

**Interdepartmental Project on the Urban Informal Sector**

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**DISCUSSION PAPER NO. 4**

**INFORMAL SECTOR  
CLUSTERS**

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*Note: The Discussion Papers are preliminary documents circulated informally in a limited number of copies mainly to stimulate discussion and to obtain critical comments.*

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## Executive Summary

This study of informal sector clusters looked into how informal sector operators are organized in the running of their businesses, as groups operating in the same or different kinds of businesses. The objective of the study was to understand how the operators could be assisted in improving their productivity, working environment, as well as their well being (including means of protection against eventualities such as ill health, old age, death, etc.).

Although the government has lately acknowledged the importance of the informal sector in the national economy (contribution to the GDP and becoming more important in job creation for the unemployed), the study found that very little is being done to help informal sector operators. Enabling environment (policy and infrastructure) for the operators to conduct their businesses is still lacking. As a result, for the majority of operators their only means of livelihood is insecure.

Threat of eviction hangs over the heads of informal sector operators who are in clusters in areas which are regarded as having been invaded by the operators (without permission from relevant authorities).

Concentrations (clusters) of informal sector operators have sprung up in various places in Dar es Salaam, and they continue to be formed in any available vacant place, regardless of government/City Council plans for use of those areas. Informal sector activities are the only means available for the unemployed to survive in this city.

Majority of informal sector operators cluster around market places which ensures access to many customers who go to the markets, and also some degree of safety from eviction by authorities. Safety is more assured in markets which are recognized by the powers that be.

Operators who cluster around market places are mainly engaged in trading activities. On the other hand, informal sector operators who are engaged in manufacturing activities, form concentrations of single type activities, and are not normally found around market places.

Informal sector clusters which are not located around recognized market places, face a threat of eviction from the areas where they are, because they do not have title deeds or any form of right of occupancy to the land. This makes it extremely difficult for the operators to embark on programmes to develop the land on which they are located, or to significantly improve their businesses.

Lack of title deeds or some guarantee of a specified time in which operators can run their businesses without fear of eviction, contributes to a situation whereby informal sector activities become mostly "from hand to mouth" businesses, with no possibility of business expansion or improvement of the standard of living of informal sector operators.

Cluster locations (both recognized market places and unrecognized cluster areas) lack basic facilities and services necessary for a healthy working environment.

Most clusters lack, or have poor infrastructure, e.g. buildings, stalls or tables. This is a very costly area for a single organization to undertake in the efforts to improve the informal sector.

Most of the clusters have grassroot or umbrella organizations, a condition which ensures participation of the operators in the planned interventions.

Currently, only one cluster has an operational programme whose objective is to improve operators' skills in the management of their businesses. Other clusters do not have any kind of programme.

Operators in the clusters studied do not have any kind of social protection, i.e. there is no provision for old age or prolonged period of sickness.

Make-shift restaurants which are mainly operated by women and are found in almost all clusters, need urgent attention in regard to sanitation (environment in which food is cooked and served to customers), to control/prevent outbreaks of epidemics.

In all the clusters there are areas in which the INTERDEP project could get involved: the land problem, training, mobilisation of operators in establishing saving schemes, social security issues, and so on.

Implementation of intervention programmes will be more possible in clusters which have a high degree of organization as self-help groups. Manufacturing groups in this study fall under this category. The groups (except DASICO) are relatively small (compared with market clusters), making interaction between group members easy. However, it should be pointed out that a high degree of organization alone is not a guarantee for acceptance or success of interventions which will be introduced. Much depends also on how the interventions are introduced and how they are perceived (prioritized) by the operators in relation to their immediate objectives of income generation for survival. In this regard, programmes which will be directly related to increased incomes will have a higher chance of success.

Main characteristics of the identified clusters and applicability of selection criteria for inclusion in INTERDEP project, are summarized in the following tables:

Table 1: Clusters' main characteristics

| CLUSTERS           | No. of Operator s | Public utilities    | Organization        | Critical issues | Programmes | Social Security | Potential for Collaboration *j | Issues to address  |
|--------------------|-------------------|---------------------|---------------------|-----------------|------------|-----------------|--------------------------------|--------------------|
| Mugogoni Ferry     | 500               | water               | grassroot           | 1,2,3           | NONE       | none            | exists                         | sanitation, SOCROC |
| Mwananyama         | 404               | water, toilets      | umbrella            | 1,2,3           | "          | "               | "                              | "                  |
| Gerezani           | 924               | water, toilets      | grassroot           | 1+,2,3          | ILO/SID O* | "               | "                              | "                  |
| Mwenge Arts        | 2200              | none                | grassroot           | 1,2,3           | NONE       | "               | "                              | +                  |
| Tereteke Stereo    | 321               | "                   | grassroot/ umbrella | 1,2,3           | "          | "               | "                              | +                  |
| Buguruni Carpentry | 42                | "                   | grassroot           | 1,2,3           | "          | "               | "                              | "                  |
| Tingatanga         | 77                | water               | grassroot           | 2,3             | "          | "               | "                              | "                  |
| Tandale            | 782               | none                | umbrella            | 1,2,3           | "          | "               | "                              | "                  |
| Buguruni Market    | 535               | water, toilets      | "                   | 1,2,3           | "          | "               | "                              | "                  |
| Tandika Market     | 400               | toilets electricity | "                   | 2,3             | "          | "               | "                              | "                  |
| Ubungo Market      | 150               | none                | "                   | 1,2,3           | "          | "               | "                              | "                  |
| Ilala Market       | 674               | none                | "                   | 2,3             | "          | "               | "                              | "                  |
| Manzese Market     | 74                | toilets             | "                   | 2,3             | "          | "               | "                              | "                  |
| Kwa B. Matola      | 118               | none                | "                   | 1,2,3           | "          | "               | "                              | "                  |

Key: \* DASICO only. + Umoja wa Migahawa. 1=land problem. 2= sanitation. 3= social security

Table 2: Applicability of selection criteria

| Clusters         | Land | Business | Gender Issues | Type of intervention* | Degree of organization |
|------------------|------|----------|---------------|-----------------------|------------------------|
| Magogoni Ferry   | 1    | 2        | 3             | 3                     | 2                      |
| Mwananyamala Mkt | 2    | 2        | 3             | 3                     | 2                      |
| Gerezani Cluster | 3    | 3        | 3             | 2                     | 3                      |
| Mwenge Arts      | 3    | 3        | 2             | 3                     | 2                      |
| Temeke Stereo +  | 1    | 3        | 1             | 3                     | 3                      |
| Buguruni Carpen. | 2    | 3        | 1             | 3                     | 3                      |
| Tingatinga Arts  | 3    | 3        | 1             | 3                     | 3                      |
| Tandale Mkt.     | 1    | 2        | 3             | 3                     | 2                      |
| Buguruni Market  | 1    | 2        | 3             | 3                     | 2                      |
| Tandika Market   | 3    | 2        | 3             | 3                     | 2                      |
| Ubungo Market    | 1    | 2        | 2             | 3                     | 2                      |
| Ijala Market     | 3    | 2        | 3             | 3                     | 2                      |
| Manzese Market   | 3    | 2        | 3             | 3                     | 2                      |
| Bt. Matola       | 3    | 2        | 1             | 3                     | 2                      |

Key: + Cassana Industries Co-operative Society only

\* Please Note: All the clusters can benefit from different types of interventions. What types of intervention should be undertaken depends on INTERDEP project and the resources set aside for the purpose.

