



Peri-urban Development in an Era of Structural Adjustment in Africa: The City of Dar es Salaam, Tanzania

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[Paper first received, June 1998; in final form, July 1999]

Summary. Much recent work in Africa has focused on the impacts of structural adjustment on prevailing economic, social and political structures, and especially so in the urban areas. Rather less has focused on the resulting land-use changes in and around African cities. This paper focuses on recent land-use changes in the peri-urban zone of Dar es Salaam, Tanzania, in the context of structural adjustment programmes experienced in the 1990s. Recent land-use development in Dar es Salaam's peri-urban zone has been characterised by infill rather than further linear expansion along routeways; by densification of existing linear settlement; and by limited spatial growth to the south of the city. Much of this can be explained as a response to new economic conditions resulting from macroeconomic reform. Access has improved due to greater competition in the public transport sector and increased access to private transport. Rapid capital accumulation, based on trade liberalisation and rent-seeking activities on the part of some individuals, has resulted in investment opportunities in the peri-urban zone. However, lack of confidence in future state policies and uncertainties over land ownership have resulted in investment being made in housing stock in particular, or spread over a range of small-scale enterprises, rather than in larger-scale productive investment.

1. Introduction

Since the mid 1980s, a common experience shared by virtually all African countries has been that of structural adjustment involving a range of macroeconomic reform measures. Swept along by a seemingly irresistible tide of change, over which individual national governments appear to have little or no control, economic reform packages, typically scripted by the International Monetary Fund (IMF), have been implemented with varying degrees of success throughout Africa during the 1980s and especially in the 1990s. These reforms have led to a realignment, in some

cases a radical realignment, of national economic policies throughout Africa (Harris and Fabricius, 1996; Cornia *et al.*, 1992; Cornia and Helleiner, 1994).

Such reforms have been positioned within wider globalisation discourses (Cornia *et al.*, 1992; Rapley, 1996). Amin and Thrift (1994), for example, draw attention to the role and function of a range of seven 'globalising processes', one of which they identify as being the existence of influential international regulatory authorities such as the IMF.

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They note that a key element associated with reorganisations of the world economy in the post-Bretton Woods era has been what they characterise as “the rise of transnational economic diplomacy” (Amin and Thrift, 1994, p. 4). In such representations, it would seem that multilateral organisations, such as the IMF and the World Bank, have become increasingly powerful in setting the world economic agenda. However, whether such organisations are truly transnational, in the sense that they transcend national boundaries and render national governments irrelevant (or at best as little more than enabling agents), or whether they rather represent or mediate the interests of powerful economic nations such as the US is open to debate. Other observers go further by positioning macroeconomic reform unequivocally within the globalisation process; Allen and Thompson (1997, p. 214), for example, contend that liberalisation—a central feature of IMF structural adjustment—is, among other things, “invariably the mainstay of any representation of globalisation”.

However, there are difficulties with this theoretical position in the context of less developed countries (LDCs) in general, and African countries in particular. Without wishing to engage in broader debates about the nature of globalisation, or even the utility of the concept, there is a fundamental question as to how global globalisation really is (Hirst and Thompson, 1996). The strength of this argument is that it is pursued from the perspective of LDCs, although perhaps only implicitly. Globalisation processes are spatially concentrated in the advanced capitalist economies whilst the vast majority of LDCs, and especially those in Africa, remain marginal in both investment and trade terms. If there is indeed any common agreement as to the nature of globalisation, much of it revolves around the existence of global flows of capital, investment, ideas, images and so forth (Dicken, 1992; Amin and Thrift, 1994; Daniels and Lever, 1996). For the most part, however, the overwhelming proportion of these flows, and especially flows of foreign direct investment (FDI), takes place within

and between the three world regions of North America, western Europe and east Asia (Allen and Thompson, 1997). The total amount of such flows to LDCs is small in global terms, and to Africa negligible. This is because of the limited sizes of domestic markets, shortages of a skilled workforce, poor infrastructure, high unit production costs and enduring suspicions about political stability. Consequently, it would not be unreasonable to expect that engagements of African economies and countries with globalising processes may be inherently different from those of the economies of the US, Japan and the European Union.

Part of the problem is that a literature grounded firmly in the thinking of the advanced capitalist economies seems to do little more than pay lip-service to prevailing conditions in the ‘other’ countries of the world. Simon (1992) clearly adopts a critical stance on this when he writes:

The current wave of writing on post-Fordist flexible accumulation, the hyper-mobility of capital and other facets of postmodernism may capture accurately recent changes in the core countries of the North ... [but] it is certainly of little relevance to large regions of the Third World, especially in Africa, where increasing poverty, dislocation and the scarcity and immobility of capital are the principal features (Simon, 1992, p. 12).

