THE ECONOMIC STRUCTURE OF MOROGORO TOWN

Some sectoral and regional characteristics
of a medium-sized African town

Research Report No. 17

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assisted by

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Bergen, 1st November 1973 Jan Lundqvist

II. SUMMARY OF STUDY

Morogoro is one of nine towns in Tanzania which have been selected for "concentrated urban development". This means that it is favoured in terms of investments but also that special expectations are put upon its role as a stimulus to agricultural/rural development in the neighbourhood. This study aims at giving a picture of the economy of Morogoro, both concerning the relative importance of the various sectors and also the regional links of the economic activities. The material for this study is about 450 interviews with the owners/managers of almost all economic activities in town.

The town has received a lot of investments during the last years. If one also includes the benefits it is likely to get from the new road between Dar es Salaam and Zambia and the nearby Uhuru Railway, it appears that the future of Morogoro town and district are far better off than the average towns and districts in Tanzania. It also seems that the area has now recovered from the economic shock which was experienced during the first and middle years of the 60's when the prices of sisal fell considerably.

During the last twenty years the population in the town has quadrupled. In 1948 the population was 8,200 and at the time of this study (1972) it was assumed to be around 33,000. It is a little bit difficult to comment with certainity upon the changes in the economic structure during the same period, but some trends are evident. The number of new establishments, and the changes in ownership in old establishments have increased considerably since 1967 (see Table VIII:1,2). It can also be seen that the number of establishments under "manufacturing" has increased most in relative terms during the last five years. But also units under "commerce" have entered business. The last five-year period is therefore very important for the town.

Three features are associated with the newcomers during the last five years. Most of the establishments are relatively small, except for the Tobacco factory, which is the biggest firm in town, and many of them are located in the Mji Mpya (the new town area). A third important feature is that most of the establishments have Africans as owners or managers (Table VIII:2). It also seems that the development will be along these lines. Only 5% of the owners/managers had plans to reduce their business, while about 40% had plans/wished to expand their businesses. On an average the Africans had a more positive view of future business, than had other groups of owners/managers (Table VIII:3).

It can be anticipated that there will be a lot of "new blood" in business within the foreseeable future since many of the present owners/managers are relatively old, which is implied by the fact that 56% of the present owners have established the businesses themselves (see Table VIII:4). How the changes in ownership/managers will effect the business is of course difficult to say, but it seems logical that new owners/managers will be more positive to the future than previous owners/managers who have not been able to keep up with the changing political and economic conditions in Tanzania since Independence.

The regional links of the economy of Morogoro have been assessed by a rough estimate of the relative importance various areas in Tanzania play as suppliers of inputs to the activities and as markets for the produce from the activities (see section 6). A distinction is made between "local" and "non-local" input and output in order to see how the economic activities are linked to the local areas and to places far away. This seemed to be a very relevant distinction in order to get a valid picture of the role Morogoro plays as a growth-centre (for the surrounding areas), but also to see how it fits into a national system. It could for example be assumed that relatively strong links should have developed to areas along the transport routes. The relative distribution of persons working in the four combinations of "input-output" categories is shown below:

	Local output	Non-local output	
Local input	45%	9%	54%
Non-local input	17%	29%	46%
	62%	38%	100%

The figures indicate that a little bit more than half of the inputs come from local sources. At the same time almost 2/3 of the output ends up at the local area of Morogoro town and its neighbourhood.

The attachment to non-local areas is shown in maps VI; a, b and c. It is shown very clearly that Dar es Salaam has the most dominating links. Other important areas are Moshi, (Kilimanjaro district), Arusha, Tanga, Kilosa, Ulanga, Iringa, Dodoma, Mbeya, Mwanza, Bukoba, Tabora and Songea. The strength in the links to these areas has been assessed through the flow of registered letters and the amount of money, through money orders, and indicate a rather constant flow from month to month. We can thus conclude that the maps indicate the geographical structure of the regional economy of Morogoro town, and the relative importance of the links to various parts of the structure.

In short, it seems that at present Morogoro is a "very ordinary town" in Tanzania and maybe for large parts of Africa as well. There are however possibilities that the town has a relatively brighter future than the average Tanzanian town. The reasons for this are: the location along major transport routes, the status of being one of the selected towns for "concentrated urban development", the closeness to Dar es Salaam and the area's potential for Agricultural development.

Given these conditions and the positive attitudes of the owners/managers about the future of their economic businesses, there are grounds for a good prognosis.

1. BACKGROUND AND PURPOSE OF THE STUDY

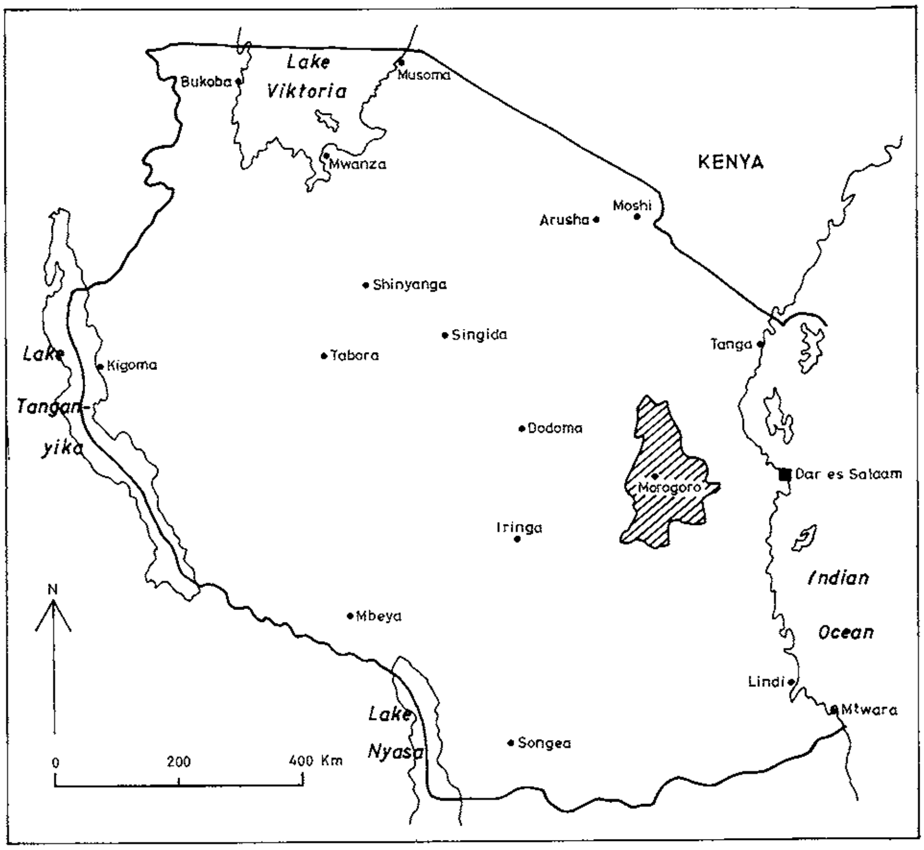
Quite naturally no country can be without towns or central places for its development. In the debate about the role to be played by towns in development, primarily two questions arise. One is concerning the appropriate size of the towns and the other concerns which functions or activities should be represented in the towns. The last question seems particularly relevant for developing countries since functions facilitating the spread and adoption of innovations often are poorly represented. Instead it seems that diseconomies of various kinds develop easily in such countries and many times threaten the positive functions apart from costing the national economy big sums of money. By diseconomies it is usually meant features such as pollution, sewage, etc., but in this context we would also include the diseconomies of dispelled labour, unemployment which often goes together with slums or shanty-towns, alienation and criminality, poor health, etc. Also luxury consumptions and generally the mentality which favours luxury and imported goods instead of domestic goods, could be referred to this category.[1]

