and structure of urban planning institutions to enable LED.

Keywords: Urban spatial planning, Local economic development

Meaning and Essence of Local Economic Development (LED)

Urban and regional development thinking in recent years has been dominated by the concept of Local Economic Development (LED). LED as a fast evolving and multi-disciplined concept does not have a generally accepted definition, although two definitional orientations are established, namely process-emphasis and result-emphasis. The process-emphasis definition has LED as a participatory process in which local people from all sectors come together to stimulate local commercial activities, resulting in resilient and sustainable economy (UN-HABITAT 2005 Volume 1: 1). The result-emphasis definition by Blackely and Leigh (2013: 72) promotes the view that LED is achieved when a community's standard of living can be preserved and increased through a process of human and physical development that is based on principles of equity and sustainability. As stated some years back by Ward and Jones (1994), essentially, LED is a multitude of incremental, endogenous and participatory economic development strategies which differ from economic growth strategies that dominated in 1970s. The previous strategies focused on improving urban economy through large-scale urban development projects that were largely externally planned and funded.

In theory, LED is a culmination of strategies that emerged in post-modernization era signalling the underachieved expectations of the modernization strategies (Scott, 2008: 125). Several important changes in theoretical thinking in post-modernity era could be accredited to the emergence of LED strategies. The first is the replacement of theories such as economic base, staple, growth pole and the like, which focus on export promotion, industrial targeting and polarisation, with endogenous development theories, which focused on using internal potentials equally, and create self-sustained regions (Malizia and Edward., 1999: 51).

The theoretical logic of polarisation is that societal development will depend on initial concentration of development at the centre(s) while exploiting the periphery, where the poor and low income segments of a society live, but later due to setting in of diseconomies of concentration and scale at the centre(s) the periphery will benefit through trickledown effects (Arndt, 1983). In Tanzania, the footprint of such theories in urban spatial planning can be seen in the establishment of growth poles and central places in ten regional centres of Tanga, Arusha, Mwanza, Moshi, Dodoma, Morogoro, Tabora, Mtwara and Iringa in 1960s and early 1970s (Gould, 1970). These poles were served with comprehensive master plans, state-owned industries, national housing estates and the like.

As it became clear that trickledown effects were not forthcoming, development agencies and theorists established that equity issues need to be integrated and actively fostered in development planning (Krumholz, 2008: 224). As noted by Pacione (2011), in terms of urban spatial planning in the West, this development epoch was marketed as societal welfare phase represented by downtown redevelopment projects. In Tanzania, the urban spatial planning landscape in the social welfare phase was characterised by interventions like squatter upgrading, site and services projects and demarcation of sites for small industries' development. The similarity between polarisation and basic need approaches was that central government was the main actor, thus the people were passive receptors of programmes and resources.

Internationally, the World economic crises from oil crises, and locally in Tanzania, near-collapse of the economy from the Tanzania-Uganda war in 1979/80 and agricultural underproduction resulting from disruptions caused by *Ujamaa* (a form of Tanzanian socialism) resettlement programme (Kikula, 1986) led to the setting in of the deregulation phase. The deregulation phase was represented by Thatcherism-Reganism in the West, and structural adjustment programmes in the Global South. In the West, this change led to the establishment of the entrepreneurial and competitive phase in urban planning where local governments were given mandates to plan, negotiate with investors and operate investments (Pacione, 2011: 172). In the Global South institutional capacity gaps prevented actualisation of benefits of deregulation phase hence the term "lost decade" (Kreibich and Kombe, 2000). As a lesson from the capacity gaps, there emerged alternative urban planning models which focused on the relationship of actors in the planning arena, where earlier influences of philosophers like Habermas found their new place in spatial development planning process (Healey, 1996). This thinking had several influences in the contents and institutional structure for urban planning in the Global South, including Tanzania. Institutionally, there was a massive call for improving capacity through local government reforms and integration of non-governmental actors, thus urban spatial planning processes changed from being mainly a prerogative of state to becoming inclusive and multi stakeholders' endeavours. On the form of planning, there was a shift from comprehensive planning approaches to mixed scanning and incrementalism, which facilitated continuous accommodation of investors' interests.

In the same years of 1980s, there was an environmental awakening as climaxed by the Brundtand Report (World Commission on Environment and Development, 1987), which mainstreamed the environmental concerns in development discourse. The meaning of which is the kind of economic development envisioned in polarisation thinking had to be qualified in terms of the ability to sustain global natural capital. Thus, urban planning had to take environmental issues at the core, hence the paradigm environmental planning and management.