## **REPORT ON INFORMAL SECTOR CLUSTERS IN DAR ES SALAAM**

### **1. BACKGROUND**

The study was required to identify areas of high concentration of informal sectors in Dar es Salaam, and for each of the identified clusters to describe types of businesses, number of operators in the cluster, organizational structures, critical issues facing the clusters/businesses or operators, sanitary issues, social security for operators, and other issues (see attached Terms of Reference).

Also, the study was to identify programmes that are operational in the cluster, organizers of such programmes, methodologies of the programmes and outcome of the programmes.

The major objective of the study was to come up with suggestions for involvement of the INTERDEP project (in collaboration with other agencies and the operators themselves) in the clusters in order to improve conditions (working, sanitary, social security, etc.) for operators in the informal sector.

### **2. THE STUDY**

The study was carried out in all three districts of the Dar es Salaam Region, using a questionnaire which was administered with the help of two research assistants. Prior to the field work, the consultant was taken by the co-ordinator of the team of consultants to Vusha, DASICO and Mwananyamala clusters and introduced to the leadership of those clusters.

A total of 20 clusters were visited, and the questionnaire administered, but this report covers only 14 clusters. The other clusters have been left out because some important data on the clusters could not be verified before the writing of this report.

In addition to the questionnaire, interviews were held with Zonal Market Officers in all the districts.

#### **2.1 Definition**

The definition of "cluster", according to the terms of reference is " high concentration of informal sector activities". Examples of such concentration areas are Vusha Co-operative Society (including cooked food, fruit and sea shells sellers and kiosk owners, who are not members of the co-operative society) at Magogoni Ferry, DASICO at Gerezani and Mwananyamala market.



In addition to the three clusters mentioned above, other clusters were identified and included in the study although they do not fit into the definition of "cluster" as applied to the three areas mentioned above. The decision to go beyond the limits of the above definition was necessitated by the fact that many of the areas of high concentration of informal sector activities are market places where the selling of foodstuffs, second hand clothing and other commodities and services takes place. Thus, sticking to the example of the three areas, would have excluded other types of informal sector activities, most of which are manufacturing; for instance, carpentry, carving and metal work, activities which are not normally found in market places.

The study examined terms used by others involved in informal sector activities to define concentrations of informal sector operators. Those involved in research commissioned by the INTERDEP project, used the term "cluster" without giving a definition of the term.

The definition by the Department of Co-operatives (City of Dar es Salaam) was also examined. The department recognizes only activities which have been registered with the department, thus excludes many informal sector clusters, for example, the many unregistered markets and other groups of informal sector operators.

Another difficulty in defining "cluster" arises from the fact that sometimes it is difficult to identify clear

demarcations of a cluster, for example, in areas where operators conduct their activities over a wide geographic area, like the Congo Street and the areas surrounding the Kariakoo Market, Manzese area, the area stretching from Morogoro Road to Tandale Market, or the area between Buguruni Market and TAZARA, to mention only four among many such areas in Dar es Salaam.

For the purposes of this study, the following definition was adopted: " a cluster can be regarded as a concentration of informal sector operators, engaged in one or several business activities in one area. Each business may or may not be an entity in itself, and the entities may or may not have an apex organization for the purpose of solving common problems, or those which need a joint approach".

## 2.2 Cluster identification.

It is very difficult to know the exact number of informal sector clusters, in Dar es Salaam, as clusters seem to be formed almost daily in various parts of the city. Open spaces are invaded by informal sector operators regardless of legal ownership and City plans for the use of those open areas.

Clusters which are presented in this report were selected from all three districts of the City of Dar es Salaam: Kinondoni, Tembeke and Ilala. Given the time and resources at disposal for this study, it was not possible to select the clusters in a representative way, i.e. enumerate as many clusters as possible in all the districts and then select a sample from the population of the clusters. This is one reason for the preponderance in this report of clusters from Kinondoni district, followed by Ilala district. But at the same time, it should be pointed out that the two

districts contain the larger part of the Business Centre District, which means that there are greater opportunities for informal sector operators to sell their products and services in the two districts.

As already indicated above, most of the clusters in this study are based around market places. All the markets, except one (Temeko Stereo Market), are bustling with activities, are overflowed with people and commodities and have no vacant areas left.

Temeko Stereo Market on the other hand, is unique in this regard. The City Council erected market buildings, built toilets and laid down water pipes for the market. The immediate surrounding areas were reserved for the market. However, it is the only market in Dar es Salaam which "boasts" of empty tables and stalls, and whose vacant spaces have not been invaded by informal sector operators as is the case with the other markets. More of this below.

### 2.3 Structural organization of the clusters.

The clusters in this study include both those whose core are food markets, as well as ones which are trade based, such as carving, for example. The latter clusters are mainly recognized as co-operative societies (both registered and unregistered). Even operators in some of the food markets have organized themselves into co-operative societies. Vusha and Mwananyamala Market are examples of clusters whose cores are formed by co-operative societies. While Vusha is surrounded by operators who are not members of the co-operative society concerned, all the operators at Mwananyamala Market are members of the sole organization which owns and runs the market (MFAVESCOS).

In this report, a cluster whose core is a marketing co-operative society (both registered and unregistered), is identified by the name of the market concerned. In other words, the clusters do not have names other than the names of the activities under which they are registered. Vusha or DASICO therefore, do not refer to other concentrations of informal sector activities in the localities where Vusha and DASICO are located. For example, sellers of cooked food, cereals, and pulses, sea shells and fruits at Magogoni Ferry belong to five separate organizations which have nothing in common with the Vusha Co-operative Society, apart from sharing the geographic area where they operate. Even the fishermen and fishmongers are organized into two separate co-operative societies, Vusha and Bwabwaza.