There is a very real danger that cultural arrogance may obscure the fact that African countries’ engagements with globalising processes may well be very different from those experienced in advanced capitalist countries. Indeed, there is growing evidence that during the 1990s, some African countries have started to develop strategies which depend less on externally driven macroeconomic measures associated with structural adjustment, and rather more on policies directed towards broader, more human objectives, with increased emphasis on longer-term structural changes (Cornia *et al.*, 1992). This links with notions of empowerment and the recognition that Africans should be repre-

sented as agents of change in their own right, rather than naively as passive and helpless victims. Friedmann (1992) argues further for a reframing of development strategy, less in terms of mainstream economic doctrine, and significantly more in terms of the politics of empowerment of the excluded majority. Although the charge of a rose-tinted gaze may be made, nonetheless, these views do at the very least draw our attention to the fact that Africans are prepared to engage in active ways, sometimes unanticipated, with both internal and external economic challenges, and that they produce a plurality of responses, included within which are the ways in which they use space and manage land use.

Care must be taken, however, not to suggest that globalising processes are therefore irrelevant to Africa, or that in some way African countries can protect themselves from them—through regional selective closure, for example. The voluminous literature, tracing in detail the incorporation of Africa into the world economy, makes it clear that this is an untenable position (see, for example, Amin, 1976; Wallerstein, 1974, 1980, 1989; Rodney, 1982). The challenge, therefore, is how such engagements are to be interpreted and represented. It can be argued, for example, that current macroeconomic reforms serve the globalising ambitions of transnational and multinational companies far more effectively than was ever achieved in colonial times. Not only are African economies, with limited industrial bases for the most part, opened up for import penetration, but they are now so for all-comers—unlike in colonial times when the colonial power typically had monopoly, or near-monopoly, access to those markets and internal resources.

Significantly, it is the cities of Africa which provide the link, both material and spiritual, into the world economy. Despite his critical view of the framing of current debates within a North perspective, Simon (1992), nonetheless, argues that African cities must be seen in the broader perspective of their links to a wider political economy. However, the economic marginality of Africa to the world economy ensures that

global economic linkages are generally not well-developed, unlike some other parts of the world where some cities, such as Hong Kong and Singapore, as early as the 1970s, were creating the conditions to permit them to compete in the world economy, accepting that wider economic engagement was something that could not be avoided (McGee, 1986). Many of these economic engagements have largely bypassed Africa, such that perhaps only Johannesburg or Cairo can claim to have any significant economic engagement with the global economy. For most African cities and countries, engagement with the global economy has largely been through structural adjustment programmes.

Recent lines of argument have suggested that structural adjustment measures have had significant impacts on the social and economic structures of cities in LDCs (Loxley, 1990; Riddell, 1992; Gilbert, 1993; Harris and Fabricius, 1996; Townroe, 1996; UNDP/ILO, 1997). Drawing heavily on evidence from Latin America, but applying it at a Third World scale, Gilbert (1993) suggests that the slowing of urban growth can largely be explained by economic recession and structural adjustment programmes, and the effects of new policies encouraging free trade. It is argued that structural adjustment policies have rebalanced the terms of trade between the rural and urban sectors, now favouring the former. Hence, urban areas are less attractive and potential migrants are now choosing to stay in the economically revitalised rural areas. A similar optimistic line is taken by Townroe (1996) who argues that LDC cities, presumably in pre-structural-adjustment days, fulfilled two prime roles: as providers of core infrastructure for a modern industrial state; and as absorbers of surplus rural populations. Whilst most African cities have fulfilled the latter, at least to the extent of attracting population although without necessarily absorbing them, very few have come anywhere near achieving the former. To these two roles are now added a further three, these being the facilitation of access to foreign and domestic capital; the fostering of new lines of economic activity in both the

service and manufacturing sectors; and providing for the consumption aspects of the modern state. It is clear that there is a view developing of an LDC city responding positively and energetically to the challenges of structural adjustment.

However, it is unclear how this is expressed, and especially in a spatial context. Gilbert (1993), drawing on his view that urban growth in the Third World is slowing down, has offered a way forward. He has suggested that there is now emerging a more polycentric form of metropolitan development, brought about by increasing diseconomies of scale affecting manufacturing investment, and by improvements in transport systems which increase the efficiency and frequency of rural-urban communications. But for the most part, the spatial dimension of macroeconomic reform, and especially its impact on urban spaces in LDCs, has largely been neglected, despite the fact that it is here that the impacts of macroeconomic reform can have their greatest visual consequences as economic, social, political and cultural responses are played out. This paper attempts to address this by exploring the ways in which people in Dar es Salaam have responded to changing conditions brought about by structural adjustment and macroeconomic reform in the 1990s in terms of land-use development in the peri-urban zone of the city, and to offer an interpretation of the key underlying processes.