Drawing from the evolution of ideas on development thinking, a new combination came to occupy the landscape of urban planning called LED, which incorporates three strategies namely; economic development, equity and ecological sustainability. These strategies can only be achieved through integrative visioning and involvement of all actors and sectors in development planning and implementation in a form commonly called urban strategic planning. Worth noting, the development of Information and Communication Technology (ICT) is adding a new dimension in the urban planning landscape. Seemingly, ICT is challenging confines of locality and establishes alternative platform for stakeholders' consensus building. The resulting wave called 'smart growth' or 'smart cities' is increasing gaining more importance (Blackely, 2001).

Relationship between LED and Urban Planning

Urban spatial planning is described one of the crucial tools in attaining economic development of a place (Fainstein, 2002; Faludi, 1994). Healey *et. al.* (1997: 4) summarize the interaction between spatial planning and socio-economic development by explaining the double-edged interaction between spatial planning and dynamics of economic and social change in an urban region.

They say that spatial planning policies, legislation and practices are a result of socio-economic dynamics, whilst further socio-economic dynamics result from the nature of constraints and opportunities presented by spatial organizations as shaped by planning policies, legislation and practices. Figure 1 summarises the interaction between LED and urban spatial planning.

Figure 1: Linkage between LED and Urban Spatial Planning

Development Goal	Employment promotion		Higher standard of living	
Goal of LED	Attraction of capital	Retaining capital	Improve city liveability	Equity & pro-poor policies
General strategies	Promoting comparative advantages	Reducing costs of doing business	Improve city environment and amenities	Opportunities and security to the marginalised
Spatial strategies	Resource marketing & predictability of locational decisions	Providing serviced and industrial infrastructure	Urban resource protection, safety & friendly urban design	Formalisation and servicing of informal businesses and areas
Example of spatial interventions	City profiles, general planning schemes and websites	Servicing, establishing special economic zones and technology parks	Beautification (parks, gardens and cleaning) and access to social services	Providing spaces and registering informal business, settlements upgrading and informal land ...

Exploring the strategies for attaining economic growth and higher employment levels, LED relies on attraction of foreign capital (UN-HABITAT, 2005). It involves strategies and actions that can lure investments from elsewhere to the said city. This calls for strategies that make production cheaper in a particular city by the use of local resources and minimize costs. In other words, attraction of capital involves promoting comparative advantages (Levy, 1990). Spatial planning strategies are supposed to facilitate promotion of comparative advantages through profiling and sharing information (availing data) that can be used by outside investors. Procedurally, this requires assemblage of information on challenges and opportunities from a multitude of actors (Cities Alliance, 2007: 20). Therefore, in this paper the cities are compared in the extent at which they have data (profiles), platforms to avail and share updated information, and long-term spatial plans to inform potential investors on the resources they have for different types of investments.

The second LED strategy focuses on nurturing and retaining of capital, which consists of actions that help retain businesses in an urban area. It is a combination of strategies for preventing capital flight through creating business friendly environment and reduction of costs of doing business (UN-HABITAT, 2005). Retaining capital is also made possible by the existence of forward and backward linkages, as small and medium enterprises develop to contribute to the product paths and value chain additions. It also relies on the deliberate promotion of local products and support of local firms and entrepreneurs who, on one hand, contribute to employment generation and on the other hand, benefit from the increased consumptions from expenditures on goods and services produced by the local firms. Spatial measures for the reduction of the costs of doing business include investing in physical infrastructures, including transport systems, utilities, telecommunication networks as well as industrial/commercial buildings and zones for commercial clusters, industrial parks and incubators (Holt and Greenwood, 2010). Therefore, cities can be assessed on the utility servicing levels, availing of serviced land as well as providing premises such as industrial parks, technology parks and special production zones.

Improving city liveability is one of the goals related to improving natural resource sustainability and living conditions (UN-HABITAT, 2009). In the 21st century, human capital has become the dominant capital in promoting local economy because Information and Communication Technology (ICT) has made it easier for some firms and labourers to unbound themselves locationally, hence they are contributing to where they stay and not where the main production centre or a factory is located (Blackely, 2001). While ICT has influence on locational decisions of firms and workers, the locational decisions of large firms and headquarters are also influenced by the presence of high quality professionals who can integrate and analyse large and complex sets of data for major and timely business decisions (Sassen, 2001). However, there is conflict since industries prioritise on resources (land), in addition to labour and technology from agglomeration and infrastructure while quality labour (human resources) prioritises on lifestyle, quality environment and social services i.e. liveability issues (Holt and Greenwood, 2010: 54). Therefore, LED strategies for liveability must lure people while not detracting industries. LED strategies for liveability include urban resource conservation programmes; provision of amenities and recreation facilities; accessible quality social servicing as well as promotion cultural and recreational facilities (Cities Alliance, 2007: 27). Amenities and good environment tend to attract people with valuable knowledge and entrepreneurship skills. Therefore, the coverage of green areas, the level of social service provision and the availability of quality intermittent centres are some of the elements cities can be gauged in their strategies to improve liveability.