The identity of each group of operators in a cluster is important because mobilisation of the operators in a cluster can be more effective and successful by working through the primary groups to which they belong, as each of the groups has its own leadership structure. Furthermore, in the case of the Magogoni Ferry cluster, for example Vusha leadership has no authority over the other groups.

Also, the various operators in the clusters identify themselves with the "trade" organizations to which they belong.

There are three types of organizational structures in the clusters:

- (a) Groups of individual operators in a cluster who despite being engaged in the same type of business do not have a leadership structure. An example of this is the makeshift restaurant operators and second hand clothes sellers, in the Tandale market cluster; and operators who invade and occupy areas outside the legally recognized markets.
- (b) Operators in a cluster who are organized into groups according to type of businesses and have a leadership structure (grassroot organization), but the cluster does not have an apex organization. Magogoni Ferry, DASICO, Tingatinga, carvers and arts dealers of Mwenge, Kwa Binti Matola Market clusters are an example of this type of cluster.
- (c) Clusters which have an apex organization but whose operators are not organized at grassroot level according to the type of business (although areas in the clusters are allocated according to types of business, i.e. operators of the same kind of business are located in one area). Most of the market place clusters fall into this group.

All business operators who have established clusters in areas which they have not been allocated by the concerned authorities, have formed apex organizations with leadership structure similar to registered co-operative societies, as a survival mechanism (protection against harassment and threat of eviction by the authorities concerned). It is also a necessary step before applying for registration.

A second reason for the operators organizing themselves into groups is to ensure order at the place where the groups operate.

Each operator in a group runs his/her business entirely on his/her own. This is also true even for some of the groups which are market place based and are registered as co-operative societies. Operators pay a fee for membership in the group concerned, and also make contributions to a general fund as specified by the leadership, for meeting costs which may be incurred by the group (e.g. cleanliness of the area, paying a watchman, etc.).

It should be pointed out that apex organizations which are not registered co-operative societies, are weak in so far as issues related to business productivity and operators' welfare are concerned. As has been pointed out, the leadership of such organizations are only concerned with collection of cash contributions from operators for paying watchmen and other common services, allocating space to new operators and keeping the peace in the market. Also, as most of these clusters have more than a hundred operators, loosely grouped into different trades, it is difficult for such organizations to hold "membership" meetings. As a result, decisions are taken by the committees and then communicated to operators.

#### **2.4 Types of Informal sector activities in the clusters.**

Business activities in the clusters which are market places are identical. Predominant businesses in these clusters are selling of foodstuffs: maize, maize flour, rice, pulses (fresh as well as dried) of all kinds; vegetables and fruits; live chicken; slaughtering and dressing of chicken; butcheries; selling of fish (fresh as well as dried); root crops and spices. These activities form the core of the cluster. Other activities, e.g. selling of second hand clothes; makeshift restaurants (popularly known as Mama N'tille); kiosks selling different kinds of goods, selling of sea-shells (only seen at Kwa Binti Matola market) are additional to the core activities of the markets.

An exception to the above is the Temeke Stereo market, where informal sector garages surround the market; and where also the absence of a concentration of second hand sellers and kiosks selling various goods, is highly conspicuous.

*Other activities in the identified non market place clusters include: painting, carving and curio selling, metal work and carpentry.*

#### **2.5 Sex distribution of operators.**

Although women operators are found in most of the clusters, they are very few indeed in businesses such as selling food, fruit and vegetables. The majority of the women in this study are in the makeshift restaurants business.

#### **2.6 Disabled persons.**

There are very few disabled persons operating in the clusters in this report. Only 12 operators were recorded, and were located in 5 clusters (5 of them in one cluster, among the carvers at Mwenge).

### **3.0 PRESENTATION OF FINDINGS.**

The findings on the clusters are presented in two sections. The first section describes the individual clusters, and covers issues such as organizational structure of the clusters or businesses, public utilities/services available, critical issues facing the clusters (e.g. land problem, sanitation and social security. This section would also have covered programmes being undertaken in the clusters, the sponsors of the programmes, etc. But since only one of the identified clusters has a programme going on, the report is silent on this. The programme in the cluster concerned is included in the description of that cluster.

The second section of the report deals with issues which concern all the clusters, such as whether the INTERDEP project should be involved in the clusters/businesses and in which areas. Also, general criteria which can be used for selecting clusters for inclusion in the INTERDEP project is suggested.

#### **4.0 THE IDENTIFIED CLUSTERS, PART A.**

The following are descriptions of identified clusters for the INTERDEP project. The first three, are clusters which had been identified by the INTERDEP project earlier, but had no description.

##### **4.1 MAGOGONI FERRY CLUSTER.**

As the name shows, the cluster is located at the Magogoni Ferry, at the harbour entrance. It is an ideal landing place for fishermen, who sell their catches to fish mongers and auctioneers, as well as directly to consumers.

The cluster contains five businesses with approximately 500 operators, as follows:

- (i) Vusha Co-operative Society Ltd. (registered) with 63 members (3 of whom are women). The operators in this co-operative deal with selling of fresh fish.
- (ii) Bwabwaza Co-operative Society (unregistered) with 130 members (all men), also sells fresh fish.
- (iii) Sea shell sellers. There are 24 operators (all men) in the group.
- (iv) Sellers of fruits, vegetables, cereals, maize flour and other foodstuffs and kiosk owners (selling various goods, such as soft drinks, perfumes, etc.). There are 85 operators (all men) in this group.
- (v) Operators of makeshift restaurants (Mama N'tilie). There are 217 operators in this group, 50 of whom are men. In addition, there are women who sell buns (maandazi) but are not members of the group. They bring their buns every morning; they number about 30. There are also about 5 women who come to the cluster daily to sell milk.
- (vi) Male youth who have organized themselves into a group and engage in fishing and frying fish for selling. They are located next to the makeshift restaurants. The group consists of 60 members.

The cluster has no wage employees. There are male youths who remove entrails and wash fish for customers for a price. These are relatives of the fishmongers and are not paid by the fishmongers. The makeshift restaurant operators are helped in their business by their relatives.

It should also be pointed out that men operators either lease their operating space to women who pay Tsh. 3000 per month or use their wives or female relatives to do the cooking, washing up, etc.

There are no disabled operators in the cluster.

#### **4.1.1 Public utilities in the cluster.**

The only public service available is piped water. The cluster does not have public toilets, electricity, first aid or simple fire fighting facilities.

#### **4.1.2 Operators' organizations.**

Each of the five groups which are operating in the cluster has its own leadership: a chairperson, a secretary, a treasurer and committee members.

#### **4.1.3 Critical issues facing the cluster.**

**Land problem.** As pointed out above, the land on which the cluster is located belongs to the Tanzania Harbours Authority. No rent is charged for the use of the land. The Vusha Co-operative Society Ltd. and Bwabwaza have semi permanent shelters, while operators in the other groups have constructed makeshift shelters.