Several methods were used to address these questions. An initial survey, covering a representative selection of 11 villages in the peri-urban zone of Dar es Salaam and involving the completion of 550 formal interviews, was undertaken in 1992 (Mwamfupe, 1994); selected key socioeconomic characteristics of this sample population are summarised in Table 1. This provided baseline information on the nature and rationale of peri-urban development on which a later survey in 1997 was built. This latter survey involved interviews of key informants, many of whom were revisited from the 1992 survey; field mapping of peri-urban land-use change; and

in-depth group interviews of peri-urban residents.

2. Tanzania's Experience of Structural Adjustment

Structural adjustment programmes have the overall aims of replacing, or at the very least significantly reducing, state-based economic interventions by market mechanisms and of balancing national incomes and expenditures, very much reflecting ideological commitments to market economics and capitalism (Gibbon, 1993, 1995; Simon, 1992; Simon *et al.*, 1995; Rapley, 1996). More specifically, for them to be successful they should be seen to achieve three key results: a restructuring of productive forces with a focus on those goods in which a particular country has a clear comparative advantage; an increase in investment rates, including from international capital sources, to stimulate economic growth and hence living standards; and a significant improvement in export performance.

To achieve these ends, macroeconomic reform measures have generally required a reduction in size of the government's involvement in the economy, and included within this has been the privatisation of parastatals and other nationalised industries; the introduction of competition within various economic sectors; trade liberalisation; the abolition of centrally fixed currency exchange rates; the deregulation of currency markets; active encouragement for the private sector, including both domestic and foreign capital; and a reduction in the size of the workforce in the public sector. By adopting such measures, the IMF and others have argued that the conditions will be set in place to facilitate higher rates of economic growth. Such economic growth will be sustainable in the longer term, and will lead to real increases in the standard of living and quality of life of the populations of those countries successfully adopting such reforming measures.

Tanzania's first involvement with reform can be traced back to the National Economic Survival Programme of 1981-82 which was

Table 1. Selected socioeconomic characteristics of a sample of the Dar es Salaam peri-urban population ($N = 550$)

<i>Summary means</i>	
Mean household size (persons)	4.1 (minimum = 1, maximum = 11)
Mean holding size (acres)	4.1 (minimum = 0.25, maximum = 25)
Mean number of plots per holding	1.6
Mean number of family labourers per farm	2.4
Mean number of hired labourers per farm	1.1
<i>Birthplace of heads of household (percentage)</i>	
Within present village	31.3
Elsewhere in Dar es	
Salaam/Coast Region	27.8
Elsewhere in Tanzania	40.9
<i>Immediate previous residence location of head of household before settling in present location (percentage)</i>	
Dar es Salaam city	53.1
Already settled in peri-urban zone	33.8
Elsewhere in Tanzania	13.1
<i>Main employment types by head of household (percentage)</i>	
Farming	58.3
Paid employment	17.5
Business	16.8
Artisan	2.8
Casual	2.1
Others	2.5
<i>Number of sources of household income (percentage)</i>	
1	43.0
2	40.6
3	12.0
4 and more	4.4

both short-lived and ineffective, and was soon superseded by the Structural Adjustment Programme of 1982–86. Interestingly, although this had the part approval of the IMF, it was developed by the Tanzanian government itself in an attempt to minimise external interference. Julius Nyerere, the President at that time, was determined to protect Tanzania's sovereignty, but the result was a period of protracted wrangling between the IMF and the Tanzanian government. Finally resolved in 1986, the Economic Recovery Programme was launched in that year with a strong IMF flavour to it. With the election of Ali Hassan Mwinyi as State President in 1985, Nyerere, one of the main opponents of macroeconomic reform, was no longer central and the conditions for significant macroeconomic re-

form were now firmly set. By the early 1990s, macroeconomic reform had become a seemingly unstoppable force in Tanzania, a process reinforced with the election of Benjamin Mkapa to the Presidency in 1995. Tanzania by now had moved a long way from the heady days of 'building socialism' in the 1970s.

As with many other African countries, there has been a questioning of the extent to which Tanzania has experienced significant structural reform. Wagao (1992) is of the opinion that all three programmes have relied overly on orthodox short-term macroeconomic measures and hence have brought about only limited structural change. Indeed, it was only in the last few years of Mwinyi's Presidency, and since Mkapa's election in 1995, that significant structural change has

come about with, for example, the sale to the private sector of parastatal companies, the proactive encouragement of domestic and foreign capital, and the privatisation and introduction of competition to the financial sector.