Equity or pro-poor development focus in LED encompasses all sets of strategies that aim at addressing problems of the poor and the marginalised (TACINE, 2009). LED strategies include supporting the informal sector, fostering positive benefit of urban-rural linkages, micro credit systems, skills training and supporting small and medium scale enterprises. To promote equity, LED proposes, among other approaches, formalisation of informal economy and integration of marginalised areas in the city fabric. In spatial forms these strategies include urban renew programmes, infrastructure upgrading in informal settlements, as well as formalisation of informal settlements, properties and business to untie the frozen capital (Krumholz, 2008). This study assesses the extent to which cities have been implementing these strategies.

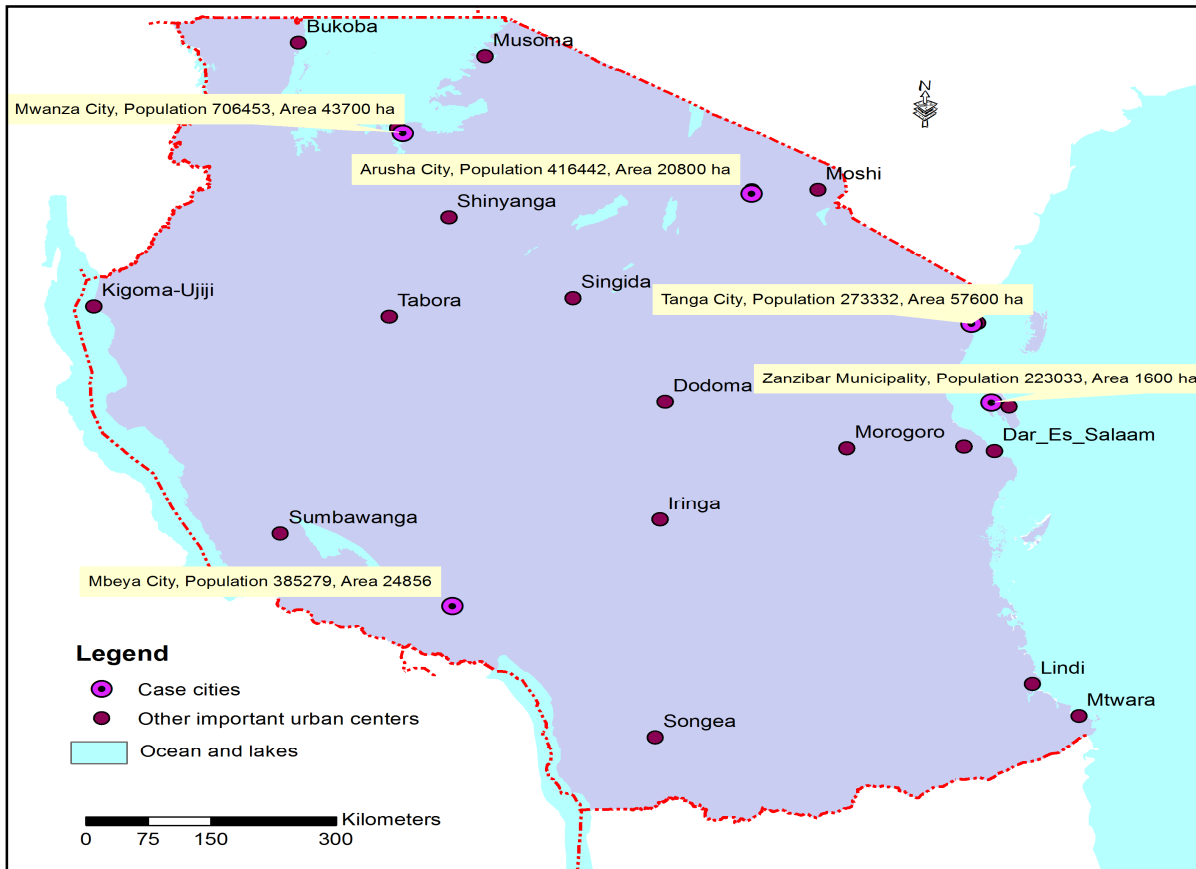
Study Context and Sources of Data

Data used in this paper were generated during the preparation of the report named *State of the Tanzanian Cities 2014*. The report contains data collected in cities of Arusha, Mbeya, Mwanza, and Tanga, and the Zanzibar municipality (Figure 1). The three municipalities of Ilala, Kinondoni and Temeke that constitute the Dar es Salaam City were also studied separately. However, the differences in management where Municipalities in Dar es Salaam have council's and city level management, and the fact that their populations are by far larger than the average of other cities limits comparisons with other cities. Thus they are not included in the analysis presented in this paper.

The report was prepared under coordination of the Tanzanian Cities Network (TACINE) where the School of Urban and Regional Planning at Ardhi University provided technical backstopping including data collection protocol and analysis. The named urban councils together with other urban stakeholders provided actual data. Explanations pertaining to the information generated by quantitative data in the *State of the Tanzanian Cities 2014* were obtained through interviews with pre-identified key informants with mandates or interest in either urban planning activities or urban economic investment promotion.