**Sanitation.** The area is very filthy. Fish selling and the preparation of food in the makeshift restaurants are carried out in unhygienic conditions.

**Social security issues.** There are no arrangements for social security for the operators in all the groups.

#### **4.1.4 Programmes which are operational in the cluster.**

There is no programme being carried out by any organization in the cluster.

### **4.2 MWANANYAMALA MARKET.**

The market is located on Mpira Street, Mwananyamala B in Kinondoni District.

The market has 404 operators (40 of whom are women) who are engaged in the selling of different kinds of cereals, pulses, root crops, vegetables, fruit, fish (fresh as well as dried), second hand clothes and building materials. There are also 5 (including one female) wage workers who are employed as watchmen and shop assistants. There are 2 disabled persons (all male) among the operators.

The market has shelters in which are operators' stalls. There is also a permanent building which houses MFAVESCOS offices and a shop.

#### **4.2.1 Public utilities/services.**

The market has piped water and a toilet, services which were established by the operators themselves, through their organization, the Mwananyamala Fruit and Vegetables Supplies Co-operative Society (MFAVESCOS).

The operators would like to have electricity installed at the market, but are reluctant to incur installation costs because the land has not been leased to them, despite their several requests to the City Council.

#### **4.2.2 Operators' organization.**

As shown above, the operators have an organization (MFAVESCOS) which runs and controls activities at the market. The leadership of the organization consists of a chairman, secretary, treasurer and committee members.

#### **4.2.3 Critical issues facing the cluster.**

**Land problem** is a major issue which faces the operators, because of the uncertainty of their continuing to operate from the area in which they do not have a leasehold.

**Sanitation** is also an issue which has to be addressed. Toilet facilities are inadequate for the number of operators and people who use the services of the market. The part of the market which sells fresh fish is very filthy. There are neither concrete slabs nor water for processing (removing entrails, cutting up and washing) the fish before selling to customers.

The market has neither **first aid facilities** nor **simple fire fighting equipment**. Also the premises and goods are not insured against fire, theft, etc.

MFAVESCOS leadership pointed out **lack of training** for the leadership as a problem in running the cluster. Also, **lack of training in running businesses** was mentioned as a problem by operators selling fresh fish.

#### **Social security issues.**

The cluster has a socials protection system on welfare issues concerning sickness and death of family members of an operator. In case of sickness, the cluster organization gives T.s. 3000 to the operator concerned, and in case of death, the amount is T.sh. 5000.

#### **4.2.4 Operational programmes in the cluster.**

There is no programme being carried out in the cluster.

#### **4.3 THE GEREZANI (DASICO, AND USHIRIKA WA MIGAHAWA CO-OPERATIVE) CLUSTER.**

DASICO can be said to be the core of a concentration of informal sector operators on Kisarawe Street, Gerezani area in Ilala District. The cluster consists of DASICO itself (a co-operative society established with the assistance of the Small Industries Development Organization); a group of makeshift restaurant operators who are organized into a co-operative society; and several kiosks operators (who are not organized into any group), selling various items (e.g. vehicle spare parts, lubricants, and general items).

DASICO, a registered co-operative society has 850 members (6 of whom are women). There are five types of activities, called departments, being carried out by DASICO. They are: carpentry, metal work, mechanics and welding, paper bag making, and arts and carving. Twenty five of the members (including 4 women) are also wage employees of the co-operative society.

The makeshift restaurants co-operative is also a registered co-operative society, under the name of Ushirika wa Migahawa Mtaa wa Gerezani, and has 74 members (49 women and 25 men). It is located on the eastern and western sides of DASICO. It owns eight buildings which were constructed with the assistance of FAO (Freedom From Hunger programme) from 1971 to 1973. Two buildings accommodate the makeshift restaurant operators, and one is a dispensary (run by staff employed and paid by the City Council). Other buildings are rented out as shops, while one building with office rooms and a conference room has been rented out to ruling party CCM which is using the building without paying rent, contrary to the agreement for renting the building.

There are two groups of makeshift restaurant operators, members and non members of the Ushirika wa Migahawa Co-operative Society. The latter group rents space from members who are not able to use the restaurant facilities themselves. All the operators run their businesses individually and do not pay any dues to the co-operative society, but are responsible for the maintenance of the areas which they have been allocated or are renting.

The original members of the co-operative society are now very old, and they pass on their membership to their offspring.



#### **4.3.1 Public utilities/services.**

**DASICO** has the following utilities/services: toilets, piped water, a telephone line, electricity, fire fighting equipment and first aid facilities. These utilities, as well as the buildings which **DASICO** owns, were inherited from **SIDO**.

The **Ushirika wa Migahawa** co-operative has running water, toilets and electricity.

#### **4.3.2 Operators' Organizations.**

Each of **DASICO**'s departments is headed by a chairperson and a secretary. The chairperson and secretary from the departments form the **DASICO** committee from which the chairperson and deputy chairperson are elected. The two officials have been given mandate to appoint a secretary, from within or outside **DASICO**.

The **Ushirika wa Migahawa** leadership on the other hand, consists of the chairperson, the secretary and 8 committee members.

#### **4.3.3 Critical issues facing the cluster.**

**Land problem.** **DASICO** does not have a land problem. The members of the co-operative society have a title deed to the land.

**Ushirika wa Migahawa** on the other hand, has a problem of land ownership, and is a major issue facing the operators. Although the co-operative society owns several buildings in the area, from **Sikukuu Street** in the east, to **Msimbazi Street** in the west and has been in the area since 1973, the operators have not been issued with a title deed to the land.

During a visit to the co-operative in 1994 the President instructed that the operators should be given a title deed. But the Instructions have not been carried out yet by the City Council to which the instructions were given.

Having been frustrated by the City Council, the co-operative society's leadership took up the issue with the **Ministry of Lands and Urban Development**. At the time of this study, we were informed by the group's leadership that the ministry was still "looking into the matter".

**Business performance.** According to **DASICO** leadership, proliferation of activities similar to those being carried out by **DASICO**, is making it increasingly difficult to sell products on a large scale. Furthermore, the various machinery which was installed by **SIDO** is old and breaks down often.

The drop in business, especially in the department of carpentry has also been caused by lack of large orders for furniture or timber for building purposes from government departments (which used to be DASICO's major customers). For example, in the whole year of 1994, only one order for furniture was received from a government department.

As a result of the drop in business, the members of the co-operative are allowed to solicit private orders (all departments) and fulfill them using DASICO facilities for which they are required to pay 7% of the price to DASICO. But with this arrangement, operators always indicate a lower price for the orders. All the work going on now at DASICO is the individually solicited orders.

