

Promoting Local Economic Development (LED) in Tanzania: Exploring Opportunities and Challenges in the Local Value Chains in Kigoma Region.

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Abstract

By using a mapping approach, this study examined opportunities and challenges in doing business and in growing the local economy at Uvinza District in Kigoma region. The study involved a review of the existing secondary data, observation, key informant's interviews and focus group discussions. Purposive sampling was used to identify 81 local stakeholders for the study. Both qualitative and quantitative data were analyzed. The study finds that agriculture, beekeeping, mining, tourism and fishing are the main business activity in the District. However, these activities are constrained with lack of collective bargaining power, unavailability of formal markets, inadequate agronomics training, inadequate availability of improved seeds, and inadequate processing facilities. A unique investment opportunity for fishing activities is found in Uvinza whereby a third of the district is covered with water particularly Lake Tanganyika.

Key words: Local Economic Development (LED); Local government Authorities (LGA); Opportunities; Challenges

1. Introduction

Poverty alleviation in developing countries has become a pre-occupation for the governments and other key stakeholders of the development agenda. Local Economic Development (LED) which is a people-centered initiative meant for people working together to achieve sustainable economic growth can be used by communities experiencing the need for modernization to develop adopted initiatives as vehicles for economic growth and a strategy to alleviate unemployment and poverty (Azunu & Mensah, 2019). Meyer (2014) argues that local stakeholders must forge new formal institutions and informal networks of collaboration among citizens and officials and utilize new opportunities for trade and profitable production.

In recent years, Local Economic Development (LED) has become a widely advocated development strategy in Tanzania at both the local government and community levels. It is concerned with creating robust and inclusive local economies that exploit local opportunities, address local needs and contribute to national development objectives such as economic growth and poverty eradication (Bishagazi, 2021a). LED in Tanzania goes in line with the Tanzania Development Vision 2025; and it is being implemented within Small and Medium Enterprises (SMEs) policy framework which account for a large share of the enterprises active in Tanzania. In the course of implementing the economic reforms, the government put in place a number of strategies and programmes aiming at addressing some of the major local constraints. Such programmes and strategies include: Rural Development Strategy, Agricultural Sector Development Strategy, Strategic Trade Policy, BEST-Dialogue Programme, Micro-finance Policy and Poverty Alleviation Strategies. Despite these efforts, LED is less widely implemented in Tanzania where it is still in an incipient phase (Olomi & Gerwen, 2018).

Consequently, this paper investigates the LED initiatives in Kigoma region where, over the past decade, local governments, community groups and Non-Governmental Organizations (NGOs) have become significantly more active in locality-based economic development. Kigoma is endowed with vast natural resources especially in agriculture which employs over 70 percent of the population, dominated by small-scale farmers, especially women (Magigi, 2013). However, natural resources are no guarantee to make a rich and welfare community. Despite abundant natural resources in Kigoma region, production value chains are limited to selling raw products

that are in fact making less profits for the communities. Moreover, based on a recent national Household Budget Survey (HBS, 2017/2018), Kigoma is the region with the highest poverty headcount of 49 percent.

To change the current situation, there is a need to identify challenges and opportunities along the local value chains in order to solve local challenges and tapping local opportunities which will be addressed in the local Public Private Dialogues (PPDs) in order to improve the local economy. This will create more employment opportunities particularly to youths who account to 30 percent of the total population (National Bureau of Statistics (NBS), 2012). Addressing youth across the country on June 15 2021 through those based in Mwanza, President Samia Suluhu Hassan, the Head of State said, currently 11.4 percent of Tanzania's youthful population that's in the working age are unemployed. Empirical evidence such as that of Agbevade (2018a) shows that LED initiatives increase employment by 20 percent at district level in Ghana. The study concludes that rice value chain through LED programme resulted in both direct and indirect employment and income generation for 10,500 rice farmers and the "aggregators", thus reducing poverty by 5.7 percent. It is therefore crucial for communities-based groups and Local Government Authorities (LGAs) to manage their existing resources in partnership with the private sector to create new jobs and stimulate economic activity and growth in an economic area.

Specifically, the study uses the case study of Uvinza District which is the most ruralized districts in Kigoma region (Magigi, 2013). The district is characterized by a high potential for development which is not efficiently used; low entrepreneurial initiative; and a deficient basic and social infrastructure. Accordingly, this study used the local form of value chain to examine the value chain of the major economic activities for agriculture, mining, tourism and fishing because; this research is anchored on the belief that LED initiatives have direct impact on the livelihoods of communities with positive benefits derived through the value chain of the main economic activities.

The main purpose of the study was to identify challenges and opportunities in growing the local economy in order to determine the best way of supporting opportunities and resolving the local constraints that limit business growth and local investment. The critical research question was how can local value chains provide an effective strategy for LED?

The paper will continue with a discussion of literature (section 2) and a brief methodological discussion (in section 3); while the main results and discussions are presented in Section 4; Section 5 presents main study recommendations and section 6 addresses the key policy implication of the study; while section 7 concludes.