3. The Nature of Recent Urban Expansion in Dar es Salaam

The city of Dar es Salaam covers an extensive area, 35 km from north to south, and up to 30 km from east to west (Figure 1). Some of the most significant geographical developments have taken place since 1967, and especially since 1978, producing an irregular spatial pattern to the city. This is due to two factors. First, the site of Dar es Salaam, located on a narrow section of the coastal plain, is characterised by a complex creek system, a system which has contributed significantly to the morphological development of the city, in particular by influencing the direction of expansion of the city and producing some degree of spatial discontinuity to the built-up areas (Mascarenhas, 1971). For example, the core of the city has developed on the northern shore of Mzinga Creek, but is separated in the north from Oyster Bay and Magomeni by Msimbazi Creek. Similarly, Mzinga Creek has proved to be a significant barrier to city expansion to the south. Indeed, it was only in the 1980s that Mbagala developed as an urban area.

The second factor, increasingly important since the early 1980s, emphasises the need to maximise accessibility to and from the city centre. Hence, during the 1980s especially, expansion along the arterial roads has been faster than in those areas not served by good roads. Figure 1 shows that by 1992 the city's residential area had expanded to Kibamba, 30 km to the west, and almost to Bunju a similar distance to the north, whilst much of the area between was still largely undeveloped. Thus by 1992, wherever the physical features allowed, the expanding urban area of Dar es Salaam consisted of rural territory pierced by finger-like projections of urban land uses, especially residential. In the inter-

stitial areas, land was either cultivated or left vacant. Such a growth form gave rise to ribbon rather than circumferential development of the city.

Since 1992, the spatial pattern of urban development has been modified, and this has taken place against a background of continuing population growth. The reduction of urban growth rates, central to Gilbert's (1993) thinking, is not evident in Dar es Salaam. Although the 1967–78 intercensal period showed that Dar es Salaam experienced an annual population growth rate of 9.9 per cent, the results of the 1988 census suggested that the annual growth rate had slowed down considerably, to less than 5 per cent per annum (Barke and Sowden, 1992). Optimism that a deceleration of urban growth was under way, was, however, tempered by evidence that there may have been a substantial underenumeration in the 1988 census for Dar es Salaam, and suggestions that the city's population growth rate had decelerated may have been both premature and dangerous (Briggs, 1993). It was widely accepted by the city authorities that, by mid 1992, Dar es Salaam's population was realistically almost 2 million, and that by early 1998 had become closer to 3 million.

As a consequence, the spatial expansion of the city has continued at a rapid pace (Figure 1). However, the emergent patterns are somewhat different from those in the pre-1990 period. The linear expansion of the city which dominated during the 1980s has now been replaced to a great extent by infill. This is especially evident to the north-west in areas such as Makongo, but can also be seen to the west and north. A further element has been the development of an increased densification of the existing 1992 linear settlement pattern, and especially immediately along the main roads, where during the 1990s there has been a proliferation of small shops and businesses. It has also led to tensions in some areas, such as along Morogoro Road between Ubungo and Mbezi, where Dar es Salaam Council wishes to demolish what it considers to be squatter settlements to make way for a widening of the main road.