Household interviews were conducted based on samples with 95 per cent confidence. The estimation on number of houses was based on house counts from latest aerial photos of each city (many being of 2010). This culminated in sample sizes of 398 for Mwanza, 440 for Tanga, 278 for Arusha, 397 for Mbeya and 395 for Zanzibar Municipality. Household interviews were complemented by spatial data from city specific aerial photos, satellite images and existing plans and maps. Official information was collected from relevant offices for spot and trend data spanning for the period of five years (between 2007 and 2012). At data analysis stage, comparison across cities was done using spreadsheet and mapping software to illustrate graphically variation of each thematic specific data across cities. Several workshops were undertaken with city stakeholders to triangulate and validate the data.

Figure 1: Location of the Case Study Cities in Tanzania, Their Land Sizes and Population



Comparative Assessment of the Cities in Implementing Spatial LED Strategies

This section presents the comparative assessment of the cities in different LED strategies as discussed above. Starting on spatial measures that cities have been adopting to attract capital, it is apparent that Tanzania cities are endowed with natural resources and people. Of the five urban centres studied, two are located along the shores of the Indian Ocean, Tanga and Zanzibar, while Mwanza is along the shores of the Lake Victoria. They have mineral deposits as the case with large limestone deposits in Tanga. However, when it comes to the marketability of these resources, it was found that performance was not good in all cities (Table 1). Mwanza had a general planning scheme, either in the form of master plan or strategic urban development plan, and only Tanga and Arusha had investment profiles. In the digital age, cities seem to be lagging behind the use of information and communication technology in marketing, as they mostly have poorly resourced websites. For some urban centres like Zanzibar and Mbeya, it is even difficult to find relevant basic information on the city. The same cities have also low internet connectivity within councils’ personal computers.

Table 1: Performance of Cities in Resource Marketing

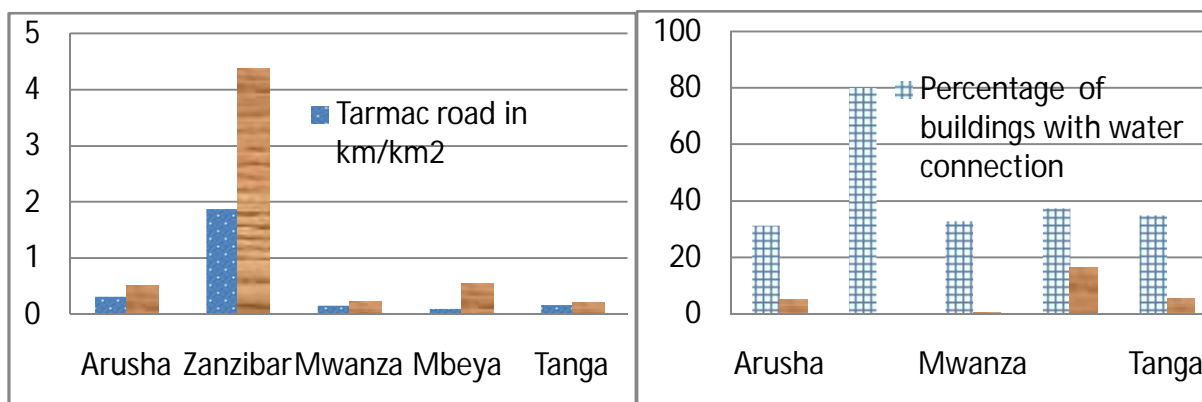
City Council	Arusha	Zanzibar	Mwanza	Mbeya	Tanga
Website status	Uses regional website	Uses the Zanzibar Island website	Has own website	Uses regional website	Uses regional website
Investment or socio-economic profile on the website	Available	Not available	Not available	Not available	Available
General planning scheme	No	No	Yes	No	No
Percentage of council pcs with LAN	83	45	96	50	77

Source: Author’s compilation combined with TACINE (2012)

On the capacity of cities to retain capital through infrastructure and serviced land for production activities, the study established that infrastructure developed is generally low although there is a wide variation among the cities. For example, on the availability of roads, the optimal ratio of road coverage to area is five kilometres of roads in a square kilometre of land. This requirement was observed only in Zanzibar. The other cities were very far below this requirement (Figure 2). The situation is even worse when tarmac roads are considered. When Zanzibar is excluded, buildings with water connection are averaging at one third. Generally, the proportion of land developed for infrastructure uses is less than five per cent while the standard requirement for urban areas is between 15 and 20 per cent (URT, 2012).