2. Review of Literature

2.1 Local Economic Development: Meaning and Background

Owani and Mukuye (2018) define Local Economic Development (LED) as a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation for the given locality. It focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive (Rogerson & Nel, 2016). Moreover, it incorporates many local government and private sector functions including business development, infrastructure provision, real estate development and finance (Owani & Mukuye, 2018).

The traditional view of LED as a process of having developmental initiatives aligned to local development has shifted towards promoting self-sufficiency, regional, national, continent-wide and even global processes in the shaping of local economies and to the significance of support for LED from across the scale of governance.

LED as a concept has been part of development thinking for over four decades, however, the context of local economic development has radically changed since the nineteen eighties in developing countries. Up till the nineties, local development conditions were shaped by central government agencies whereby the economic development of particular localities and regions critically depended on central government interventions (Kacar, Curic, & Ikić, 2016). However, many of these interventions were implicit and discrete rather than based on an explicit policy of local area development. Policies of regional development served only as indicative guidelines for the spatial allocation of public investment (Ansell, & Gash, 2018). The dominance of central government in all spheres of economic life contributed to the underdevelopment of the local social and economic fabric (Bishagazi, 2021b).

However, the context for local economic development has enormously changed in the last two decades and so has the thinking about policies. Central governments have considerably reduced their responsibility for local prosperity. Localities and regions have been thrown onto themselves to take responsibility for their own development. Mostly by default and occasionally by design, local actors have been given the frameworks and have themselves developed the full range of processes to do so.

Akudugu and Laube (2013) confirm that LED becomes more effective when local stakeholders and authorities form partnerships with national planning agencies and international donors, jointly designing and implementing initiatives aimed at improving the local economy. Furthermore, there is a need for paradigm shift from top-down approaches to

bottom-up approaches of local development by mobilizing local resources to implement LED initiatives with an aim of reducing dependence on central government and donor funds.

According to Walter and Zondo (2020), there are three main categories of local economic development initiatives. The first set refers to actions that may be broadly described as community-based economic development. The second category refers to business or enterprise development. This broad category consists of initiatives that directly target and involve enterprises. The third category is the locality development. This refers to overall planning and management of economic and physical development of the area.

According to Kiss and Racz (2019), the determining factors for LED are demography; local economy; local business environment; infrastructure; regional and national policies; opportunities; and competition. However, according to Simms, Freshwater, and Ward (2014), factors affecting LED can be addressed in six dimensions: (i) demography; (ii) economic structure; (iii) revenues; (iv) basic services; (v) spatial location; and (vi) governance. Moreover, the multidimensional nature of LED is also mentioned by Pavel and Moldovan (2019) who classify multiple LED determining factors in 11 generic ones: (i) locational factors; (ii) physical factors; (iii) infrastructural factors; (iv) human resources; (v) capital and finance; (vi) knowledge and technology; (vii) industrial structure; (viii) quality of life; (ix) business culture; (x) community identity and image; and (xi) institutional capacity. The first seven factors are considered traditional factors for LED, while the last four are considered intangible factors.

2.2 The Role of Local government Authorities (LGAs) in LED

Municipalities face problems of inequality, unemployment, growing poverty levels and limited provisioning of basic services to local communities. These realities are aggravated by international trends and new realities such as urbanization, technological revolution, globalization and the increasingly global competitive environment. A combination of these factors constitutes the new external framework within which municipalities must address their economic status. This places major responsibility on the governments in as far as job creation, poverty alleviation and economic growth are concerned. Therefore, innovative and viable policy strategies are necessary for the propulsion of local economies with a view to addressing pressing societal problems manifested through high unemployment and poverty levels, and lack of access to basic services (Mashamaite & Lethoko, 2018).

This makes Local Government Authorities (LGAs) to be crucial players in local economic development. LGAs must provide a secure and stable environment in which economic activities can flourish. This includes physical infrastructure as well as providing leadership in job creation and economic development in their jurisdictions. As the public institutions closest to the people, with an immediate grasp of the assets, deficits, and issues of their communities, LGAs are the most appropriate agents to convene all of the local economy's stakeholders. Other stakeholders include the chamber of commerce, the representatives of micro, small, and medium enterprises (MSMEs), trade and labour unions, primary producers, education and training institutions, agents of the departments and ministries of other levels of government, non-governmental organizations and international development partners active in the community (Hofisi, Mbeba, & Maredza, 2013). LGAs are the best-placed initiators, catalysts, and drivers of processes that engage these stakeholders in visioning the future, designing strategies, and implementing economic development initiatives (Bateman, 2013).

2.3 Local Economic Development (LED): Opportunities and Challenges

In order for Local Economic Development (LED) to be effective and sustainable, it is important to identify and consider the community's economic opportunities and challenges and agree a shared strategy (Meyer, 2014). Agbevide (2018b) argues that LED strategic planning offers communities the opportunity to work together to improve the local economy and enhance competitiveness, thereby encouraging sustainable and inclusive growth.