The size of towns must be considered in two different perspectives. The size of a particular town and the size of the entire urban population in relation to the national population. The discussion on this matter is not focused on developing countries, and it is important to make a clear distinction between the two different conditions in developed and developing countries. A number of authors have, for example, pointed out that an optimal size for a town is around 200,000. These figures do point at situations in developed countries where the urban population is between 50-70% of the total. They do, moreover, primarily point at the optimal size for the town itself and not for the town in relation to the regional economy.[2] For a country like Tanzania with about 13 million inhabitants and an urban population of about 6%, it would not be an optimal solution with four towns, each containing 200,000 inhabitants.

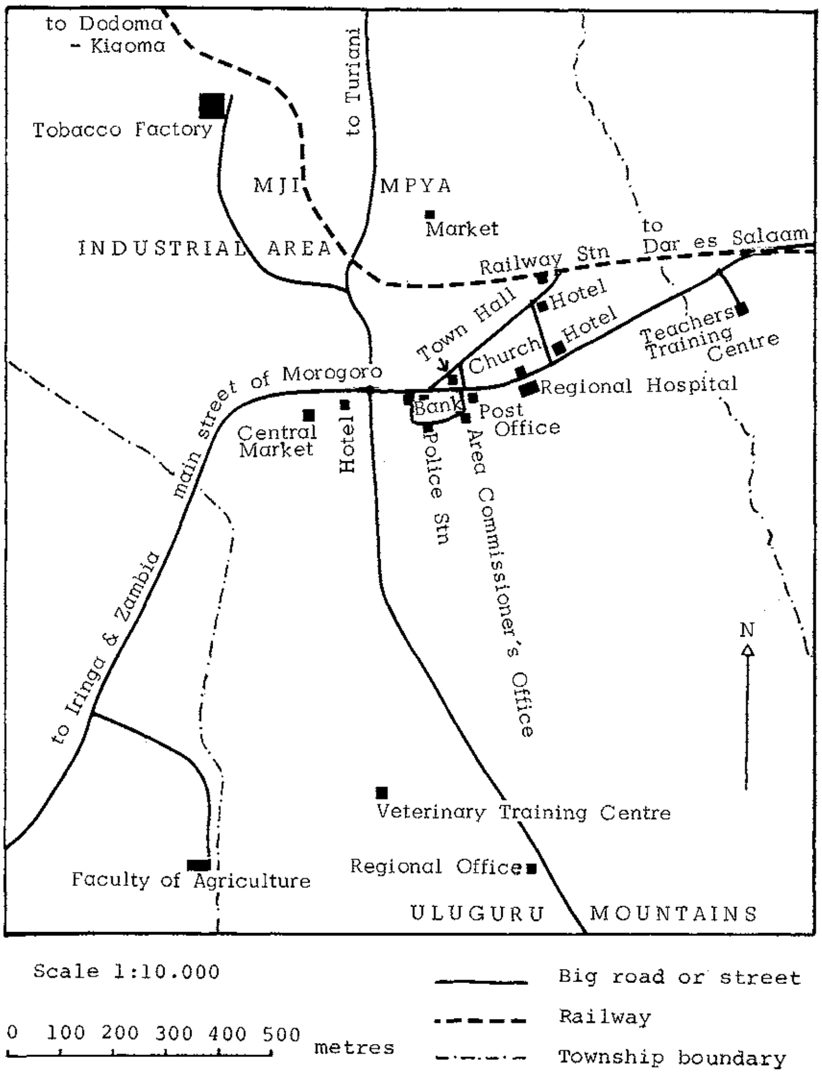
The present urban structure of Tanzania is quite "top-heavy" with Dar es Salaam as the dominating centre with about 300,000 inhabitants. Although varying in size the 18 towns have rather equal functions.[3] The purpose of this study is to make an inventory of the functions in an "ordinary" Tanzanian town. Morogoro has been chosen for this study. It is situated about 200 kilometres west of Dar es Salaam and is the regional capital of Morogoro Region. It has about 33,000 inhabitants[4] and is one of the nine selected towns, which have been chosen for "concentrated urban development". (Second Five Year Development Plan Vol.1, p.118, see map.)

In Claeson & Egerö (1971) various demographic and migratory features of the population in Tanzanian towns and regions are compared. The tables and figures show that Morogoro town places itself very close to the average or the median town in Tanzania. The only extreme figure concerns the regional out-migration, which shows that Morogoro region has the highest number of out-migrants per 1,000 regional inhabitants in 1957, in Tanzania (p.15).

More specifically we want to examine the role played by Morogoro as a "growth-pole" and in what directions it seems to develop. In sections 2 and 3 we shall discuss some theoretical concepts and review a couple of studies concerning African towns, but first we will give a short presentation of Morogoro town.



Map showing the towns in Tanzania. Morogoro district is marked out.



The map shows the central parts of Morogoro town. South or south east of the town are the Uluguru Mountains. The new road between Dar es Salaam and Zambia will pass north and west of the town area.

1.1 A brief presentation of Morogoro town

The town is very beautifully located at the foot of the Uluguru Mountains which rise to an altitude of more than two thousand metres. The town is 500-600 metres above sea-level. The words Morogoro and Uluguru are clearly related since the letters "l" and "r" are used as synonyms in Swahili and most local languages. Besides the letters "u" and "o" are pronounced in about the same way. We can thus write Muruguru or Mulugulu or we could write Ologoro when we mean the town and the mountain respectively, and people would understand us.