It is known that for industrial investors large chunks of land, usually over one square kilometre, is required to avoid hassles of negotiation with many small landowners or resettlements. In this criterion, only Tanga and Arusha had tracks of land of the required size (Table 2). On the other hand, with exception of Zanzibar where no data was available, councils had enough land to avail for investments. Cities were performing poorly when it comes to availing land for innovation centres such as incubators and technology parks. There were efforts to develop special and economic processing zones in all these cities, but due to the failure by councils to compensate costs for land and properties and the failures to service the land, many of these centres have not materialised, until the date of writing this paper none of the five cities had established an operational innovation centre. Ironically, even when councils take loans for land compensation, they rarely designate land for innovation centres.

Figure 2: Servicing Level in Tanzanian Cities



Source: TACINE (2012)

Table 2: Availability of Designated Land Usable for Productive Uses in Tanzanian Cities

Item	Arusha	Zanzibar	Mwanza	Mbeya	Tanga
Land parcels under bulk ownership (>1 sq. km)	34	0	0	0	88.9
Percentage of urban land parcels under council's ownership	3.4	No data	25.7	10.5	4
Land for incubators and science parks (ha)	0	0	0	18.9	78

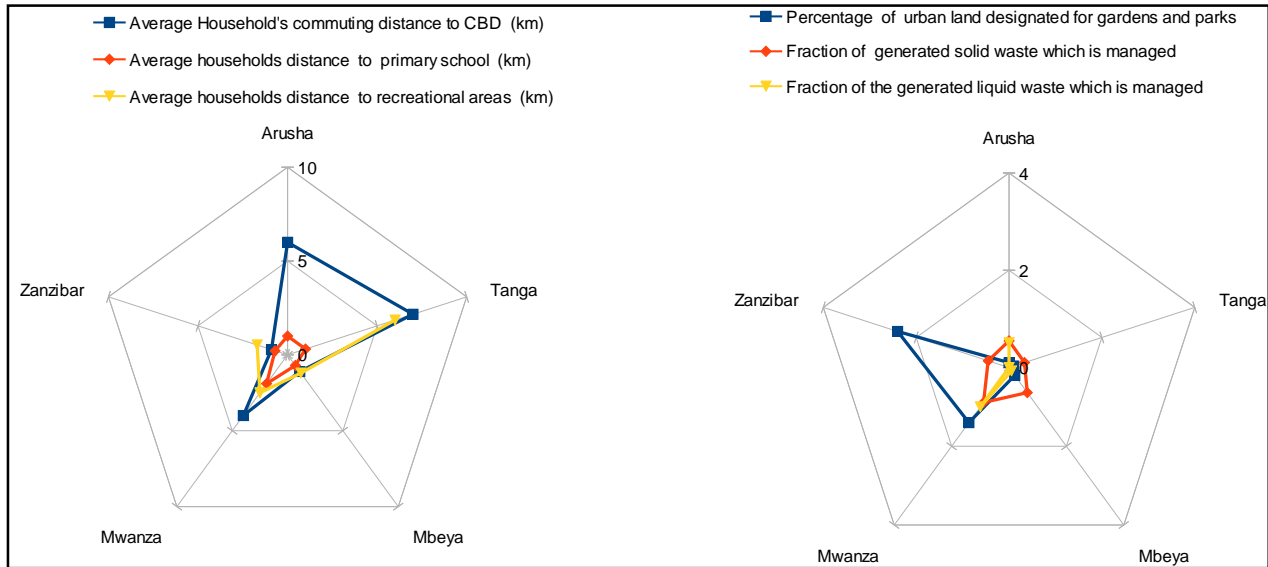
Source: TACINE (2012)

The quality of cities' human resources has a direct relationship with the value of goods and services produced. This has a bearing on the size of capital attracted in a city. Environmental amenities are among key determinants of quality of life; and the higher the quality of life the higher the quality of labour being attracted. Therefore, it is important to gauge the performance of cities in relation to environmental amenities. As shown in Figure 3, while the standard is for cities to have a minimum of 20 per cent of land as green areas (URT 2012), the proportion in Tanzanian cities is very low. Zanzibar, which is leading, had only 2.3 per cent of its land under green spaces, followed by Mwanza with 1.4 per cent. The remaining three cities have less than one per cent. On liquid waste, Mwanza collects nearly all liquid waste generated and over 80 per cent of the solid waste generated. The remaining other four cities were collecting between 30 and 50 per cent of their generated liquid and solid wastes (Figure 3).

From household interviews conducted in different wards in the cities, it was found that distribution of facilities was also quite uneven.

In Tanga, Arusha and Mbeya one had to travel seven, six and four kilometres respectively to access public facilities such as school, post office, the main market, bus stand and police post. In the rest three cities, households in average accessed community facilities within two kilometres (Figure 3). Even for critical facilities like a primary school, a pupil in Mwanza had to travel for two kilometres on average, daily. Poor access to facilities is likely to repel young parents (and labourers) from settling in some cities.