Local economies are shaped globally by policies and processes that are formed at supranational, national, sub-national and local levels; and include complex forces and processes such as globalization, urbanization, migration, global and national production systems and trade. These forces create opportunities and challenges to localities which call for intervention through involvement of both the private and public sectors at a local level (Public Private Dialogues) in order to address these challenges and opportunities in ways that will benefit the local citizens and the local economies (Bishagazi & Gongwe, 2019).

The main local economic activities in many African countries include agriculture and tourism whereby agriculture accounts to 81 percent of the local employment (Koma, 2014). Other economic activities include husbandry, fishing, beekeeping and mining. Several studies have examined opportunities and challenges existing with respect to these local economic activities in different local economies in Africa.

For example, a study by Meyer (2014) to examine local opportunities and challenges in Mafube, Metsimaholo, Moqhaka, and Ngwatho local municipalities in South Africa, made the following findings. In Mafube municipality,

potential exists for large scale agricultural projects, infrastructure development and tourism development along the Vaal River. Developmental opportunities also exist at Villiers along N3 corridor. Nevertheless, local economic challenges identified include poor maintenance of roads and infrastructure, lack of housing data base and housing development, and poor management system for community development. In Metsimaholo municipality, potential exists for tourism development along the Vaal Dam and Vaal River. The municipal area is well known as a manufacturing and industrial focused cluster which includes Sasol Industries. The cluster needs to be protected and strengthened. Nonetheless, the following challenges were identified for the municipal area namely poor maintenance of roads and infrastructure, lack services master plans, and lack of housing data base and housing development.

Similarly, in Moqhaka municipality, local opportunities include tourism and agriculture which makes it potential for irrigation projects, agro processing and industrial sites. The municipal area is well located for business and industrial development along the N1 freeway for a mixed use development zone. In her study in Harare Zimbabwe, Mandisvika (2018) conclude that the practice of LED is based towards the setting aside of land zoned for industrial and commercial uses. Tourism potential also exists in the area. However, the municipality is constrained with ageing infrastructure and lack of funding for maintenance, lack of technical skilled officials, and poor public participation. In Ngwathe local municipality, potential exists for tourism in townships, SME development and development of industries in Koppies and Heilbron. Mandisvika (2018) found that SME and the informal sector are the major forms of LED that citizens are involved in in Harare Zimbabwe. Nonetheless, the following challenges were listed for the municipal area namely poor maintenance of roads and infrastructure, lack of services master plans, and lack of housing data base and housing development.

In their study, Ariatti and Chasomeris (2015) found that agriculture is the dominant economic sector employing over 50 percent of all formally employed people in uMshwathi District in. Opportunities exist for the addition of diverse everyday agricultural activities giving rise to ecotourism, a particular form of tourism based in natural areas, with the locality being branded leading to a 'destination effect'. Moreover, as the Albert Falls Dam is a World-renowned bass fishing venue, the district has a great potential for modern fishing which should benefit the local dwellers. In their study, Butler and Rogerson (2016) concluded that LED initiatives in order to promote the area's tourism products in Dullstroom in South Africa were not benefiting local black communities. However, main local economic challenges in uMshwathi District include inadequate infrastructure and a changing climate.

Ariath and Chasomeris (2015) conclude that agriculture can provide an effective strategy for LED for uMgungundlovu District Municipality (UMDM) which is characterized by poor infrastructure and service delivery backlogs and is susceptible to poor growth and underdevelopment. However, main challenges to agricultural development in the district include lack of technical training, access to finance and agricultural inputs.

In Tanzania, Bishagazi (2021a) found out that main challenges in growing the local economy in Kahama and Ushetu Districts include low productivity, poor extension services, low access to market information, inadequate processing facilities and lack of credit facilities. Despite that, Kahama and Ushetu Districts have great potential for large scale rice milling and large and small scale mining due to excessive paddy farming and availability of minerals particularly gold (Bishagazi & Baisi, 2020).

In Mvomero District in Morogoro Tanzania, Tutuba and Vanhaverbeke (2018), found that despite a great potential of beekeeping as the main local economic activity in the district, beekeeping is not commercialized due overreliance of traditional beehives and honey production methods; low productivity; poor quality of honey, limited access to finance and insufficient fodder.

3. Methodology

3.1 Design and Approach

This study involved a mapping of the local economic environment of Uvinza District in order to identify local challenges and potential for economic growth. Mapping involves asking interviewees or group participants to sort or 'map' objects (or representations of objects) according to how they are seen or thought of. It is a very powerful enabling technique which allows people's own categorizations and understandings of an issue to be exposed and explored.