The dominating ethnic group in the area is Waluguru, which is the sole group in large parts of the mountain areas. It is a matrilinear tribe and it has not spread much outside its local area. There are of course other ethnic groups, but still Waluguru constitute the majority. The people from Morogoro have greatest affinity with the coast. The language - ki-uluguru - is understood by people along the stretch from Morogoro to Dar es Salaam and up towards Bagamoyo, which is the old capital of Tanganyika and formerly the connecting port to Zanzibar. The dominant religion is Islam both in the coastal area and in Morogoro.

The location of the town is not only beautiful, but it is also strategic. It is situated along the road between Dar es Salaam and Zambia and along the railway from Dar es Salaam to Kigoma (see map). It is the town which lies closest to Dar es Salaam and has, through its favourable climatic conditions, developed to be one of the major suppliers of fruit and vegetables to Dar es Salaam's markets. In Morogoro District a very big sugar industry has recently been established which will probably boost the economy of the whole area. Another high ranking activity in the neighbourhood of Morogoro is the construction of the Uhuru Railway which is being carried out by the Chinese. Close to the town there are camps for the Chinese workers who buy a lot of food and equipment in town. Parallel with the railway project is a consortium consisting of people from many western countries which is occupied with the construction of a new road between Dar es Salaam and Kapiri Mposhi in Zambia. At present the work is concentrated on the section between Dar es Salaam and Morogoro, and when this road is ready it can be assumed that the contacts along this road will be intensified.

The internal situation in Morogoro does not seem to differ much from other towns of similar size in Tanzania. It is, however, favoured since it has a branch of the University of Dar es Salaam - the Faculty of Agriculture. It also has a big industry - the Tobacco Factory (BAT). Both of these mean contacts especially with Dar es Salaam, but also with various places abroad. The town also has a large Teachers Training Centre (TTC), a Veterinary Training Centre and a Horticultural Unit. The character of the town is anyhow that of a small town. It has one main street which passes right through town, and the dust-bowls are permanent due to the intensive and heavy traffic which runs through the town.[5] Most of the shops are concentrated along this main street. The bank, the post office, the hospital, the central market, the two largest hotels, the cinema, etc. are all situated on this street, (see map). Along this main street the traditions are confronted with new and modern features. There are the small man-pulled carriers alongside modern trucks, and there are people in traditional dress walking side by side with people wearing the Tanzanian national costume or those wearing western-type clothes.

A little bit off the main street is the industrial area (see map), and in another direction we can find Mji Mpya (the new town area). The different areas do reveal rather strict segregation in social terms. Up along the slopes of the mountain there are big houses with well-spaced gardens, while in the part north and west of the main road - and also along the road - the dwellings are small and close together.
It is in the areas around Mji Mpya that the town is growing most. This is evident both regarding population growth and the growth of the economic activities, which will be discussed later on. The growth is concentrated to small economic

activities and is segregating in the sense that it is - with few exceptions - only Africans who start and run the businesses. The Mji Mpya may gain in relative importance during the next few years since the new road between Dar es Salaam and Zambia bypasses town and will thereby create some kind of vacuum along the main street.

A typical feature of the town is the central market. This dominates the sale of fruit and vegetables and also serves as a wholesale agency for small markets and shops in town. The market is interesting for many reasons. It is dominated by male Africans (compare West Africa where the women are dominating), and the whole business including the distribution of produce from the rural areas is very much tied up in a social network. Early in the mornings between 4 and 5 o'clock one can see people carrying produce on their heads bound for the market. Sometimes there might be somebody from the town waiting to meet the carriers when they arrive on the outskirts of the town, who will buy the produce from them there and then, thus acting as a middle-man. Carrying produce on one's head can involve long distances especially from the mountain areas near the town where there are no buses or vehicles to take care of the transportation. From areas further away it is of course more usual that the produce is transported by motor vehicles.

It is not only the rural population which contributes agricultural items. A large section of the population living in the town have small shambas (fields) outside town, and sometimes there are special buses which convey these people out to their shambas and which then transport the produce to town (see section 4.3).

The future development of Morogoro is interesting both because of town's location as a node in the transport network and because of the potential for agricultural development in the neighbourhood. One major problem in the field of agriculture has been the decline of the sisal industry, which is concentrated around Morogoro and in the north-east of the country around Tanga. Now parts of the land, which were once used for sisal plantations, have been converted to grazing areas for cattle. In summary therefore it seems that the future is promising for the town and the surrounding rural areas.

2. TOWNS AS CENTRES FOR REGIONAL AND NATIONAL DEVELOPMENT

Perroux (1955) wrote a classical article on "poles de croissance", which in English literature has been translated as growth-poles. In the ensuing years in the 50's and the 60's both economists and geographers have devoted a lot of attention to this subject. The basic idea of Perroux was that industries or industrial activities form poles, which generate growth elsewhere. As has been discussed by, among others, Darwent (1969), there has been a lot of confusion about the basic idea. Darwent argues that "poles" refer to industrial activities and not to location. Location aspects, which certainly are of interest to geographers and regional planners, Darwent means are included in the term growth-centre, which is "defined as locations (usually cities) in geographic space" (p.11).

It should be noted that Boudeville, in a number of articles and essays (see for example 1961, 1966), has extended the theory to include a geographical perspective. Boudeville means that "economic space is tied to geographical space through functional transformations, which describe relevant properties of economic processes." (Quote from Hermansen, 1972, p.29). It becomes complicated however, since he distinguishes between three different kinds of economic space: homogeneous, polarized and planning or programming space. And ... "the notion of regional centres as poles of growth localized in geographical space in the sense of Perroux and Boudeville is based on the assumption that economic growth is polarized in all spaces, i.e. in organizational, and industrial as well as in geographical space." (Hermansen 1972, p.30). It seems therefore that the growth-pole theory has dealt primarily with economic growth and secondly put it into a spatial perspective. Regional economic development and especially the role of small scale industries are not treated thoroughly.[6]

Another misinterpretation of the original concept is pointed out by Lasuén (1969), where he ascertains that the dynamic aspects in the original version of the concept have been drained by the heavy use of an input-output technique. The static element introduced in this way, maybe well illustrates that it is seldom remarked how the growth-poles or growth-centres should be selected in an urban- temporal setting in the development process of a country. As Darwent (1969) remarks, "Are we speaking of places or phenomena, that have grown, that are growing, that are predicted to grow or that (in the normative sense) we wish to see to grow in the future? (p.5)".