Figure 3: Some Indicators of Liveability in Tanzanian Cities



Source: TACINE (2012)

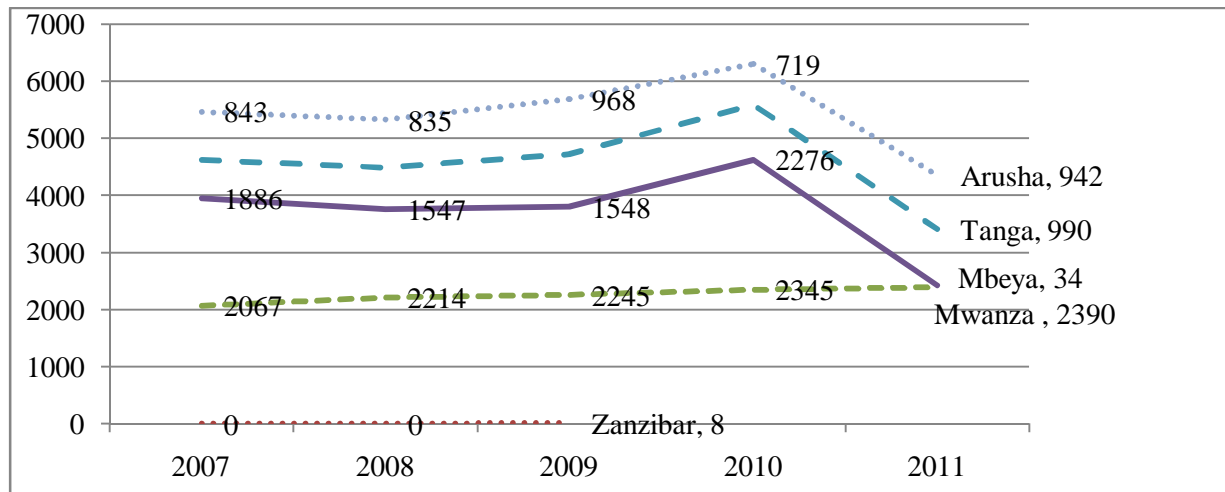
Productive cities must enhance equity and pro-poor strategies. Spatial interventions that can promote equity include formalisation of areas and businesses that are informal. Formalisation involves legal recognition (of land, business or both) and servicing. Although each city in Tanzania had registered some form of regularisation schemes, the data indicate that the sizes and proportion of people in the informal settlements and informal economy is very high, indicating that the performance is still far from the requirements to allow the majority the same opportunities and rights in the city (Table 4). There were ongoing programmes to formalise business, initially by giving spaces to informal business operators and later giving some licensing. All cities had already built or were in the process of building trading areas for informal businesses, commonly known as “*machinga* complexes”. There were also numerous attempts to designate special areas for informal traders, probably due to the growth in number of informal traders, the achievement is not readily noticeable.

Table 3: Level of Informalities in Cities

Indicator	Arusha	Zanzibar	Mwanza	Mbeya	Tanga
Percentage of land occupied for informal settlement	80	73	40	65	79
Percentage of people living in unplanned settlements	86	No data	40	72	16

Source: TACINE (2012)

Figure 4: Trend in Business Formalisation in Tanzanian Cities



Source: TACINE (2012)

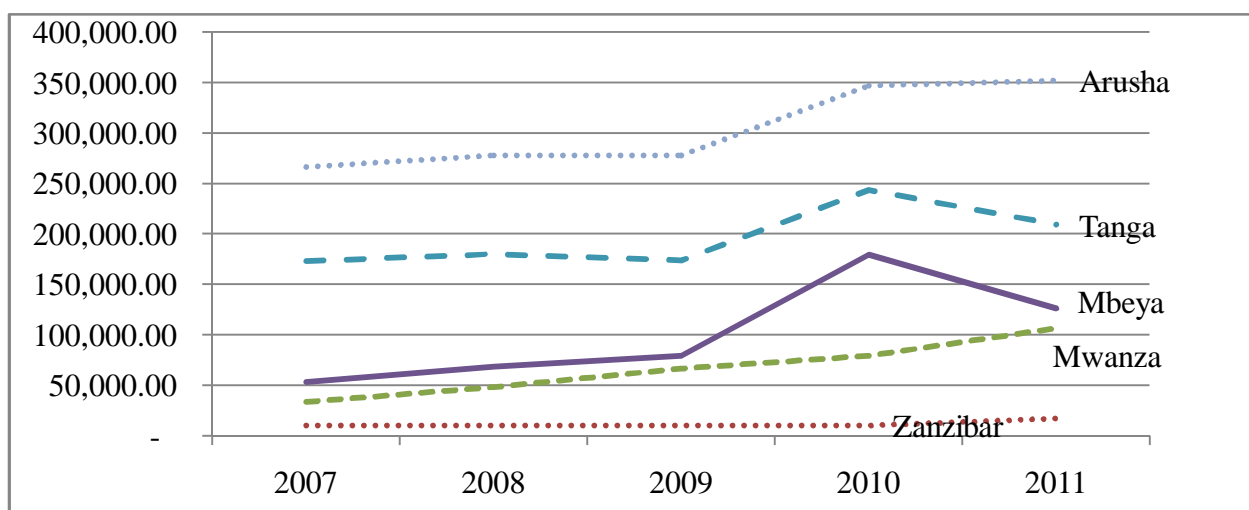
On measures to attract and retain capital as well as promote liveability and equality, the analysis revealed multiple interpretations. Trend in local tax revenue was quite high in Arusha followed by Tanga. There was a significant difference, by Mwanza and Mbeya which registered lower trends (Table 4 and Figure 5). The same trend seemed to correlate with growth in number of taxpayers and number of firms formalised (Figure 4). Arusha also leads in liveability index by having the highest percentage of migrant household heads with tertiary education. Close to Arusha in proportion of migrants is Mbeya, which despite its poor performance in revenue collection had the second highest proportion of migrants including those with tertiary education. Notable is the fact that Zanzibar registered the lowest proportion of migrants, which correlates with low growth in number of new firms and own revenue collection.