Moreover, a qualitative approach anchored this research. According to Haradhan (2018), Qualitative research is a process of naturalistic inquiry that seeks an in-depth understanding of social phenomena within their natural setting. It focuses on the "why" rather than the "what" of social phenomena and relies on the direct experiences of human beings as meaning-making agents in their everyday lives. Rather than by logical and statistical procedures, qualitative researchers use multiple systems of inquiry for the study of human phenomena including biography, case study, historical analysis, discourse analysis, ethnography, grounded theory, and phenomenology. Kaur, Stoltzfus,

and Yellapu, (2018) argue that the goal of understanding a phenomenon from the point of view of the participants and its particular social and institutional context is largely lost when textual data are quantified.

3.2 Profile of targeted Area

Uvinza District Council is among the newest councils in Kigoma region which was established in March 2012 from Kigoma district council. The district is located within a longitude 5°00 and 6° 55, Southern Equator and longitudes 29° 35 and 31° 30 eastern Greenwich. The council is divided into three topographical zones- the high land zone, the low land zone and the Lake Tanganyika zone. The district has three divisions, namely Ilagala, Buhingu and Nguruka. In total, Uvinza has 16 wards, 61 registered villages and 327 hamlets. The Head Quarters of the district are found in Lugufu which is located 30 km from Uvinza. It covers an area of 10,178 square km of which 6,425 sq km (1/3 of the area) are covered with water mainly Lake Tanganyika and big swamps at Nguruka.

3.3 Population and Sampling

125 individuals were targeted for this study. The targeted population was divided into seven main clusters as follows: (i) government officials; (ii) business people; (iii) farmers; (iv) Private Sector Organizations (PSOs) and Non-Governmental Organizations (NGOs); (v) financial institutions; (vi) public sector institutions; and (vii) influential people in the respective areas. In total, 81 respondents were interviewed by the researcher as shown in Table 1 below.

Purposive sampling was used in this study. Purposive sampling involves identifying and selecting individuals or groups of individuals that are knowledgeable about or experienced with a phenomenon of interest (Fatima, 2017). In addition to knowledge and experience, the importance of availability and willingness to participate, and the ability to communicate experiences and opinions in an articulate, expressive, and reflective manner as the basis of sample selection.

Table 1: A summary of categories of respondents

S/N	Stakeholders/Respondents	Targeted Population	Number of respondents
1	Regional Administrative Secretary (RAS)	1	1
2	District Executive Director	1	1
	Heads of Departments in Uvinza District	3	2
3	LGA Officers(i.e. DAICOS, DTOs, DCOs, DPOs, DLOs)	10	9
4	Managers/owners of financial institutions	5	3
5	Managers in Government Institutions (e.g. TRA, TANESCO)	2	2
6	Officers of regional, district and subsector associations and networks (TCCIA)	2	1
7	Farmers, livestock keepers, including agri-business enterprises	80	49
8	PSOs, Business people and companies	12	5
9	Economic Development Partners and NGOs	4	4
10	Religious and other influential people	5	4
	TOTAL	125	81

3.4 Data Collection Methods

The study involved a review of the existing secondary data (desk review) and primary data. Desk review involved gathering of archived document evidence such as socio-economic profiles, financial and progress reports of Uvinza District, minutes of the District Business Councils meetings, economic databases, publications, and other research reports. Review of existing documents and research helped the researcher to explore the existing information in order to obtain an independent assessment relating to the economic environment of Uvinza District.

On the other hand, primary data collection involved observation, Key Informants’ Interviews (KIIs), and Focus Group Discussions (FGDs) with key Local Government Authorities staff, and other key stakeholders including beneficiaries.

3.5 Data Analysis

Data analysis was mainly done through thematic analysis. The results were broken down and presented into different themes and sub-themes which emerged from the interviews and Focus Group Discussions (FGDs). Triangulation was used to compare information gathered from different sources such as literature, interviews, focus group discussions and policy documents. For each main local economic activity, opportunities and challenges were identified and critically analyzed. In addition, a validation workshop was conducted which helped the researcher to share study findings for stakeholders’ validation and to obtain additional inputs from stakeholders on areas of focus and advocacy. The validation workshop involved the Regional Administrative Secretary (RAS), Regional Trade

Officer (RTO), District Commissioner (DC), District Executive Directors (DED), LGA officers including Agricultural and Trade officers, farmers, traders, representatives of different AMCOS, and financial institutions.

4. Findings

4.1 Agriculture

Agriculture-led growth is a main strategy to achieve the TDV 2025 and the Sustainable Development Goal (SDG) of poverty reduction whereby the government and other development partners promote agriculture as a means to achieve all-inclusive growth, employment and food security. It is estimated that about 95 percent of the population in Uvinza District depends upon agriculture and livestock keeping for their livelihood while the remaining percentage of the population depends on other activities such as fishing, mining, beekeeping and trade. Important crops in the district include tobacco, cassava, maize, palm oil, beans, coffee, millet, sorghum, paddy and sesame. However, currently the biggest opportunity in the farming business in the district relates to production of cassava, palm oil, and cashew nuts. These are explained below:

4.1.1 Palm Oil

Palm oil is now considered the most important source of vegetable oil in the World (Isinika & Jeckoniah, 2021). In Tanzania, 95 percent of imported vegetable oil is palm oil (Balchin, Kweka & Mendez-Parra, 2018). Currently, the national palm oil needs are estimated to be 600,000 tons per annum whereas the country produces only 40,000 tons (Mgeni, Müller & Sieber, 2019). Palm oil is one of the most important crops in Uvinza and the district is one of the leading districts in palm oil production in Kigoma region.