It is also noted by Lasuén (1969) and Hermansen (1972) that the notion pole means different things in semantic terms in a French and English context. The French meaning is a clustering of elements in abstract and geographic space. The dynamic aspects are included here since the clustering of elements in one place usually has implications for other places and we thereby get a continuous shift in the structure and the magnitudes of the poles. The English meaning refers to a process where the elements are attracted to two opposing positions or that, in a dynamic sense (not used in the growth-pole theory), during the polarization process one pole breaks out, or is created, because certain elements in an existing pole are opposed to the environment or because they are excluded.

For planning purposes both in developing and in developed countries it is of course crucial to consider the location aspects as well as how the towns/centres should be picked out, i.e. from the present urban structure or from a more theoretical one, which should mean the formation of new towns and thereby indulge a longer time perspective.[7]

In considering the location aspects three points must be considered as important: (i) The emphasis on growth-centres as a means for loading-off the city or cities from a too excessive growth. (ii) The emphasis on getting a more even distribution of services and opportunities in a country, and (iii) The emphasis on using the growth-centres as a stimulus for rural/regional development. It seems that too often the theory has been in terms of the first two categories and to deal with the urban system itself and not in relation to the surrounding rural areas. If the emphasis is put on the urban system as such, there is great risk that a growth-centre policy will lead to an inefficient and bureaucratic system, with heavy transportation and distribution costs in order to furnish industries in places where there are no or few advantages in being located there, except that the authorities are positive to any location there. For an efficient growth-centre policy in developing countries, it would seem crucial that the activities not only can but also should connect to local resources and simultaneously fit into the national economic programme.

Thus the types of economic activities and their linkages are important elements. These points have been discussed in terms such as large scale firms, leading propulsive industry, key industry, etc. The linkages are termed 'forward' and 'backward' - where the forward linkage means a dependence on industries which produce for final demand, while a backward linkage means inputs from industries producing intermediary products. Hermansen (1972) makes a very good summary of how Perroux was influenced by Schumpeter in his view on the importance of inter-industry linkages: "... innovating activities take place in the large economic units, which are able to dominate their environment (p.22)". Hermansen also cautions against the misunderstanding in this context of the term 'development pole' which has often been coupled with the "notions of key industry, basic industry, and industrial ensemble; from this follows the erroneous conception according to which the development pole would be an industrial monument raised to the glory of future regional industrialization, a guarantee of certain economic growth" (p.20). It is regrettable if this confusion has lead development planners to overlook the potentialities of the small scale industries in developing countries.

For developing countries it is clear that large scale industries have few backward linkages and thus do not stimulate a broad, economic development. Mabogunje (1971) writes for example about Nigeria, "In general it is clear that the backward linkage relation is still not very strong in the case of most sectors of the economy. ... It is also obvious that a build-up of large scale industrial activities means a geographical concentration, which is usually to the capital. ... Greater Lagos alone accounted for nearly 40% of the gross output, 30% of total employment and 30% of total industrial establishments. ... The most significant aspect of this industrial concentration is that most of the industries depend for this input - to a large extent - on imported semi-processed raw material, (pp. 44-46), Mabogunje (1971)".

The growth-pole idea relates mainly to linkages between industries, and in its dynamic aspects, it is associated with assumptions about economic growth. The role centres play for the contigues and outside areas has been viewed in a slightly different way in the study of basic - non-basic activities. These studies deal with the difference between the total activities of the town and the fraction of it, which is required for the town to justify its own existence. Basic activities thus give the town income in order to exist, that is, activities which produce goods and services that can be sold outside the town. Non-basic are thus activities, which produce locally consumed goods and services. One of the most noted studies in this respect is the "minimum requirement" study by Ullman & Dacey in Norborg (1960). They classified all American towns and investigated the labour force within each of the classes. The lowest percentage a town had in a class was supposed to be its minimum requirement to be able to function. The workers exceeding this minimum requirement level were supposed to deal with its basic activities.

Godlund (1954) used a similar method when he counted the number of retail shops in Swedish towns. By subtracting from the total number of shops in town the average number of shops per rural inhabitant, he could get a measure on the amount of retail service which was accessible in towns for the rural population and thereby the centrality of towns could be assessed.

In the late 60's, the studies of towns as potential growth-poles, growth-centres or growth-points for regional or rural transformation and development have experienced a renaissance. UNRISD and Mouton, publishers in the Hague, have co-operated on this issue and the result is a number of publications under this title. For developing countries it is, for example, discussed in Vol.V and IX (forthcoming). Misra and Pioro (in Kuklinski Vol.V, 1972) outline the present urban situation in India and Tanzania and discuss a development policy based on a hierarchy of growth-poles, growth-centres and growth-points.

It seems fruitful to look at towns in terms of their regional connections. It is, however, clear that the growth of towns and especially the absence of growth is a very complex and far from well-documented area. A number of circumstances have to co-incide in order to create a growth situation. The assumption that agriculture more or less automatically develops around prosperous towns, as advocated by Myrdal (1957), seems to have limited application in developing countries. A number of reasons make the assumption only partly valid.

1. The relatively high value of land around the expanding town requires efficient agriculture with high yields to be profitable, but it is very rare that enough capital is spent on agriculture to make it efficient.

2. The physical conditions are not always suitable since many prosperous expanding towns in developing countries are located along the coast where there is a heavy climate and poor soil.

3. The "emotional gap" between the city and the rural areas is quite wide and therefore sporadic contacts are more likely to develop than strong connections.

4. The pattern of consumption in expanding cities is often of a semi-luxurious character due to relatively high incomes. This means that there is a high demand for imported goods

and relatively less demand for locally produced "ordinary" goods. In contrast small and medium sized towns have usually not developed the demand for semi-luxury items.

There are, however, examples of big cities which have developed considerable contacts with the surrounding rural areas. Ibadan in Nigeria has, for example, 1/3 of its population engaged in agriculture outside the city, but the farmers stay most of the time in Ibadan. (Lloyd in Lloyd, Mabogunje and Awe 1967.) Also Nairobi has a strong influence on its surroundings but of another and more selective character. The innovations have spread mainly to the "white highlands" and relatively less to African small holders. Other examples could be mentioned, e.g. Khartoum, but it seems that these cities, which have important agriculture in the neighbourhood, have developed the contacts under rather specific circumstances.

Besides the regional perspective in the analysis of towns as growth-centres, it seems also desirable to distinguish between the policy measures which have been taken for their development. Hermanssen (1972) distinguishes between initiating and reinforcing tasks in planning where the reinforcing type could be characterized as a liberal economic approach. The market forces strive for an optimal solution and we should only, through suitable physical planning, "broaden the way" for development. The initiating approach on the other hand stresses that economic planning is more necessary than physical planning.

For developing countries it is obvious that the initiating approach is often required, otherwise the economic activities tend to concentrate as described by, among others, Friedman (1966).