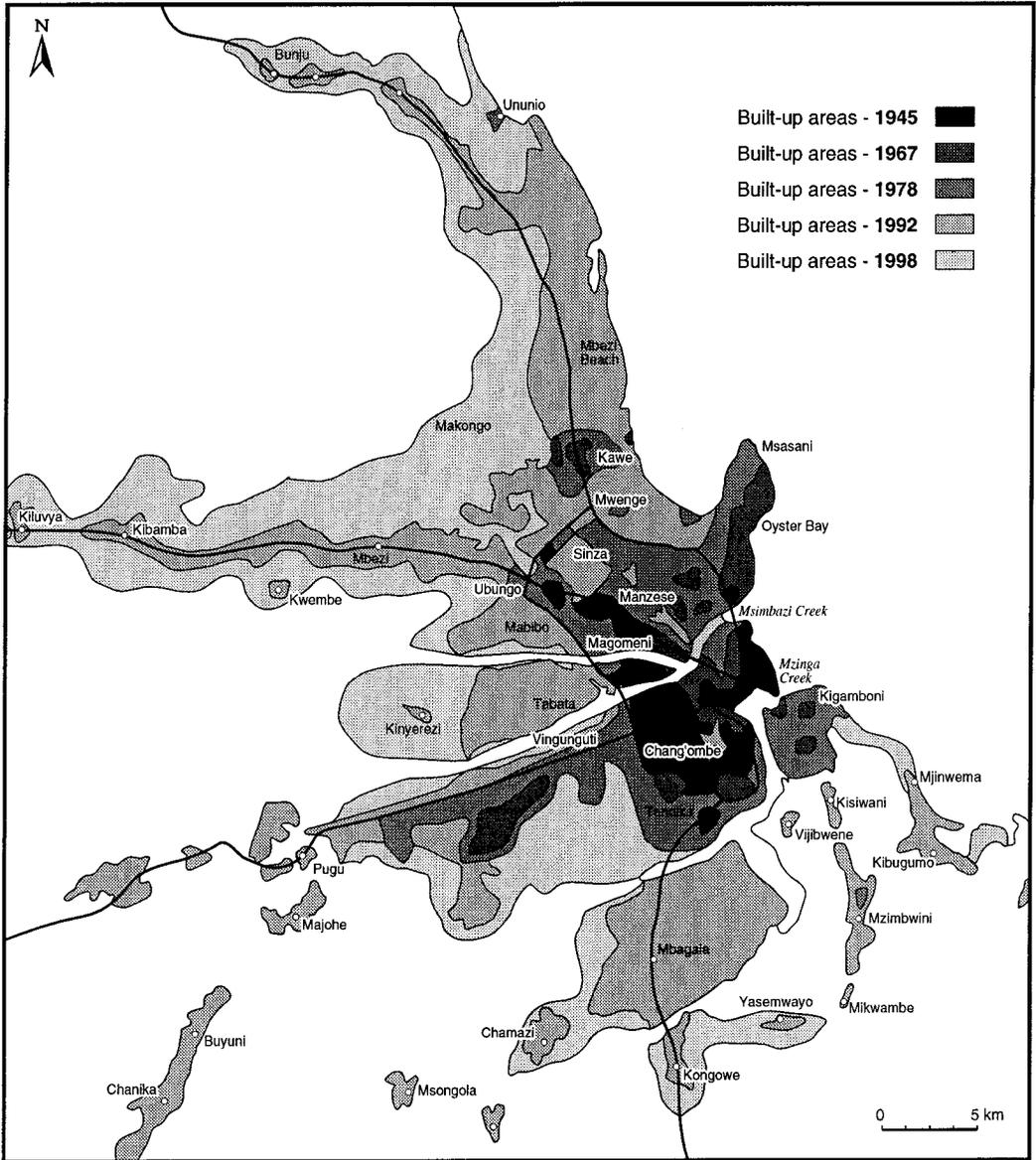


Figure 1. The growth of Dar es Salaam, 1945–98. *Sources:* 1945–92 development: aerial photography for 1945, 1967 and 1978, satellite imagery for 1992 (see Mwamfupe, 1994); 1998 development: fieldwork by the authors.

Areas to the south, however, and particularly to the south-east across Mzinga Creek, have experienced far less urban expansion, and, indeed, some areas are largely untouched, even though they would appear to be relatively close to the city centre and the main industrial areas of Chang’ombe and Vingunguti. To the south of Mbagala on

Kilwa Road, the urban area possesses an abrupt edge, and the Pugu area is very much a rural environment with few urban influences. There is a perception among many in-migrants to Dar es Salaam that these areas represent the Zaramo heartland, the Zaramo being the indigenous ethnic group of the Dar es Salaam region. As a consequence, this

area is seen as far less attractive for in-migrants to the city who might well feel culturally and socially isolated, perhaps even threatened. This is reflected in land prices; field research in late 1997 showed that an acre of land in the Pugu area could be bought for as little as TShs20 000 (£20), whereas at Kibamba on Morogoro Road, even though further from the city centre, an acre could cost as much as TShs5 000 000 (£5000). It is not as though the Zaramo around Pugu wish to be exclusive, in fact quite the opposite, and many regret the seeming unattractiveness of their land to buyers. Some further observed shrewdly that the problem is compounded by the area currently showing few signs of urban development, making it doubly unattractive to outside purchasers.

4. Processes of Urban Expansion

For most of the 1980s, during the first few years of structural adjustment, much of the spatial expansion of the city was related to a survival strategy on the part of many city residents (Briggs, 1991; Mwamfupe, 1994). Many bought land and moved to the edge of the urban area from the city itself, primarily in response to a need to produce their own food to survive the growing economic crisis of the early and mid 1980s. The land vendors, mainly indigenous Zaramo people, frequently then moved further out to buy land at a lower price, to farm in the immediate term, but with the longer-term hope that land prices will rise as Dar es Salaam expands spatially, and then the whole process will be repeated. The advantage of these areas for incomers was that they offered people opportunities to engage in farming, and hence secure a household food supply, whilst also engaging in non-farm jobs in the city. Strategies included some residents retaining a house in the city, whilst, at the same time, having one or two household members working on a peri-urban farm; yet other households decided to change their residence completely and moved out of the city and into houses at the edge of the urban area. At this time, settlement tended to locate along

the major arterial roads to enjoy easier transport services to and from the city, rather than be located off-road. This very much reflected the urban transport crisis of the 1980s.