It is grown mainly along the Southern part of the district especially in Mwakizega, Ilagala, Sunuka, Igalula, Buhingu and Kalya wards. Particularly, villages ideal for palm oil production in Uvinza are Katete, Sambala, Kajeje, Kanywangili, Kasisi, Itebula, Kalya, Buhingu, Rukoma and Kashagulu. The area under palm oil cultivation is estimated to be 6,609 *ha* (i.e. 2% of the land). The average palm oil yield is estimated at 3.8 tons per *ha*.

At Uvinza district, most of the palm oil production is carried out in small scale especially using producer groups/AMCOS such as KAMWAKI, MWANGA and UMOJA. Medium and large scale production of palm oil is also carried out but at a low rate mostly by local businessmen. FELISA is a Belgium company which has showed interest in large scale palm oil production in Uvinza owning around 200 acres of land at Ilagala. In addition, FELISA also provides support to small and medium palm oil producers by giving them tractors and allowing them to use its land for free to produce palm oil. Apart from that, the LGA has set aside 450 acres at for large scale production of palm oil. Therefore, productivity with relation to palm oil is still low comparing to the demand for the product inside and outside the country.

The LGA at Uvinza in collaboration with LIC have invested in constructing irrigation schemes infrastructure for palm oil at Kashagulu (1,200 *ha*), Biliani (1,000 *ha*) and Ruguvu (1,500 *ha*).

There are 3 palm oil varieties which are Dura, Pisifera and Tenera. Tenera is an improved variety of palm oil which is the hybrid of Dura and Pisifera. Dura which has low oil yield is the main variety grown at Uvinza and Tenera is grown in few places. Several institutions such as LIC, FELISA and SEED CHANGE are involved in supplying palm trees for production. SEED CHANGE is the major supplier of palm trees for production. However the major challenge for farmers at Uvinza district is that SEED CHANGE is found in Kigoma district which forces them to incur additional transport costs. Most importantly, palm trees are expensive costing Tshs. 6,000/3 USD per tree and 1 acre requires 57 trees costing Tshs. 342,000/171 USD per acre. Therefore, availability of improved palm trees for production is a huge challenge for farmers in Uvinza district.

Oil extraction is done locally by using a 200-liter drum known as ‘Burundi Expeller’ by local farmers. Small holder processors such as KKI (Kikundi cha Kukamua mawese Ilagala) use a traditional method of boiling to refine the palm oil/kernel oil. This method does not produce quality refined edible oil for home consumption which forces small holder processors to sell raw palm oil. Availability of good and efficient processing facilities will reduce production cost.

There is no organized marketing system for palm oil which causes a considerable loss of revenues to the government. Farmers depend on the middlemen/stockists who determine the prices and units to be purchased. Most of these middle men are not willing to use standard measures (kilograms/liters) when buying palm oil, instead an expended modified 20 liters container known as ‘Bidoo’ which takes 30 liters or more at minimum, is used to represent as a 20-liter container.

The price of the palm oil in Uvinza is as low as Tshs. 700/0.35 USD to Tshs. 900/0.45 USD per liter during the high production period (September to December) and as high as Tshs 1,500/0.75 USD per liter during the low production

period (January to July). However, the prices are not fixed. Most of the middle men sell palm oil in Burundi, Rwanda, Congo, Congo Brazzaville, and Zambia.

Generally, there is a huge potential in investing in palm oil in Uvinza district because the district has ample and ideal land for palm oil plantations. Besides, there is a huge demand of palm oil both in the region and in neighboring countries such as Burundi and Rwanda. Farmers are knowledgeable on palm oil production systems though they lack up to date and best agronomic practices of the crop.

4.1.2 Cassava

The production of cassava in the World has been gradually increasing and currently it stands at 270 million tons whereby Nigeria is the leading producer of cassava in the World with an annual production of 50 million tons (Ikueomonisan, Mafimisebi, Ajibefun & Adenegan, 2020). Tanzania ranks 8th in Africa in cassava production worth USD 370,000 (Mtunguja et al., 2019). Such an increase in cassava production has been driven by the industrial application of cassava in the Asian continent. Apart from that, initiatives that promote cassava to meet rising dietary needs have been undertaken in many countries in Africa whereby the consumption has risen by 4 kg to around 133 kg per year. Moreover, cassava requires few inputs and can tolerate dry weather conditions.

Demand for cassava is extremely high in the domestic market of Uvinza itself, in Kigoma region as a whole and in neighboring administrative regions and in Tanzania as a whole. Beyond Tanzania there is even a greater market in neighboring countries especially Burundi, DR Congo, Rwanda, South Sudan and Zambia.