The discussions in this section have been far too short to cover such an important topic as the theories of growth-poles or growth-centres. We have tried to make the review in order to point at the major thoughts in these theories and also to point at some weak points in them, especially when applied to the conditions of developing countries. More specifically we want to have this section as a background for the analysis of the regional economy of Morogoro, which is presented in sections 4.2 and 6.

3. STUDIES OF AFRICAN TOWNS

The fraction of urban population in Africa is small and so are the number of urban studies, at least in published form. A lot of books deal of course with towns in one or some chapters, but a detailed inventory of a particular town can only be found for a couple of towns. For this work two studies of Ibadan and Mombasa are of special interest.

Youruba towns are well-known through their history. Especially Ibadan is mentioned in the literature. In a book from a symposium edited by Lloyd, Mabogunje and Awe (1967) the morphology, population, history and economic activities of Ibadan are described and analysed. The situation of the small-scale handicraft and industry gives an interesting picture of an African town. It is interesting to note that new goods have developed from the traditional handicraft. Callaway (in Lloyd, Mabogunje and Awe 1967) writes that the blacksmiths have started to diversify their production to include a more technologically advanced assortment "such as photographers' stands, barbers' chairs, iron bedsteads, iron chair frames and a wide variety of farm tools" (p.157).

The example seems first of all interesting in the sense that it constitutes an example of how the traditional sector transforms and justifies itself to the changing conditions in the economy. In general it seems that the traditional sector becomes more and more backward due to competition from the modern sector.[8]

de Blij (1968) in a study of Mombasa has concentrated on an inventory of the economic functions in CBD (Central Business

District). He finds that it shows an areal differentiation based mainly on economic and functional criteria and not on racial foundations. The future development of commerce is a bit uncertain, since Asians control a large share of it, and they hesitate to make big investments since their future position is uncertain. Probably the African role in commerce will increase but de Blij makes no projections about this.

Both Ibadan and Mombasa are large towns. Ibadan has over 1 million inhabitants and Mombasa has 180,000 inhabitants (at the time of the studies). In an African context they are thus not very representative since the majority of the towns are quite small. They do form a special type of town between the "primate city" and the small towns. The difference between the various types of towns is usually reflected in various growth rates. "Primate cities" have a growth rate of about 8-10% a year (Lundqvist 1972) and also some intermediary towns like Mombasa are growing very rapidly.[9] Small towns are growing much more slowly even in relative numbers and often not much faster than the average national population increase. 6% was, for example, the average growth rate for all Tanzanian towns between 1957 and 1967. Were Dar es Salaam excluded the average growth rate would be less than 5%.

However, there are other more important differences between towns than various speeds in growth rate. In primate cities, with a fast growth rate, there are obvious signs of congestion, social problems of all kinds, problems of sanitation, etc. In small towns the major problems seem to concern how to attract new investments, how to diversify the economic activities, how to build communications to important economic centres, etc. The social problems and particularly the problem of congestion are comparatively small.

For this reason it seemed of interest to first of all look at the economic functions and their relations in Morogoro, how they change, and the spatial and other connections which have developed from and to the town. The negative sides of urbanization do not seem relevant to the study in Morogoro since there is no congestion and since the social problems seem to be small and probably not very different from social problems in the rural areas.

4. METHODOLOGY OF STUDY

4.1 Approaches for the analysis

The aim of the study is to make an analysis of the structure and the regional linkages in the economy of Morogoro.[10] We have started by a classification of all economic activities according to the ISIC-classification. (International Standard Industrial Classification of Economic Activities.)[11]

The relative importance of the various sectors has been estimated through the number of persons employed in each sector. To get a more thorough picture of economic activities, the data on sectors have been cross-tabulated against the ownership situation, the history of it, categories of persons working in the activities, future plans and the number of months of operation.

Chapter 6 intends to illustrate how activities in Morogoro have developed connections to various geographical areas. This is certainly an important aspect for a "growth-pole", as was discussed previously, and it would have been interesting to make a detailed account of it, but in this limited study it has only been possible to make a rough division into geographical areas and also a rough estimate of the size of the connections.

4.2 A model for the analysis

As a starting point in the analysis, the economic activities in the town could be differentiated into two categories. Those which are involved in and dependent on the national economy, and those which are locally connected and not directly dependent on the national economy.[12] This differentiation should not be mixed up with the distinction based on the concept basic and non-basic.[13] The two categories could be illustrated in Figure IV:1 below. The figure illustrates that within each town there are two sectors, the traditional and the modern. The traditional one consists of locally oriented activities like agriculture, handicrafts, small scale industries, market activities, etc. The modern sector consists of activities which are oriented towards the national and international markets, like industrial activities, communication and service functions which co-operate with these activities.

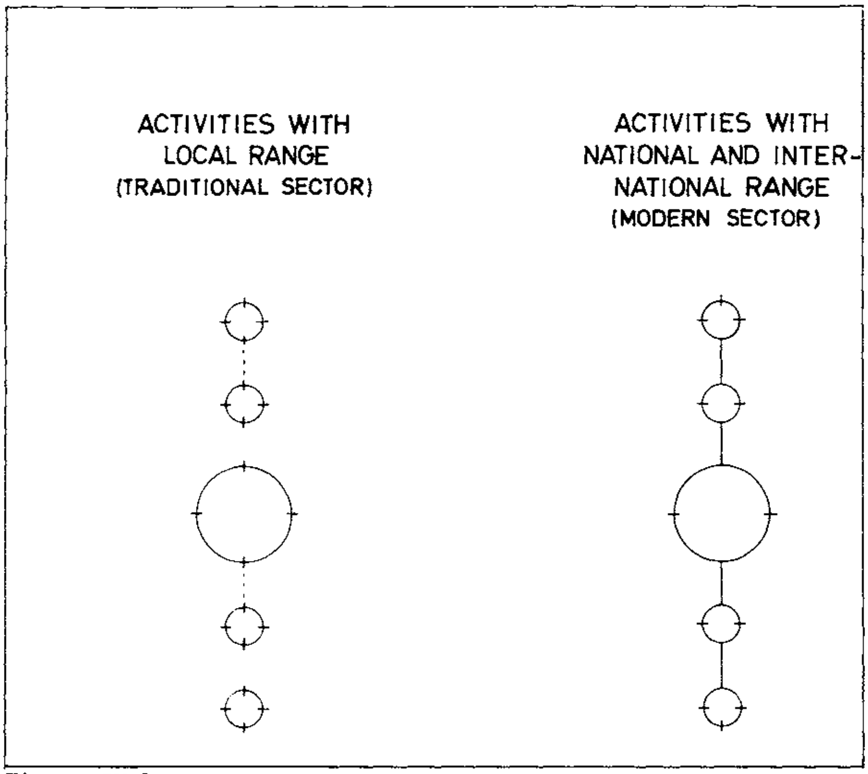


Figure IV:1

The figure intends to illustrate how the regional range (lines in figure) of activities in towns (circles) varies. In some section of the economy the activities are only locally connected and no or few connections (dotted lines) tie different towns together. Other activities form parts of an economic system, which manifests itself as a geographical structure where the towns are nodes and where the capital is the "primate city".