In the early 1990s, however, the processes were becoming rather different as new conditions emerged as a result of structural adjustment. People were no longer having to respond to crisis by using the peri-urban zone as a zone of survival, rather they were starting to use it as a zone for investment. Increasingly, it was developed for permanent housing and for the expansion of commercial agriculture supplying the city, and especially so with products such as fresh milk, vegetables (especially *mchicha*, a leafy vegetable not unlike spinach), oranges and other fruit (Mlozi *et al.*, 1992). This has been further encouraged by the structural adjustment measures of the 1990s.

For many years, Dar es Salaam experienced a major intraurban transport problem, and one which was particularly acute in the 1970s and 1980s. The sole transport operator at that time was the state-owned Usafiri Dar es Salaam (UDA), a company which was starved of investment, badly managed and typified by low staff morale. Buses were hugely overcrowded, timetables were irrelevant or non-existent, and journey times from home to work could be enormous. It was not unusual for a journey from a home in Ubungu to a workplace in the city centre (Figure 1), a distance of about 12 km, to take up to 3 hours. As a result, the chronic and enduring transport problem had an impact on the urban space of the city. People chose to live as close to the main areas of employment, such as the city centre, Chang'ombe and Vingunguti, as possible, so that walking up to several kilometres to work was an option; or to live as closely as possible to the main roads into the city along which buses operated. This latter trend is particularly marked with respect to the developing urban pattern of the city during the 1980s, and especially along the road to Kibamba (Figure 1). Much of the star-shaped pattern of the urban space of Dar es Salaam, which emerged in the 1980s, can be

seen as a response to transport accessibility. The interstitial areas between the main roads were simply inaccessible as far as public transport was concerned, and the problem was compounded by low rates of private vehicle ownership.

One of the key components of structural adjustment in Tanzania has been the replacement of state-based economic interventions by market mechanisms. In the case of UDA, the company was privatised in 1992, but even more significant has been the subsequent deregulation of the public transport market in Dar es Salaam, allowing many small operators to move in. The results have been dramatic. The journey time from Ubungo to the city centre has now been reduced to 20–30 minutes; delays are now due to traffic volumes, not to an acute shortage of buses. A feature of public transport which has developed over the past 4 years has been the proliferation of different types of transport, ranging from conventional buses to minibuses, microbuses, converted pick-ups and, recently, Land Rovers, and it is this change which has had a large impact since 1992 on the urban space of the city. In particular, minibuses (in Swahili *vipanya*) are now operating feeder routes off the main roads along dirt roads into interstitial areas from out-of-town hubs such as Ubungo, Mwenge, Mbezi and Kibamba. Land Rovers are being used in the same way along the even rougher roads and tracks. The result has been to permit significant urban development since 1992 at locations away from the arterial roads (Figure 1). The extensions of the urban area into Makongo and Kinyerezi are prime examples of this. As these areas become more densely settled, road upgrading by the City Council and, in some cases, private companies takes place, allowing in larger buses; the smaller buses and Land Rovers then get pushed out further into the next urban coloniser zones. A location next to a main road is no longer the pressing concern that it once was.

A further contributory factor in the process of urban expansion, and especially in the interstitial areas, has been the increase in

private vehicle ownership which has taken place in the 1990s. This increase has inevitably been of greater benefit to wealthier socioeconomic groups, encouraged by accumulation opportunities brought about by structural adjustment. However, there has also been a significant increase in car ownership among public-sector employees, but not because of rises in real wages; indeed, quite the opposite. Structural adjustment has required tight control over public expenditure, resulting in retrenchment and reductions in real wages. However, not only do the latter reduce workforce morale, but they also threaten efficiency and honesty as some employees may take the opportunity from their position to engage in corrupt, or rent-seeking, activities. The response by the government has been to introduce a car allowance, payable on proof of car ownership, as a way of raising incomes in the public sector. A typical middle-level state employee's monthly salary is about TShs50 000, to which can be added a monthly car allowance of TShs100 000. The means of access to what used to be quite inaccessible urban areas, largely because of a reliance on an inadequate and wholly unreliable public transport system, have now become more widely available. The process is further encouraged, as far as state employees are concerned, in that many are eligible for a further monthly housing allowance of TShs100 000, similarly payable on proof of house ownership, an irresistible factor underlying urban expansion in Dar es Salaam. Indeed, interviews in the 1997 survey showed that in some of the lately expanding areas of the peri-urban zone, especially in the north, about two-thirds of houses under construction are owned by state employees. Although it is not possible to place an exact figure on the number of people benefiting from these arrangements, due to a combination of confidentiality and inadequate records, several informed sources suggested that these allowances may currently be being paid to up to 20 000 state employees. If this is so, this represents a considerable amount of capital

being injected into the housing sector of Dar es Salaam.