Table 4: Generalised Indices in Performance of Cities

Possible LED outcome	Arusha	Zanzibar	Mwanza	Mbeya	Tanga
Average annual growth in own revenue between 2007/8-2011/12 (US\$)	108,554	11,600	55,338	34,314	94,334
Average annual growth in number of taxpayers 2007/8-2011/12	ND	555	ND	7,734	10,792
Percentage of household heads with tertiary education	12.9	5	3.2	8.5	3.4
Percentage of households who migrated from outside the zone where the city is located	35.7	4	34.3	56.2	17.7

Source: TACINE (2012) (1 USD equivalent to 1700 TShs)

Figure 5: Trend in own Revenue Collection in Tanzanian Cities (US\$)



Source: TACINE (2012)

To assess the importance of the measures in attaining LED outcomes in a Tanzanian context, a test of correlation and significance (shaded cells in Table 5) revealed that for the five cities studied, the presence of promotion materials such as website, profiles and planning schemes had significant influence on attracting firms and revenue. Public land ownership was another contributing factor to location of firms in the studied cities. Infrastructure, in the form of utilities and roads, tended to attract taxpaying entities (business and individuals). Other attractions to taxpaying entities included liveability issues such as provision of green spaces and levels in waste management as well as upgrading informal settlements through servicing and security of tenure. On the negative side, high commuting distances, i.e. urban sprawl and poor physical accessibility to services repelled quality human resources like educated migrants.

Table 5: Testing Correction among the factors in Tanzanian Cities Context

	Test: Pearson Correlation and two- tailed significance test	Average annual growth in own revenue	Average annual growth in number of new firms	Average annual growth in number of taxpayers	Percentage of household heads with tertiary education	Percentage of households who migrated from outside the zone where the city is located
Website status: investment or socio-economic profile	Correlation	0.60	0.85	ND	-0.46	0.13
	Significance	0.28	0.15	ND	0.43	0.83
Presence of General Planning Scheme	Correlation	0.60	0.85	ND	-0.46	0.13
	Significance	0.28	0.15	ND	0.43	0.83
Tarmac road/km ²	Correlation	-0.17	0.05	0.59	-0.15	-0.74
	Significance	0.79	0.95	0.60	0.80	0.15
Total road density/km ²	Correlation	-0.15	-0.03	0.50	-0.14	-0.67
	Significance	0.81	0.97	0.67	0.82	0.21
Buildings with water connection	Correlation	-0.22	-0.06	0.52	-0.24	-0.68
	Significance	0.73	0.94	0.65	0.69	0.20
Land parcels under bulk ownership (>1 .sq. km)	Correlation	-0.77	-0.11	0.43	-0.11	-0.28
	Significance	0.12	0.89	0.72	0.86	0.65
Land parcels under public ownership	Correlation	0.64	0.76	-1.00	-0.53	0.19
	Significance	0.36	0.45	.	0.47	0.81
Average household's commuting distance to	Correlation	-0.56	0.32	0.41	-0.66	-0.24
	Significance	0.33	0.68	0.73	0.23	0.69
Percentage of urban land under gardens and other green uses	Correlation	0.16	0.50	0.52	-0.48	-0.60
	Significance	0.79	0.50	0.65	0.41	0.28
Solid waste managed vs generated	Correlation	0.90	0.50	-0.89	-0.04	0.54
	Significance	0.04	0.50	0.30	0.95	0.34
land under planned settlement	Correlation	0.66	0.67	-0.86	-0.46	0.29
	Significance	0.23	0.33	0.34	0.44	0.63

Source: TACINE (2012)

To conclude on the analysis, the study establishes that that the performance of Tanzanian cities towards desired developmental outcomes such as higher incomes, employment, equity and sustainability depends very much on adoption of LED strategies. Measures with specific impacts are the presence of plans and use of resource promotion materials e.g. profile, and media such as websites; availing serviced land for investments and households as well as provision of amenities.