This division is, however, of limited value for operational purposes since there are many activities which are partly modern and partly traditional. For operational purposes another model with four combinations of regional linkages will be used.

Two different input and output situations are used.[14] One is the "local linkages" to Morogoro town and surrounding areas (covering approximately the Morogoro District) and the other is "non-local linkages", that is to areas outside the Morogoro district and mainly to the towns in Tanzania. Some international connections do also exist. By combining these two input and output areas we get the following four relations:

1. Non-local input and non-local output. This category consists mainly of industries which are connected to other towns and areas in Tanzania to obtain raw materials and to sell the goods manufactured. Also, functions such as banks, post, communications, etc. are part of the national system. This category contains "basic" activities.
2. Non-local input and local output. These are goods and services which come from outside the local area and which are consumed in the town. Most of the goods sold at retail shops belong to this category.
3. Local input and non-local output. Here we find the "real" basic activities of the town, that is, this category is supposed to show how much of the economic activities are directed towards the export of goods to other parts of the country.
4. Local input and local output. In this category the "self-supply" of the town is supposed to be mirrored. The markets are important in this category and small scale industries such as carpenters, charcoal dealers, etc.

The division 1-4 thus gives a rough regional "input-output" table[15] and also to some extent indirectly shows the relations of the modern and traditional sectors as was indicated in

Figure IV:1. The four input-output relations are illustrated in Figure IV:2.

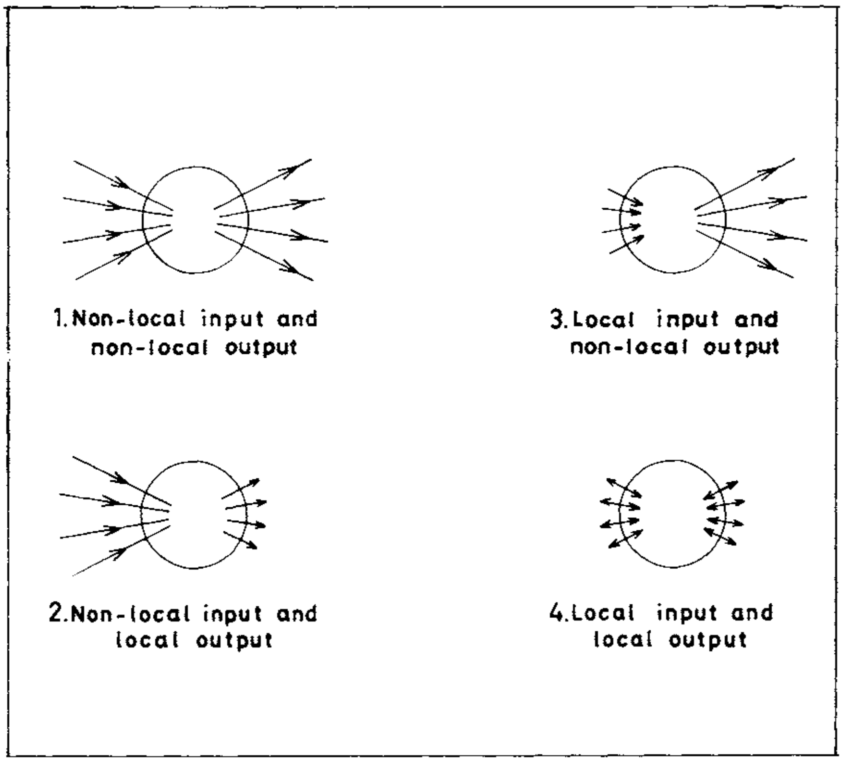


Figure IV.2

Four different combinations of regional connections of the activities in a town are illustrated. The circle refers to the town and its immediate surroundings. See text for a description of the four situations.

4.3 Sources of data

The data were collected through interviews with the owners or managers for all economic activities in the town. (The questionnaire used is shown in Appendix 1.) Although there was a small number of activities, which probably were missed, the survey can still be said to give a comprehensive picture of the economic activities in the town, in the respects studied.

Complementing information was obtained through the local NUTA-office.[16]

The method used for collecting the data does not eliminate the risk of some activities being registered more than once, but when tabulating the material no such errors have been noted. Opposed to this type of error is the fact that most persons when being interviewed remark on the fact if he/she has been asked for the same information previously.

Some activities have been missed. It is difficult to estimate the size of the omission but it is probably below 5%. Some activities which were missed have been noted and added afterwards by way of estimating some information. This was the case, for example, with the Taxi station. A category which has been missed and which is of a significant size and importance is the activities carried out in homes, and in the vicinity of the town by people living in the town. A large portion of the population in Morogoro has allotments outside the town where produce is grown for personal consumption and sale. At the population census count in 1967, out of 7,305 households, 3,118 had one or more shambas (fields) within or outside of the town boundary.

Information on these activities could not be obtained through our type of study since we were not interviewing people in their homes but rather in shops, on industrial sites, etc. in the town. The information in the population census was obtained through interviews in homes. According to the ISIC classification in the population census (1967), 2,430 persons were engaged in agriculture.[17] This figure is probably valid for 1972 also, and since it is difficult to say in what direction it has changed, if it has changed, it will be used in this study in order to calculate the total number of economically active population.

The other missing part is the domestic servants. Persons belonging to this category are not always employed or they work under quite different conditions. Some are employed exactly according to the regulations, some are employed under uncertain conditions. Some are not employed in the same sense as a person is employed in industry since he/she could be related to somebody in the household or else tied to the house in some other manner. Common to these different situations is the fact that the persons are doing a job and that their labour could have been used elsewhere. They are in this sense not comparable with members of the household who have to take care of a job in a family. The number of domestic servants has been estimated on the assumption that every fifth household has a domestic servant.

Morogoro has two big markets which are not included in the survey since they are the subject for another study under way. About 100 to 150 persons work as salesmen at the markets selling mainly agricultural produce.