However, cassava yields in Uvinza are still low due to occurrence of pests and diseases; the use of low yielding traditional planting materials; moisture stress; and poor substance farming practices.

Uvinza district produces 213,682 tons per year whereby 16% (i.e. 64,563 *ha*) of the land in district is conducive for cassava production. Most of the cassava production is carried out mostly at small scale and medium scale organized in production groups/AMCOS such as KASINGA, KAVIGIRI, ITEBULA, and KACHAMBI. The main suppliers of cassava cuttings in Uvinza district are the LGA and BTC.

Currently, cassava is being processed at small scale. There is no any medium or large-scale processing of cassava at Uvinza district. Farmers sell cassava to middlemen/stockists at a price ranging between Tshs. 500 to Tshs. 600 per kg. The district does not have formal market places for cassava trading but suitable areas that have already been demarcated by the LGA include Kazuramimba, Kandaga, Ilagala, Basanza, Mwakizega and Buhingu.

Particularly, Burundi is the main buyer/consumer of the cassava produce in the district. Fifteen years of civil war combined with extreme poverty; a fragile political process; and recurrent climatic shocks have had a strong negative impact on Burundi's economic and nutrition indicators. This has greatly influenced food trade from these districts which they share border with.

4.1.3 Cashew nuts

Cashew nut at Uvinza is a strategic crop under the national strategic agricultural policy. Researchers from the National Agricultural Institute NALIENDELE carried out a comprehensive survey and found out that Uvinza district is suitable for cashew nut production particularly at Nguruka, Iebula, Mtegowanoti and Mganza. Cashew nut production began in November 2017 therefore it is still at an initial stage but with great potential. NALIENDELE continues to support development of appropriate technologies for production.

NALIENDELE distributed 1 ton of cashew nuts seeds to the district which are still at an early stage but they are in good condition. Production is still at small scale organized in AMCOS such as TUJIKOMBOE which obtained finance from financial institutions such as NMB for agricultural tools.

Since the crop has recently been introduced in Uvinza, there are no processing activities yet therefore there is a great potential for the cashew nut processing company/establishment. Statistics from Nkonya and Barreiro-Hurle (2013) show that 40 percent of raw nuts in Tanzania are processed domestically into cashew nut kernels which are sold in the local markets while some are exported. This implies that 60 percent of cashew nuts produced in the country are exported in raw form. This indicates more processing facilities are required.

Sale and marketing of cashew nuts in Uvinza district will be controlled by the Cashew nut Board of Tanzania (CBT) which requires cooperatives unions to be established and this is currently in the process. The main function of the board is to promote the development of cashew nut production, processing and marketing, assist research and development for the industry, regulate and control the quality of cashew nuts, to collect and disseminate information on the industry.

Generally, the main stakeholders in the cashew value chain are producer groups, processors, exporters, roasters and retailers including street vendors. Others include input suppliers who provide fungicides, pesticides, farm inputs and plating materials.

4.2 Beekeeping

Beekeeping is a long established economic activity in Tanzania whereby more than 50 percent of the country is covered with forests suitable for beekeeping. It contributes to the national economy by generating around USD 19 million per annum and employing more than two million people (Kimaro et al., 2013). Honey is one of the most popular products with so many uses from being a sweetener, medicine to being used for beauty purposes. It is also used as an ingredient for honey beer and wine. What is more interesting is that honey can be consumed by an infant as well as an old person. Apart from that, honey bees are also one of the main pollinators of wild plants and crops and therefore they are valuable for agriculture and biodiversity. Currently, China is the largest producer of honey in the World producing 40 percent of the consumed honey in the World (Zheng, Cao, Huang, & Nuemann, 2018). In Africa, Ethiopia and Tanzania are the leading producers of honey (Gratzer, Wakjira, Fiedler & Brodschneider, 2021)

Beekeeping is an important economic sector in Tanzania which is carried out by around 69 percent of the districts within the country (Tutuba & Vanhaverbeke, 2018). In Kigoma region, beekeeping is the fourth economic sector in income contribution to the region. Beekeeping is popular because it generates cash income which can be combined with other economic activities as a sideline business.

Production of honey at Uvinza district is both at low scale and medium scale whereby only 9 percent of the beekeepers use modern beehives which are one of the causes of low honey productivity in the district. Despite that, honey from Uvinza is rated as the best in the World; however, due to inconsistency in the quality of honey produced due to the inability to modernize honey production processes, the district has not been able to tap serious large-scale buyers. Moreover, the current statistics show that Uvinza has overturned Kibondo to be the leading producer of honey in Kigoma region whereby the number of households practicing beekeeping has doubled in four years. Annual honey production is 93.3 tons with more than 30 forests reserved for beekeeping by the district authority. Producer groups/AMCOS include MFUGENZI BEEKEEPERS, MUAKILA BEEKEEPERS, KAZAROH BEEKEEPERS, UPENDE GROUP, MISITU NYUKI, TUYAGILE HAMWE, KAMSEKWA GROUP, and UMOJA NGUVU PROCESSING GROUP. This is contributed by significant efforts done by BTC to increase honey productivity at Uvinza district.