Tanzania Urban Planning Institutional Structure and Facilitation of LED

Urban planning institutional structure in Tanzania constitutes a wide range of policies and acts. However, those which are directly linked which are examined in this paper include the Human Settlement Development Policy of 2000, the Urban Planning Act Number 8 of 2007, the Land Act No. 4 of 1999 and the Urban Planning Guidelines of 2007 schemes by the Ministry of the Lands and Human Settlement Development (MLHHSD). Historically, Land Act No. 4 of 1999 and the Urban Planning Act Number 8 of 2007 replaced the Land Ordinance of 1923 (Cap 113) and the Town and Country Planning Ordinance of 1956 (Cap. 378) respectively, which in turn replaced the Town Development Control Ordinance of 1936. The original laws were enacted by German and British colonialists. After independence in 1961, these Acts underwent cosmetic changes, which left the focus unchanged. Nnkyia (2008: 6) notes that the essence of these Acts as they are based on the concept of Crown Land under the colonial system was to facilitate the government to acquire any land and designate its use as it deemed fit. Therefore, urban planning legislations before and after independence were formulated in the same premises. The situation is similar in many Commonwealth countries.

Concomitant to the focus of the urban planning legislation of controlling ownership and physical development, the institutional setup stipulated to operationalise the legislations was centralised and enhanced central control. Originally, Tanzania had the Town and Country Planning Board, which replaced the Central Planning and Building Committee that had powers to prepare all the plans. When the Board delegated the powers to prepare planning schemes to local authorities, the Board was responsible for approval of such schemes. After independence, the Directorate of Urban and Rural Planning replaced the Board. The controlling function of the central boards or similar controlling institutions in other countries jeopardises the flexibility in tailoring the plans to the potential and local stakeholders' interests, and kills competitive drive among cities.

There are conflicting opinions on what the ideal institutional setup is. Some of the stakeholders interviewed were of the view that influence of central government departments' in-charge of physical planning should be visible at local levels without having to prepare the plans. The activities could include the formulation of policy and guidelines, supervision and quality control in the planning process, and facilitating channelling of resources to spatial planners at local government levels. Although this is generally what is stated in the planning policies, in practice the many such departments champions preparation of cities spatial plans. The challenge is that when such central government institutions champions the process; they assume the coordinating role because urban planning and management activities are multi-stakeholders' endeavours. However, departments' in-charge of physical planning as line agencies are rarely mandated and hardly structured to execute inter-ministerial and multi-stakeholders coordinating role. Even when such department are mandated coordinate the planning process, the departments are mostly deficient of enforcement powers over the peers in important ministries/departments like those dealing with utilities. This is one of the major reasons of marginalisation of land use planning in the cities since it is seen as a technical and sector specific affair.

When viewed from scholarly discussion on institutionalising urban planning, it is worth borrowing from Rexford Tugwell (1951). Tugwell sees planning as a fourth pillar of the state expressing collective public interests, thus it must be instituted in a location where it will have overall coordination power of all interests, and will be composed by representatives of a wide array of stakeholders (Tugwell and Banfield, 1951). This means that spatial planning which effectively facilitates LED should be instituted in coordination sections of the country or local authority and be composed of representatives of influencing actors. An institutional setup that would mainstream the involvement of utility providers and business sectors in planning process and implementation is not new (Metaxas, 2002). In many Western countries such actors constitute the steering committees of the planning process (see Fainstein, 2001). In this setup, planning setup has to be decentralised where in each city or zone, the planners in the local authorities become part of steering committees; and to the national interests are taken aboard, national departments issue policy guidelines and directives and assign staff to become a part of steering committees in city planning processes. A similar practice can be observed in the Netherlands and some other developed countries (Faludi, 1994).

Conclusion

It is evident that LED itself is not new or independent theory; it is a culmination of strategies that have been compounded by developments in theories and practical strategies. Therefore, discourses on LED should emphasise on its incremental development and application.

This will increase its understanding and realisation in context of developing world like Tanzania. It will also make possible integration of existing initiatives and interventions that conform to LED strategies, and to ensure that they are coherent. It is also evident that for LED initiatives to be successful, wider range of stakeholders outside governments system, like private sector and communities should be informed on requirement and strategies for LED. The evaluation of application of LED strategies and their impacts has established that quality of labour (human factor) attracted is probably the most immediate and obvious indicator of success in application of some LED strategies. Thus, promoting liveability in cities, especially in contexts where advantages of industrial agglomerations are limited, should be the core focus on many cities in developing world.

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