The reliability of the information obtained through the interviews is, as always, difficult to determine. But by comparing it with the results from the population census in 1967, it seems quite reasonable considering the fact that the town has grown. The changes in the figures can to some extent be traced to individual activities. The division between skilled and unskilled, which is made in section 5.2, is quite subjective. The difference lies in jobs which require a certain education, training or skill and jobs which can be performed without these qualifications. Probably the number of skilled is is over-estimated in relation to the number of unskilled. It is also probable that the number of unskilled is underestimated in absolute terms since most activities have persons who perform minor duties like mail-collecting, coffee-making, etc. and some of these persons might not be employed on a permanent basis and therefore not counted in this study. On the other hand skilled persons are probably employed and therefore counted.

One of the questions on the questionnaire asked for information about connecting activities. In order to complement this picture and to give another type of information about regional linkages, information was collected from the Post

Office showing the number of registered letters sent through the Post Office and the amount of money sent in the form of money orders from the Post Office addressed to various big towns and districts in Tanzania and to countries outside Tanzania. This material gives a complete inventory for three months: December 1971, February 1972 and April 1972.

5. DESCRIPTION OF THE ECONOMIC ACTIVITIES

5.1 The economic activities by number, sector and number of persons employed

Table V:1 shows the distribution of the 442 activities according to the ISIC-classification. The number of persons employed both in 1972 (May) and at the population census count in 1967 (August) are shown in Table V:2.

Economic Sector/No. of persons employed	Agri-culture 0-1	Manu-factur-ing 2-3	Con-struction 4	El Water 5	Commerce 6	Commun-ications 7	Govern-ment & Commun-ity Ser. 8;12	P/R/B-Service 8;345	Total
0-2	2	26	-	-	144	1	2	32	207
3-7	-	20	-	2	82	2	4	28	138
8-14	1	7	1	-	11	1	3	14	38
15-	1	12	2	1	5	7	25	6	59
	4	65	3	3	242	11	34	80	442

Table V:1
The distribution of the 442 economic activities in Morogoro town by ISIC-sector and number of persons employed.

Agriculture

Only four units belong to agriculture, two charcoal dealers and two farms with production of milk and meat. To this sector about 2,350 people should be added who, according to the population census 1967, are engaged in agriculture, but

Economic Sector / Period	Agri-culture	Manu-facturing	Con-struction	El Water	Commerce	Communica-tions	Government & Community Services	Total
Total no. persons employed May 1972	77 (2,430)	2,312	176	112	1,126 (1,226)	219 (725)	[2,917+544] 3,461 (5,000)	11,942
Total no. persons according pop.cen.67	2,430	597	282	84	889	684	2,366	7,332

Table V:2

The number of persons employed by ISIC-sector in 1972 and in 1967. The figures in brackets are partly estimated (see text). The figure 11,942 shows the total number of active persons employed, if the domestic servants are included.

whom it was impossible to reach through the type of data-collection used in this survey.

It is difficult to say anything about the change from 1967 to 1972. It has probably not been so large in absolute numbers, so it would seem relevant to use the figure from the population census 1967 even for 1972. (The figure is shown in brackets.)

Agriculture with 2,430 active persons constitutes a large sector, ca. 20%, of Morogoro's economy.

<u>Manufacturing</u>

Sixty three units belong to this sector in all. Their sizes vary greatly from 0 to 1,500 employed. The smaller units consist of shoemakers, tailors, carpenters and so on. The middle-sized units consist of garages, bakeries, sawmills and maize-mills. The tobacco factory is the largest unit with 1,500 employed, followed by Heavy Plant Workshop with ca. 300 employed. The sector is comparable with agriculture, considering the number of active persons. With its 2,312 employees, this sector also accounts for ca. 20% of Morogoro's economic active population.

From 1967 to 1972 manufacturing increased with 1,800 employees. This is mainly accounted for by the tobacco factory which began operating in 1968.

Construction

This sector consists of only three units. They are: National Housing Corporation with ca. 40 employed, Taj Mohammed Contractor with 127 employed and Singh Construction with 9 employed.

This makes a total of 176 employed. As compared with the data received from the population census 1967, 282 people were working in Construction. This might be explained by the fact that the population census reached people living in town but working at the Tanzam road or other ventures outside town. To our knowledge no construction firms or activities have closed down since 1967.

Electricity and Water

This is also a minor sector with only 3 units, and altogether 112 persons employed. It has increased with 28 persons during the last five years. There is one large unit with about 100 persons employed and two small units. Besides this there are other shops, which deal with some electrical equipment, but since it is not their main concern they have been included under commerce.

Commerce

According to the number of activities, commerce is the largest sector. It has 242 or 55% of the number of economic activities.

This group includes both wholesalers and retailers. Among the wholesalers there are both co-operative and government owned enterprises, e.g. Co-op Union, STC[18], and private ones. In some cases the private wholesalers combine wholesale business with retail business. Thirteen of the 242 economic activities within commerce are wholesalers or wholesaler/retailer. Most of the others are dukas (retail shops) with a wide assortment of goods but in limited supply, fruit and vegetable sellers, butchers and charcoal dealers. The small units dominate. About 60% have between 0-2 employed, 34% have 3-7 employed and only 6% have more than 7 employed.

The larger units include the bank in town with 63 employed, Ugawaji (part of the co-operative) with 16 employed, BAT Tanzania Ltd., with 16 employed and STC with ca. 40 employed. Altogether, 1,126 persons were working in commerce in 1972 - which means an increase of 237 persons since 1967. Almost 10% of the economic active population in Morogoro is engaged in commerce. It is assumed that about 100 persons work in the markets. This figure is added in brackets.

Transport, Storage and Communication

Eleven economic activities were registered in this sector. The Post Office, the Telegraph Station, the Railway Station and the Taxi Service should be added to this figure since they were not included in the survey.

Large units, with more than 15 employed, dominate in this group. Among these can be mentioned Morogoro Region Transport Association with 47 employed, Coretco (transporting firm) with 20 employed and Government Stores with 63 employed. The smaller units are storage and transport companies.

According to information from NUTA, East African Community (which includes the railway station, the post office and the telegraph station) accounts for 488 persons, and these should be added to the material. Also, the taxi service which accounts for 30 persons should be included. Therefore, about 725 persons ought to be the correct number working within this sector.

Government and Community Service

This group is - to a greater extent than the previous mentioned ones - dominated by large units (many persons employed).

Ministry Departments, the Town Council, the Field Force Unit, the Police, all schools, TANU[19], NUTA, the Labour Office, churches, the hospital and so on, are included in this group.

This sector is the largest one in town and engages 2,917 persons. It is difficult to make a correct comparison with the population census 1967 data, since that population census data did not split up the service-sector as has been done in this survey. If we take the whole service-sector, that is, both government-community service, and personal/recreation/business service, together they accounted for 2,366 persons in 1967; in 1972 the figure was 3,461 persons. This means an increase of 1,095 persons or 46% (domestic servants not included). Next to manufacturing this sector is the most expanding one.