A second broad process resulting from structural adjustment measures has been rapid capital accumulation based on trade liberalisation, one of the key sources of capital fuelling the urban expansion of the city. Controls on both imports and exports have been relaxed; businesses are now permitted to hold foreign exchange accounts; less 'accountable' sources of foreign currencies are ignored by the authorities; and foreign exchange is readily available internally through registered exchange dealers and regular exchange auctions conducted by the central Bank of Tanzania. This has very much encouraged a consumer boom in Tanzania, and especially in Dar es Salaam, and many traders have done well financially. Consequently, 'windfall' cash from trade liberalisation has sought outlets for investment, of which real estate in the peri-urban zone is particularly attractive. There is an uneasy feeling, however, that this boom is somewhat hollow in the sense that there has been only limited investment in the economy's long-term productive capacity. Indeed, the Bank of Tanzania reported that between October 1990 and October 1997, a total of only £1.7 billion of foreign investment has come into Tanzania, amounting to less than about £250 million per annum (*Daily News*, 10 October, 1997). Moreover, this has only been in a narrow range of activity, mainly brewing, mineral exploitation, tourism and air transport, with significant amounts coming from South Africa. Although investment in construction can be seen to be productive investment—to the extent that it stimulates the production of building materials, for example—it does not represent a sustainable long-term investment in industrial production or export capacity, such that if and when the housing boom peters out, it is difficult to see how and where meaningful production output may be achieved in the future.

A pressing question revolves around other sources of capital in addition to that accumulating from trade. It seems unlikely that the surpluses generated from trade liberalisation

alone have been sufficient to fund the levels of urban expansion seen in Dar es Salaam since 1990. It is at this point that the role of the state must be considered and, in particular, the importance of rent-seeking activities. During Mwinyi's presidency, there developed an attitude of mind, referred to in Swahili as *raksi*, roughly translating as 'anything goes'. In particular, some people in jobs of influence or control in the state sector used opportunities to accumulate capital through corrupt activities. Significantly, this involved not only many high-level officials, but it also seems to have permeated to middle and lower levels. With Mkapa's election as President in November 1995, a clean-up campaign was launched, in particular establishing the Warioba Commission to report on the issue of state-sector corruption. Published in December 1996, the Warioba Report presents devastating evidence on the depth and scope of corrupt activities in Tanzania (Warioba, 1997). During 1997, the work of the Task Force, which was set up in response, has resulted in revelations that in 1995 alone, for example, over \$80 million in government revenue were 'lost' (Britain-Tanzania Society, 1998). There have been a number of court cases in which officials have been convicted of embezzlement of public funds; for example, three Bank of Tanzania middle-rank officials have been convicted of stealing £1.4 million from the Bank, whilst the general manager of the nationalised Sugar Development Corporation was sacked in the wake of allegations of financial mismanagement amounting to the loss of £440 000 (Britain-Tanzania Society, 1998). The fear is that what is actually known is only the tip of the corruption iceberg. It is widely suggested that this plundering of the state's resources has provided a considerable source of capital fuelling urban expansion. Interestingly, with Mkapa's 'clean-up' campaign in 1997, money seems to have been in increasingly short supply, and there appears to have developed something of a recessionary trend in 1997, with a resultant slowing-down of urban expansion. This can be seen in the peri-urban landscape by the number of house-shells on

which construction has been suspended, by the lay-offs of construction workers, and by recent significant sales' reductions reported by brick-makers. It is unclear at this stage whether this is due to a real reduction in money supply, or whether it is a reflection of investor confidence being temporarily dented.

A final trend goes some way to explaining the emphasis on house construction and the creation of small businesses in the urban expansion process, rather than larger factories or enterprises. Without doubt, there is a continuing lack of business confidence in the investment environment. Potential domestic and foreign investors raise concerns as to whether the Tanzanian government can really be trusted not to return to the days of the Arusha Declaration in 1967 and renationalise businesses and enterprises. Many have long memories and have no wish for history to repeat itself at their expense. At another level, for foreign capital, Tanzania is merely one of many location options for investment, and many see the attractions of alternative places to be less risky. The consequence is that there is a tendency to keep capital as liquid as possible, through short-term investment, through emphasis on import-export activities, through cash holdings (typically in hard currencies if possible) and through locating cash and investment outside Tanzania. Few entrepreneurs are prepared to risk large amounts of capital in large single-plant investments. Indeed, where productive investment does take place, it tends to be spread across a range of small-scale activities, perhaps as a hedge against any future nationalisation. In the same way that a peasant farmer grows a range of food and export crops as insurance against crop failure, so does the new Dar es Salaam urban investor, as he/she spreads investment in small amounts across a range of activities of which housing is but one. Indeed, some use the argument that housing is the safest of all investments, as this sector is likely to be one of the last to be nationalised, should Tanzania revisit its days of building socialism. The situation is complicated further by the confusion that sur-