The drop in business could be dealt with by diversifying the market and also by advertising. The showroom which DASICO owns, which ought to be used for advertising DASICO products, has been empty for quite a long time. Injection of capital or purchase of new machinery (as the leadership believes to be the solution) alone cannot improve much the business position of DASICO, especially now when each operator works for himself, and does not pay the full amount due to DASICO.

As for Ushirika wa Migahawa, business has slacked as a result of competition from other Mama N'tilies, especially the mobile ones, who set up business anywhere there are customers. Asked what does the leadership think needs to be done to improve the business, the leadership of the group mentioned renovation of the buildings and acquisition of new equipment which would lead to improvement of meals. The leadership pointed out that with a title deed to the land, they could obtain a loan from a banking institution, to carry out the improvements needed. It was pointed out by the leadership that it would be useless to embark on any programme (even if assisted by a donor) if the co-operative society will not be given a title deed to the land.

Neither DASICO nor Umoja wa Migahawa has taken insurance policy for its property against any hazard that might befall the co-operative.

**Social security issues.**

None of the two co-operatives has a social protection programme for its members.

#### **4.3.4 Programmes which are operational in the cluster.**

A programme of Grassroot Management Training is being run at DASICO by ILO/SICATA. The objective of the programme is to provide simple business management skills to operators. Methodology used in training is participatory, through discussions, role playing and practice. Training lasts five days for a single batch of 20 operators. The programme has been operative for 9 months, and to-date a total of 120 operators have been trained.

Mobilisation of trained operators to start savings schemes is also being carried out, and two batches of operators have already started saving schemes.

#### **4.4 MWENGE ARTS AND CRAFT DEALERS ASSOCIATION AND CHAWASAWATA GROUPS.**

The cluster is located on the eastern side of Sam Nujoma Road at Mwenge in Kinondoni District. It is claimed the cluster has 2200 members (200 of whom are women,) organized into two (registered) groups: the Mwenge Arts and Crafts Dealers Association and Chama cha Wachonga Sanaa na Wauzaji Tanzania (CHAWASAWATA), which claims to represent all carvers in Tanzania. There are 5 disabled operators among the carvers. The two groups employ 20 wage workers (all female) as shop assistants.

The operators work in groups of 3-5 members, and each of these smaller groups own or rent a room in the shelters where the carvings are sold. Each of these groups work independently of the other groups. For example, there is no joint effort through the umbrella organizations in looking for markets on behalf of the members. This means that the formation of the two umbrella organizations was, and still is, a means of survival in the face of threat of eviction and harrassment by authorities, as well as protecting their identities (the carvers, who are in the majority, claim to be over 2000 and the sellers who are said number about 200).

##### **4.4.1 Public utilities/services.**

There are no public utilities/services to serve the cluster.

##### **4.4.2 Operators' organizations.**

As shown above, the operators belong to two umbrella organizations, one which represents the carvers and the other the sellers who are not carvers.

The carvers' organization leadership consists of a chairman, deputy chairman, general secretary, deputy general secretary, and 12 executive committee members. As indicated above, the association claims to represent all carvers in Tanzania.

The sellers' leadership on the other hand, consists of a chairman, secretary, treasurer and 8 committee members.

The two groups are not members of any umbrella organization.

#### **4.4.3 Critical issues facing the cluster.**

**Land problem.** The land problem in this cluster is a result of a tug of war between the two groups of operators on the issue of ownership. The groups were originally formed by operators who were running their businesses elsewhere in the city; e.g. at Hotel Skyway and on streets in the city centre, and Bagamoyo Road, near the Oysterbay Police Station. The two groups were in 1984, removed from the two areas to the present site at Mwenge.

The groups consisted of carvers who also sold their carvings, and sellers of arts and curios (the latter group was a minority group). The City Council issued a letter of offer for land ownership at Mwenge to the operators as a single group; but immediately after receiving the letter of offer, divisions between the operators according to their professions emerged, i.e. between the carvers and the sellers. The carvers formed their association, the Tanzania Association of Carvers; and the sellers responded by forming their own, the Mwenge Arts and Craft Dealers Association.

The tug of war between the two groups on the land issue could not be solved, even though the City Council confirmed in writing that the offer concerned all operators who had been moved to Mwenge from the city centre and Bagamoyo Road.

The issue is now with the courts.

**Sanitation.** The cluster has no toilets; operators use toilets belonging to households in the area. The shelters in which carvings are kept and sold are generally clean.

**Business performance.** The major market for the carvings is tourists who visit the area. Due to lack of knowledge and capital, the operators have not tried to market their carvings overseas.

#### **4.4.4 Programmes which are operational in the cluster.**

There are no programmes being undertaken by any organization in the cluster.

It should be pointed out that the Association of Tanzania Carvers, also trains apprentice carvers. At the time of this study there were 60 apprentice carvers.

#### **4.5 THE CLUSTER AROUND TEMEKE STEREO MARKET.**

The cluster is located in the area known as Stereo in Temeke District. The core of the cluster is a food market. The market is owned by the City Council. There are several buildings which were meant for selling of food, fruit, vegetables, fresh and dried fish, and butcheries. Most of the concrete slabs and tables are not in use, as the people who were supposed to use them have left to establish business elsewhere. One building which was meant for fresh fish selling, has been turned into a toilet, although the market has toilets, built by the City Council.

At the time of this study, the market had only 10 operators in the food, fruit and vegetable section; 35 operators selling live chicken, and four butchery operators. There was no one selling fish, and there were very few customers at the market.

Among businesses which surround the market include 21 informal garage operators, each of them employs 2 or 3 qualified mechanics, and has between 5 and 10 apprentices. There are also about 30 makeshift restaurant operators.

The informal sector garage operators have been requested to vacate the area, although some of them have been operating in the area for about 20 years, and being harassed by the City Council intermittently. They have been paying taxes and licence fees all the time, but from three years ago the City Council has not been collecting or accepting taxes or licence fees from the operators, on the grounds that accepting the fees would be tantamount to recognizing the operators' claim to land ownership.

There is also a group of 60 (all men) informal sector metal work operators, known as Cassana Industrial Co-operative Society Ltd.

The group was established with the assistance of the Small Industries Development Organization. The group moved to the present site from another site in the area where it was evicted when the area which the operators were occupying (illegally) was offered by the City Council to a businessman.

#### **Public utilities/services.**

There are no public utilities/services in the area. The Cassana group has constructed its own latrine, installed electricity on the premises and has a first aid box.