Personal/Recreation/Business Service

According to the number of activities, this sector is the second largest with 80 activities and has 544 persons employed, (domestic servants excluded).

The sector consists mainly of laundries, bars, hotels, boarding houses, restaurants, Pombe shops, jazz bands, bicycle repair shops, and so on. The units are, however, relatively small. 75% have less than 8 persons employed and, therefore, in spite of many activities the sector occupies fifth place in the number of employed.

By definition the domestic servants should be included in this group, but there are no figures available concerning the number. Approximately 1,500 persons could be estimated as working as domestic servants.[20] The service-sector taken as a whole, thus employs ca. 5,000 persons or about 42% of the economic active persons in town.

5.2 Employment characteristics

A distinction of the activities based on their employment characteristics is shown in Table V:3 below. The division is made on the information obtained through the interviews. The category "family" should obviously have been penetrated more thoroughly than has been done here, but it proved difficult. The table still may give a rough picture of the combinations of persons working full-time and on a permanent basis.

Employment categories	Nobody employed	Only family	Family + unskilled	Family + skilled	Family + unskilled + skilled	Only unskilled	Only skilled	Unskilled + skilled
No. of activities	34	158	26	105	20	12	54	33

Table V:3

Employment characteristics of the economic activities in Morogoro.

As can be seen the family enterprises dominate. Grouped together with the enterprises with no employees, they constitute ca. 45% of the activities. This is especially the case in commerce where about 50% of the units are run by only family members. Also within manufacturing and personal/ recreation/business service a great deal of activities only have family members as active.

The group "only family members" is followed by a combination of family members and skilled employed. This might seem curious but can be explained either by the assumption that the category unskilled is underestimated, or by the circumstance that the first type of person needed - besides family members - is a person with a certain skill. Also within this category, commerce, manufacturing and personal/recreation/ business service are in the majority. The third most common, are activities with only skilled employed. It should, however, be remembered that the number of skilled is probably over-represented in comparison with unskilled.

Commerce, manufacturing and personal/recreation/business service show all the employment combinations, but are concentrated in the categories: family, family + skilled. Government and community service have, naturally, only employees who are unskilled and/or skilled.

Naturally, the small units have employees within the family. There are examp¹^^ with up to 7 family members working in the same activity. ..irty four activities have nobody employed and these can be found within manufacturing, commerce and personal/recreation/business service. The combination of unskilled and skilled can be found in all sectors.

6. REGIONAL CHARACTERISTICS OF THE ECONOMY

6.1 A regional "input-output" analysis

All towns have economic activities, to serve the people living in the towns. The more differentiated an economy, the larger the town is, the larger (in number of employed) is this so-called non-basic sector in relation to the basic sector which serves people living outside the town. In a regional context the basic sector means linkages to areas outside the town, while the non-basic sector means linkages within the town.

To get an idea about the regional structure of the economy in Morogoro a division based upon the "input-output" areas of the economic activities has been made. A strict economic input-output analysis, according to the Leontief model was not possible since the necessary data are very difficult to obtain. Considering the role of Morogoro as a growth-centre it also seemed of greater relevance to make some kind of regional "input-output" analysis. This type of analysis gives no information about the capital and labour intensity of the economic activities or concerning the wage market.

The regional "input-output" analysis is based on the rough division, as was discussed in section 4.2. The divisions are not mutually exclusive and can of course only show a general picture. They seem to give an idea as to what extent Morogoro is a growth-centre for the surrounding areas and how it is connected to other areas in Tanzania. The four "input-output" categories are as stated below 1 to 4. (See also page 31.)

1. Input non-local - output non-local
2. Input non-local (and local) output local
3. Input local output non-local
4. Input local - output local

All activities except government and community service are included in this analysis. It does not seem relevant to talk about "input-output" areas in the above sense within this sector since it is complicated, and it is in a concrete sense not producer or distributor of commodities and services like the other economic activities. In the Table VI:1 the division is shown.

Economic Sector/in-put output area	Agriculture	Manufactur-ing	Construc-tion	El Water	Commerce	Communica-tions	P/R/B-Service	Total
1	0	1,872	39	6	161	567	58	2,703 (29%)
2	0	177	0	106	859	91	272	1,505 (17%)
3	648	109	0	0	6	35	0	798 (9%)
4	1,782	154	137	0	200	32	1,714	4,019 (45%)

Table VI:1

The Table shows a division of the sectors into four different regional "input-output" relations in which the economic activities in Morogoro are tied up. The figures refer to the number of people employed. (Compare Table V:2.)

Some comments on the table

The data on the number of employed within the agriculture sector have been added through data in the population census 1967. An estimate has been made on their belong to input-output areas. Ca. 25% have been placed in the "input-output" category 3, i.e. 25% of the return of the farming is estimated to be sold to other parts of the country (mainly to Dar es Salaam).[21] Thus 75% is estimated to go to subsistence consumption and/or is sold in town. The two markets in Morogoro with approximately 100 employed, have been added in "input-output" category 4, since the business is of a local character.

The activities belonging to the East African Community have been added to "input-output" category 1, since they are involved in the national and international transport- and communication net. Taxis, however, for the most part undertake short distance conveyance and have therefore been included in "input-output" category 4.

The domestic servants within personal/recreation/business service have a local attachment and are therefore placed in "input-output" category 4.

The type of error included in the categorization can be indicated in the following examples. Agriculture has, for instance, been classified in 3 and 4 although some farmers buy and use for example insecticides produced in other parts of the country. Some craftsmen, classified in 3 and/or 4, buy their capital, such as tools and machines, from other towns, but this seems to be of minor importance compared with where they get the raw material from. The division has not only been based on where the sources of raw material are and where the processed goods are distributed, but attention has also been paid to the value added of labour and local services.[22]

Input non-local and output non-local

As can be seen in Table VI:1, 29% of the economic active population are occupied within the "input-output" category 1, e.g. input non-local output non-local. This sector has increased very much during the last years. About 50% of the increase can be explained by the tobacco factory with 1,500 employed, which began operating in 1968. The input of tobacco leaves comes from Tabora, Kigoma, Iringa, Mbeya, Songea, and the produce is exported to Dar es Salaam. Some is also exported to other countries like England and Kenya.

According to the Second Five-Year Plan there are plans for investigations in an auction floor, i.e. an expansion of the tobacco factory and also an extra impetus to "input-output" category 1. The linkage e ects to other activities in town from the tobacco factory are probably limited, but the multiplier effects could be substantial.

Manufacturing dominates "input-output" category 1, followed by communications which includes the post office, the