rounds landholding in Tanzania and especially in the urban areas. The Shivji Commission, reporting on land ownership issues in 1995, has drawn attention to the problem of proving ownership especially in urban areas, where customary rights have been superseded in most, but not all, cases by state ownership; where individuals lay claim to ownership and then sell the land on to other individuals who buy it in good faith; or where third parties suddenly appear who claim usufructuary rights (Shivji, 1995). Without doubt, this is a further disincentive to any large-scale single-enterprise investment, as any such companies are reluctant to commit large sums of capital to develop a plant on land which may subsequently prove to have disputed ownership.

5. Conclusions

The discussion has shown that, even though economic engagements with the global economy may have largely bypassed Africa, IMF-sponsored structural adjustment nonetheless has had a pervasive impact on the urban space of Dar es Salaam during the 1990s. Liberalisation and deregulation, both central to structural adjustment, and, to a lesser extent, rent-seeking activities, have provided the conditions for investment in housing in particular to take place in the peri-urban zone of the city. Moreover, it can be argued that this investment has tended to favour consumption rather than production. Given that structural adjustment measures are aimed at enhancing productive capacity for future sustainable economic growth, there have to be medium- and long-term concerns for Tanzania and for Dar es Salaam as the country's most important city. This might suggest that inputs of capital and energy into housing and other consumption-dominated activities, rather than into other direct productive investments—in manufacturing capacity, for example—may leave Tanzania and Dar es Salaam with economic problems in the future.

However, what is also clear is that urban Tanzanians have been very much their own

agents of change, responding in pluriactive ways to the challenges and pressures of structural adjustment. For many, the opportunity to invest in housing in the peri-urban areas is irresistible and wholly logical in terms of household reproduction. It provides not only an investment for the present, but also for the future, in a society which is not able to provide state support in old age in the form of pensions. It has also provided the opportunity for family members from the rural areas to migrate to the city in the knowledge that they will have a roof over their heads when they arrive. However much structural adjustment may not be welcomed in African countries, because of conflicts with national economic priorities and worries about loss of sovereignty, nonetheless the reality is that the acceptance of a structural adjustment package is an essential element for participation, however marginal, in a global economy, however defined. The trick is for the recipients of such strategies to respond in ways that meet at least some of their aspirations, and in ways which may seem to outside observers to represent unanticipated outcomes of engagement. African urbanites have done just this.

Finally, some of the more positive views expressed on the impact of structural adjustment on Third World cities—such as the fostering and encouragement of new economic activity, the slowdown of urban growth and the development of a more polycentric urban structure (Gilbert, 1993; Townroe, 1996)—appear to be rather less relevant to the African city than perhaps elsewhere in the Third World. Urban growth rates in Africa, for example, have still to show a significant and enduring decrease. However, the difficulty is more than simply a population growth issue. Gilbert suggests that diseconomies of scale associated with large cities will encourage investment elsewhere in the space economy, and this may well be the case where that investment is largely in increasing production capacity. But in circumstances where the country's largest city still dominates the national economy, where consumption dominates production in the de-

ployment of capital, and where capital accumulation from rent-seeking activities is dependent on a large state sector located predominantly in the capital city, then polycentric urban development is somewhat easier to resist. Although this challenge is based on evidence from only one African city, some or all of these conditions are apparent elsewhere in urban Africa. This begs the question as to whether the African case is still significantly different from that elsewhere in the Third World. If so, this renders Gilbert's (1993) conceptualisation of a general Third World urbanisation somewhat premature. Perhaps some of the explanation lies in the fact that the African city remains place- and culture-specific, that Gilbert's (1993) polycentric representation of evolving urbanisation may well be useful in a Latin American context, but far less helpful in an African context, and that the middle-income nature of many Latin American cities is sufficiently different from the African context to make any Third World generalisation difficult at best.

Acknowledgements

The authors are very grateful to those urban (and peri-urban) residents of Dar es Salaam who willingly and generously gave their time to answer questions, talk with us, debate with us and question us in return. They were always polite, open and honest, and for that we are eternally grateful. The authors also wish to thank Mike Shand for making sense of the field map data and for succeeding in producing the map reproduced in this paper.

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