However, there is little value addition of the produce; therefore, most of the honey produced is sold in its raw form because raw honey sells quickly as most beekeepers want to obtain quick cash. Selling processed honey requires patience for the good customers to come. Crude honey sells at around Tshs. 45,000/22.5 USD per bucket while pure honey sells at Tshs. 140,000/70 USD per bucket.

Most of the packaging is done by Jambo Plastic Co. Lt which is the main supplier of packaging materials. Moreover, the major honey cooperatives in the district (i.e. KAZA ROHO, MFUNGEZI, and MWAKILA) acquired barcodes certification from TBS and branded their products “Uvinza pure honey”, “Masito-ilagala Pure Honey”, and “Nguruka Pure Honey” respectively.

Most of the honey produced at Uvinza is exported to Zambia, Rwanda, Burundi and Congo. Apart from that, a wholesaler and retailer known as CG Honey Ltd is one of the large-scale buyers of honey in the internal market.

Generally, the beekeeping is extremely potential in Uvinza district whereby the current productivity has not been able to fulfill the current honey/ bee wax needs. Threats to beekeeping activity include reduction of bee population due to loss of forests as well as conflicts over land use with herders and crop farmers.

According to Tutuba and Vanhaverbeke (2018), beekeeping in Tanzania has high potential but this potential is not fully exploited and the sector is non-commercial. Further analysis of (Tutuba and Vanhaverbeke (2018).) show that causes of inability of the rural Tanzania beekeepers to establish commercially viable businesses include: (i) overreliance on traditional hives and honey production methods; (ii) low productivity; (iii) poor quality of honey; (iv) and limited access to finance. Guyo and Solmon (2015) add that insufficient beekeeping expertise and management are the two critical underlying factors that have led to the current situation. In addition to that, Baltazar, Kianga and Mwabess (2013) found that beekeeping in Tanzania is challenged by diseases, application of chemicals, poor storage facilities, poor extension services and deforestation.

4.3 Mining

The main mining activity at Uvinza district is salt mining. Salt mineral deposits are found at Uvinza division where extraction started 50 years ago. Salt extraction is done mostly in small scale by women groups. There are few medium scale manufacturing companies such as Ruchugi Salt Mine, and JAM Salt Mine. The only large-scale salt company in Uvinza is Nyanza Salt Mine. 60 percent of the salt produced in Uvinza is exported to Burundi and DR Congo.

Apart from salt, limestone extraction began recently at Mwamila with 112 small miners with locally processing facilities. Limestone production through local produce averages 1800 bags per 1 kiln. This implies that production stands at 5 kilns per week which is equivalent to 9.4 tons per week. Currently, there are no medium or larger scale extractions of limestone.

Other potential minerals that are found in Uvinza but they have not yet been explored include platinum, nickel both found in Mgambazi, galen and copper obtained in Ilagala ward and gold in Kalya and Buhingu Wards.

Due to availability of few business and financial services, there are no distributing centers for the mining produce at Uvinza district. This force mining companies to incur additional transport costs of transporting the mining produce to Kigoma town.

Generally, availability of these minerals make Uvinza District extremely potential for Artisanal and Small scale Mining (ASM) which will help in boosting youth employment. In their empirical study, Deller and Schreiber (2012) found a positive and significant relationship between mining activities and economic growth.

4.4 Tourism

Apart from fishing, Uvinza has several tourist attractions in the district which have led to the growth of tourism as a business activity that local people are engaged in. In Uvinza district, there are numerous species of wildlife which are found in the National parks, Game Reserves, the game controlled areas and hunting blocks, Popular among these species are the hippos, elephants, buffaloes, giraffes, chimpanzee, crocodile and various species of birds known Bungunusi at Malagalasi river. Other attractions include Lake Tanganyika the second World's deepest, Mahale National Parks where chimpanzees are founding, Lake Sagara, Nyamagoma, and Malagarasi waterfalls at Igamba.

Tourism is another important sector in the district. Uvinza is endowed with a lot of natural attractions such as the Lake Tanganyika the second world deepest, Mahale National Parks where chimpanzee are found, Lake Sagara, Nyamagoma, Malagarasi waterfalls at Igamba, Uvinza Nyanza Mines, Traditional dances. Investment in construction of Hotels along Lake Tanganyika, recreation areas and tour guide company is very important.

Rogerson (2015) points out that many South African studies have indicated that tourism is the most important job creator and is a powerful tool for LED. Consequently, the South African government has recognized tourism as a tool that could drive local municipalities especially rural ones towards achieving LED initiatives by introducing a number of support enterprises to capacitate local people.