#### **4.5.2 Operators organization.**

The co-operative group has a leadership of 10 people, the chairman, secretary, treasurer and committee members. The garage operators and makeshift restaurant operators have neither grassroots nor umbrella organizations.

#### **4.5.3 Critical issues facing the cluster.**

**Land problem.** All three groups are squatting on the City Council's land. Threat of eviction exists.

**Sanitation.** All the groups are operating in poor sanitary conditions. As is the case with the other clusters in this study, garbage remains uncollected in the area.

**Social security.** There are no arrangements for social security for the group members, in case of illness, death or injury. As is customary expected of people working in the same place, contributions are made whenever death occurs.

**Business performance.** According to the Cassana group, business is good, because the group produces items which are in demand by households, especially charcoal stoves, buckets and small kerosene lamps (vibatari). Some items, however (e.g. watering cans), are slow moving items.

The garage operators too are making good business.

#### **4.5.4 Programmes in the cluster.**

There is none.

#### **4.6 BUGURUNI CARPENTERS CO-OPERATIVE SOCIETY LTD.**

The cluster is located on Uhuru Road at Buguruni in Ilala District. It is a registered co-operative society with 42 (including one woman) operators. The co-operative society employs 4 wage workers (one of whom is a woman).

##### **4.6.1 Public utilities/services.**

There is no public utility/service for the group. Utilities which are available: a toilet, electricity and a first aid facility were established by the co-operative itself.

##### **4.6.2 Operators' organization.**

As pointed out above, the group is a co-operative society with a 10 member leadership, the chairperson, secretary, treasurer and committee members. The group does not belong to any umbrella organization.

#### **4.6.3 Critical issues facing the cluster.**

**Land problem.** The operators have no title deed to the land on which their business is located.

**Business performance.** According to the operators, the business is good, but could improve if they obtained capital to inject into their business. The machinery which they use is old, both age-wise and technologically.

**Lack of training** was mentioned as a need for the group (skills improvement, leadership and business management). The group also trains youths in carpentry skills, and a number of graduates from the group have established their own businesses in various parts of the city.

**Social security issues.** The cluster has no social security arrangements for the operators.

#### **4.6.4 Operational programmes in the cluster.**

There is none.

### **4.7. TINGATINGA ARTS CO-OPERATIVE SOCIETY LTD.**

The cluster is located next to Morogoro Store at Oysterbay in Kinondoni District. The cluster comprises four businesses: the Tingatinga group (registered) with 30 members (all male) and 10 employees (also all male); a group of sellers of carvings with a total number of 15 members (all male); another group of 10 carvers (all male); and 12 makeshift restaurant operators and kiosk owners.

Tingatinga is a group of painters and forms the core of the cluster, as the other operators came to the area after Tingatinga, and are occupying (with permission) space on land which belongs to Tingatinga. The group paints all kinds of pictures in a style which has given the name to the group (Tingatinga).

#### **4.7.1 Public utilities/services.**

The only public utility available for the operators in the cluster is piped water. The cluster has a single make-shift toilet which was constructed by the Tingatinga operators.

**4.7.2 Operators' organization.** The Tingatinga group has a 10 member leadership, comprising the chairman, secretary, treasurer and committee members.

The sellers of crafts and the carvers have their own leaders, but are not organized into the common structure of chairman, secretary, etc.

Makeshift restaurant operators and kiosk operators are not organized in any way.

#### **4.7.3 Critical issues facing the cluster.**

The Tingatinga group has a title deed to the land. The group operates from a shelter as well as in the open. It has not been possible for the group to raise funds for construction of a building. The group pays sh. 80,000 annually as rent for the land it owns.

**Sanitation.** The toilet is in bad shape and the make-shift restaurants and the surrounding areas are not clean.

**Business performance.** According to the operators, business is not thriving because their major market is tourists who visit the area, and there are not many of them. They would like to sell their paintings on overseas markets, but they do not have capital or knowledge of how to go about it.

**Social security issues.** There are no arrangements for provision of social security for members of the group.

#### **4.7.4 Programmes being undertaken in the cluster.**

There is none.

#### **4.8. TANDALE MARKET CLUSTER.**

The core of the cluster is a wholesale market for cereals, pulses, vegetables, fruits and green maize. The market is the major supplier of cereals and pulses for Dar es Salaam and the Coast Region.

It is located about one and a half kilometres from Morogoro Road, branching off at a place called Argentina, in Manzese area. The market is run by a group of 500 members (all men) who belong to a co-operative society registered as Tandale Market Fruit and Vegetables Supplies Co-operative Ltd.

There is also a group of 162 operators who belong to the Tandale Porters Co-operative Society, whose livelihood is dependent on the wholesale market.

There is also a food and vegetable market, similar to other markets mentioned in this report. It has 120 operators who belong to an umbrella organization, similar to organizations found in other market places.

A group of 60 (including 20 males) makeshift restaurant owners operate in the cluster. Like the operators in the food and vegetable market, the restaurant operators are unorganized.

Second hand clothes retailers operate on both sides of the road, from Morogoro Road to Tandale Market.



#### **4.8.1 Public utilities/services.**

The City Council built public toilets for the operators and market users, but due to lack of maintenance they became filthy and are now unusable. There is no other public utility in the area.

#### **4.8.2 Operators' organizations.**

Only the wholesale market operators and porters have organizations. Both organizations are registered co-operative societies whose leadership consists of a chairman, secretary and committee members. Initially, these organizations came into existence in the belief that if organized the operators would gain recognition from the authorities and therefore they would not be harassed, e.g. they would be allowed to have title deeds to the land which they occupy. In other words, they were not organized in order to harness the operators efforts to improve their lot through self help, but as pressure groups in efforts to pressurize the City Council to allow them to "own" the land on which their businesses were operating.

#### **4.8.3 Critical issues facing the cluster.**

**Land problem.** The area is very congested making movement between the various businesses difficult. The grain wholesale market originally operated at Manzese, but was moved to the present location on instructions from the President so as to ease congestion at Manzese. The area at Tandale was empty when the operators were shifted from Manzese. However, soon after, people began invading the area, and now the market is in a densely populated area. The City Council did not issue a right of occupancy to the co-operative running the market.

According to the leadership of the wholesale market co-operative, FAO (Market Development Bureau) was prepared to build a market on the area, but the City Council has been coming up with reasons why the market could not be built, even when the operators and FAO suggested a new site at Tabata.

The makeshift restaurant operators rent space from a landlord who owns the land where they carry out their businesses, for which each operator pays sh. 3,000.

**Sanitation.** The area is very filthy; garbage which has not been collected for disposal for a long time, is piled up everywhere, especially in the area where green maize is sold. Also, there are not enough shelters for the food before it is sold, so sacks of grains and pulses are stacked in the open.

The makeshift restaurants area too is filthy and food is prepared in very unhygienic conditions.

As shown above, the area lacks toilets and people wanting to relieve themselves have to negotiate with households in the area.

**Social security issues.** There are no arrangements for social security for operators.

#### **4.8.4 Programmes being undertaken in the cluster.**

There is none.

### **4.9 BUGURUNI KWA MADENGE CLUSTER.**

The core of the cluster is the food and vegetable market at Buguruni kwa Madenge on Uhuru road, near the junction of Uhuru and Nelson Mandela roads.

There are 535 operators in the cluster, 27 of whom are women who operate makeshift restaurants. There are also 2 disabled persons (all men) among the fruit and vegetable business operators.

The market was established illegally on surveyed plots meant for residential houses, hence it is not a recognized market and the City Council does not collect revenue from the operators.

#### **4.9.1 Public utilities/services.**

Available utilities in the cluster include piped water, electricity and a toilet, all installed by the operators themselves through their apex organization (Umoja wa Wauza Mazao Sokoni Buguruni).

#### **4.9.2 Operators' organization.**

The operators have an apex organization mentioned above. It is a registered co-operative society with a 10 member leadership, comprising the chairperson, secretary, treasurer and committee members. There are no grassroots organisations in the cluster.

#### **4.9.3 Critical issues facing the cluster.**

**Land problem.** As pointed out above, the operators in this cluster have invaded an area meant for residential houses. It is very unlikely that they will be given recognition and allowed to go on operating there.

**Sanitation.** The market is filthy. Also the single toilet available is inadequate for the operators and is filthy too. Makeshift restaurant operators prepare and serve meals in unhygienic conditions.

**Social security issues.** There are no arrangements for dealing with social security issues.

#### **4.9.4 Operational programmes in the cluster.**

There is none.

### **4.10 TANDIKA MARKET CLUSTER**

The core of the cluster is the food, fruit and vegetable market of Tandika located on the junction of Usangi/Mahinda Streets in Temeke District.

The market was established by the City Council which runs it and collects revenue from operators. Since the market building is not large enough to accommodate a big number of operators, most of the operators have erected their own shelters around the market building.

There are 400 operators in the City Council's records. This figure includes 15 women (4 in fruit and vegetables, and 11 in makeshift restaurant businesses). There are also 2 male disabled operators in the cluster.

Businesses in the cluster (besides the food, fruit, vegetables and root crops) include live chicken, butcheries, fish (fresh and dried), second hand clothes, empty steel containers, kiosks selling cold drinks, cosmetics and building materials. There are also wholesale operators who sell bananas, tomatoes, cassava, pumpkins and other fruits.

#### **4.10.1 Public utilities/services.**

Public utilities which are available in the cluster include toilets and electricity.

#### **4.10.2 Operators' organization.**

Although the market is run by the City Council, there is a committee which comprises a chairperson, secretary and treasurer which assists the Market Master (City Council employee) in the daily operations of the market. This committee acts as an apex organization of the operators. It collects monthly contributions from the operators, and the money is used for paying watchmen or compensation for operators whose goods gets stolen while in the custody of the market (e.g. during the night). The different types of businesses in the cluster have not formed themselves into grassroots organizations.

#### **4.10.3 Critical issues facing the cluster.**

**Land problem** is not an issue as far as security of operating in the area is concerned, i.e. there is no threat of operators being evicted. However, the problem of congestion (as is the case with all the other markets in this study, except Temeke Stereo Market) is a big one.

**Sanitation.** The market is filthy, especially in the areas which serve the wholesalers. The City Council has been unable to collect garbage from the market for a long time. Also the makeshift restaurants are in very poor sanitary conditions. The situation in the makeshift restaurants is made worse by the lack of public water supply, which makes operators economize on the water which they buy (with no guarantee of cleanliness).

**Social security issues.** The only measure taken in regard of social security is the contributions which operators make towards paying some compensation to operators who may lose their goods through theft.

#### **4.10.4 Operational programmes in the cluster.**

There is none.

### **4.11 UBUNGO MARKET CLUSTER.**

Ubungo market forms the core of this cluster. The cluster is located at Ubungo on the Morogoro Road, near the bus stand. The market was established by operators themselves on land which was set aside for TANESCO. The City Council recognizes the existence of the market, so revenue is collected from the operators.

There are 150 operators within the market area, whose businesses are: makeshift restaurants; butcheries; live chicken; shops; and food, fruit and vegetables retailing. 20 of the operators are women.

There are also wholesale operators who sell bananas, irish potatoes and tomatoes. These are different people who come to sell their goods, but are not permanent operators in the market. There are several kiosks at the bus stand, selling various kinds of goods.

#### **4.11.1 Public utilities/services.**

There no public utilities/services in the cluster. Even the operators themselves have not installed any utility, e.g. toilet.

#### **4.11.2 Operators organization.**

The operators have an apex organization, an unregistered co-operative (Umoja wa Soko la Ubungo) with a chairman, secretary, treasurer and committee members. New operators obtain space in the market by applying to the leadership and paying an entrance fee. The operators make contributions for the paying of watchmen.

#### **4.11.3 Critical issues facing the cluster.**

**Land problem.** Threat of eviction exists as the cluster is squatting on land which belongs to TANESCO, although the eviction may not be imminent. The market leaders seem not to be aware of the threat of eviction, as indicated by their reply in the negative to the question of whether they thought there was a threat of eviction.

**Sanitation.** Like the other market clusters in this study, Ubungo Market cluster is filthy, especially the area which is used by wholesalers. When it rains, the entire market place becomes muddy.

#### **Social security issues.**

There are no arrangements for social security for operators, not even contributions towards assisting operators who might lose their goods, as is the case with some of the clusters.

#### **4.11.4 Operational programmes in the cluster.**

There is none.

### **4.12. ILALA MARKET CLUSTER.**

The cluster, whose core is the Ilala Market is located on Uhuru Road, near Ilala District offices.

There are 674 operators in the cluster, in the following businesses: food, fruit and vegetable selling; second hand clothes; live chicken; butcheries; kiosks and makeshift restaurants.

The market is owned by the City Council which allocates space to operators and also collects revenue from them.

#### **4.12.1 Public utilities/services.**

There is none.

#### **4.12.2 Operators' organization.**

Only the makeshift restaurant operators in this cluster have a grassroot organization, called Umoja wa Migahawa wa Soko la Ilala. Operators in the other businesses are not organized into any group; and unlike some of the markets in this study, they do not have an apex organization either. The makeshift restaurant operators' organization has a chairperson, a secretary, a treasurer and committee members.