Fishing industry plays an important role in the economy of Uvinza district as 1/3 of the district is covered with water unlike other districts. If handled well, fishing can be an important economic activity with vast contribution to local employment as revealed by (Lugendo & Mwaijande, 2015). Currently, fishing activities are mainly carried out at small scale in Lake Tanganyika and in other small water bodies such as lake Sagara, lake Nyamagoma, river Malagarasi, river Ugalla, river Luguvu, river Rwegere and Kandaga pond. The species abundantly caught are Sardines (Dagaa) and Lates (Migebuka).

In recent decades, fishing sustainability has been a subject to intense debate. Overfishing and contamination of marine environment are elements that contribute to a reduction in fish stock and catches often leading to a decline in income and employment especially in rural areas (Karatas, 2015), and Uvinza is not an exception. Camara and Santero-Sanchez (2019) present a sustainable fisheries model that promotes artisanal fishing while incorporating replacement rates of fish stock and actions at benefit the fishing industry in general.

Apart from fishing, livestock keeping is also an important sector in Uvinza. This is because of the nature of this district; it has heavy and conducive forests for livestock keeping. Livestock keeping that is practiced in Uvinza district is both traditional and to some extent commercial in nature. Most business activities relating to livestock involve selling of live animals in formal markets. Dairy products that act as a source of income is mainly milk and hides on a small scale.

Moreover, Uvinza District is endowed with a lot of National forests such as Lugufu (5,439 Ha), Ilunde (5,997.50 Ha), Basanza (12,850 Ha), Uvinza (16,835 Ha), Mpanda line (35,612 Ha), and Apart of these there is one forest reserve known as Rukunda – Kachambi (11,991.70 Ha) which is a Forest Reserve under Uvinza. The furniture industries can be located at Nguruka and Uvinza ward due to availability of raw materials such as timber and logs which attract the investment of small industries and medium industry in particular areas.

5. Recommendations

From the above discussion, Uvinza district is blessed with vast of natural resources which can provide adequate opportunities for boosting the local economy. In order to for these resources to benefit the local people, then there

are a lot of efforts are still needed to turn Uvinza into a district with economic potential. Main recommendations include:

- a) More formalization of land is required to enable local people acquire more land for local economic activities and access credit.
- b) People who have held land without utilizing it should return it and be given to other producers with ability to fully utilize it.
- c) Promoting livestock keeping with business orientation.
- d) The large number of animals in Uvinza district requires investment in modern meat processing factories. Investment in small, medium and large processing industries will increase the value of livestock products, thus, ensuring farmers with reliable markets for their livestock. If milk and meat are processed, they can be preserved for long periods while transported to outside market in the district/region/country.
- e) Due to depth of the lake, professional expertise is needed to determine areas with vast amount of fish.
- f) There are lot of tariffs on fishing activities which can be addressed in the PPD how to reduce them.
- g) Measures to discourage illegal fishing should be instituted.
- h) Establishing processing facilities for fish products.
- i) Facilitating establishment of cooperative societies which will help farmers to have collective bargaining power. Apart from that these societies should be properly financed to enable them to seek market information and appropriate buyers.
- j) To facilitate sustainability of the trainings for technical knowhow, formal technical institutions (agriculture, beekeeping, fishing) should been built in these localities. However, preliminary survey is crucial before determining the models and types of trainings to avoid repetitions.

6. Policy Implication: Creation of a LED unit

Local Government Authorities (LGAs) have been tasked and have the responsibility to ensure that they fulfill the governmental constitutional developmental mandate of coordinating local economic initiatives. This includes enterprise development, economic diversification and innovation of the rural economy, increasing its market orientation, and fostering value addition to rural products. Thus, LED is one of the main objectives for the district municipality.

However, the current LED activities in Uvinza District rely much on small scale and community-based initiatives seeking to ensure survival, rather than participation in the global economy, and operates at an informal level rather than a formal sphere. This is mainly caused by lack of a LED unit in Local Government Authority of Uvinza. Hence, an establishment of a LED unit is crucial. A LED unit will facilitate preparation of a LED strategy which will take into account all the principles of a modern strategy. Moreover, in order to sure a smooth implementation of a LED strategy it is important to ensure adequate funding and capacity building. In addition, improved overall support and co-ordination is required by the Regional and central governments regarding LED action plan at the local level.

7. Conclusion

The success of communities today depend upon them being able to adapt to the fast changing and increasingly competitive market environment. Local governments have an essential role in creating favorable environments for business success and job creation trough LED initiatives. Based on study findings and analyses, the following conclusions are made:

- a) The local value chains in Uvinza District are characterized by low production and productivity, poor service delivery, lack of formal organizations, poor market access, weak linkages between actors and the lack of active search for supporting each other and achieving a win-win collaboration.
- b) Agriculture continues to be one of the most labour-intensive goods-production sectors with substantial employment linkages and a strong direct and indirect employment links to the rural poor in Uvinza District.
- c) Uvinza District is blessed with vast of natural resources. In order to for these resources to be benefit the local people, there are a lot of efforts are still needed to turn Uvinza into a district with economic potential. Such efforts include establishment of formal markets and distribution centers; availability of business/financial services; value addition of goods with modern technology, and availability of data.

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