#### **4.12.3 Critical issues facing the cluster.**

**Land issue.** There is no land problem and no threat of eviction of the operators as a group.

**Sanitation.** The market place is filthy, garbage has not been collected for a long time. Also, as indicated above, the market has neither running water nor toilets.

**Social security issues.**

No arrangement exists for operators' social security.

#### **4.12.4 Operational programmes in the cluster.**

There is none.

### **4.13 MANZESE MARKET CLUSTER**

The cluster is formed around the Manzese market. It is a large cluster split into two by Morogoro Road. The core of market (selling food, fruit and vegetables), is on the northern side of the road. It is surrounded by stalls selling the same kind of foodstuffs which are sold at the core of the market, but whose operators are not members of the organization which runs the market. There are also some second hand clothes retailers.

The southern side of the road is occupied almost exclusively by second hand clothes sellers.

The total number of second hand clothes sellers in the cluster is not known, as the City market's administration has not included them in its records, because their existence is not recognized (they are regarded as invaders of the market place, and also that they are outside the boundaries of the market place).

The businesses at the market place have a total of 74 operators, 3 of whom are women. There are also 22 makeshift restaurants operators, all of whom are women.

#### **4.13.1 Public utilities/services.**

Toilets are the only public utility available in the cluster.

#### **4.13.2 Operators' organization.**

There is an apex organization, an unregistered co-operative society called Umoja wa Soko la Manzese. The leadership consists of a chairman, secretary, treasurer and committee members. There are no organizations which are based on types of businesses.

#### **4.13.3 Critical issues facing the cluster.**

**Land issue.** The land on which the cluster is located belongs to the City Council. The market was established, and is run by the City Council. Operators within the market area do face a threat of eviction, so long as they pay their dues for using the market. Operators outside the market boundaries are squatters and can be evicted from the area.

**Sanitation.** The market has a pile of garbage whose collection for disposal is not certain. The toilets are filthy too.

**Social security issues.** Operators do not have any arrangement for their social security.

#### **4.13.4 Operational programmes in the cluster.**

There is none.

### **4.14 KWA BINTI MATOLA MARKET CLUSTER.**

The cluster is located near Kinondoni Cemetery on the southern side of the road to Kinondoni bus stand. The area is also known as the TX (expatriates) shopping centre. The market place has 8 shops which cater mostly for middle and high class customers.

There are two groups of informal sector operators located side by side of each other, and a group of tinsmiths who are separated from the two groups by a shop.

The first group consists of 84 operators (all men) whose businesses are selling of food, fruit, vegetables and dried fish. This group is a registered co-operative society known as Juhudi Kinondoni Grocery.

The second group consists of sea shell sellers, which was a part of the sea shell sellers of Magogoni Ferry cluster. The group is also a registered co-operative society under the name of Dar es Salaam Sea Shells Co-operative Society, with a membership of 26 (all men). In addition to sea shells, the group sells also plants and plant pots.

The tinsmithery group consists of 8 operators (all men).

#### **4.14.1 Public utilities/services.**

There are no public utilities/services in the cluster. But while the Juhudi Kinondoni Grocery has piped water and a toilet (constructed/installed by the group), the sea shell sellers and the tinsmiths do not have their own piped water or toilets.

#### **4.14.2 Operators' organizations.**

As shown above, two of the groups are co-operative societies with leadership comprising a chairman, secretary, treasurer and committee members. The tinsmithery group has a single leader.

However, there is no apex organization for the three groups.

#### **4.14.3 Critical issues facing the cluster.**

**Land problem.** The Juhudi Kinondoni Grocery owns a title to the land. The other two groups are squatting on plots belonging to the City Council. The sea shell sellers are aware that they can be evicted at any time "if the land is required for other purposes", or when an alternative location has been found for them.

**Sanitation.** The area is kept reasonably clean, no doubt the kind of customers who come to the market is a contributory factor.

**Social security issues.** There is no arrangement for social security services for the operators.

#### **4.14.4 Operational programmes in the cluster.**

There is none.



## **PART TWO**

This part of the report deals with issues which concern all the clusters. It concerns conclusions and suggestions on the findings of the study, for example, whether the INTERDEP project should be involved in any of the clusters, and if so, in which areas; whether intervention should be at cluster, business or operator levels. Also, in this part general criteria for selection of clusters for inclusion in the INTERDEP project are suggested.

### **5. Critical issues facing the clusters.**

These are issues which in one way or another adversely affect informal sector operators; issues which if not dealt with could frustrate efforts by INTERDEP project to improve the informal sector.

#### **5.1 The land problem.**

As shown in this report, only two clusters (Tingatinga and Gerezani) have title deeds to the land on which their businesses are located. Also, although operators in the markets which are owned by the City Council are not expected to be evicted, there is no guarantee for operators who are squatting on the areas surrounding these markets, and there are very many of such operators.

What is of importance in this regard is not the operators as individuals, but availability of areas where informal sector operators are guaranteed continuity of operating from those areas; and where eviction is unavoidable, a guarantee of an alternative area. This is not the case now. Operators are conducting their businesses under threat of eviction.

Insecurity of the informal sector operators as regards ownership of land or premises is detrimental to businesses and the operators, as well as to land development. The ramshackle shelters which operators erect in areas where businesses are conducted is one example of how lack of land ownership prevents land development.

Right of occupancy of land/premises (long term or a "reasonable" period of time), would go a long way towards contributing to solution of some of the problems which face many of the clusters. For instance, issues of sanitation or infrastructure such as access roads (to areas like Tandale market), drainage ditches, laying of water pipes and installation of electricity could be undertaken with a greater participation of the operators themselves. Garbage collection also could be made easier with the participation of the clusters concerned, than what the situation is now, where operators expect, in vain, the City Council to do the job.

Lack of title deeds to the land on which the clusters are located makes it impossible for informal sector operators to approach banking institutions for credit for improvement of their businesses.

It is not being suggested in this report that clusters should be given title deeds to whatever areas they now occupy. The argument is that, informal sector operators need areas where they can operate without threat of eviction, by having some kind of right of occupancy.

It should also be pointed out that, while some informal sector businesses can be re-located again and again (as a result of eviction), probably without causing much harm to the businesses and operators and without much cost (e.g. second hand clothes selling), others are expensive to re-locate frequently (e.g. garages, tinsmithery or carpentry workshops).

Self employment creation as a means of combating the massive problem of unemployment cannot be expected to achieve remarkable results if the land problem and right of occupancy for informal sector businesses is not dealt with.

## **5.2 Sanitary Issues.**

There are four areas under this heading which need attention, they are cleanliness of cluster areas and their surroundings; toilets; water; and shelters.

This report shows that most of the clusters in this study lack well constructed and permanent shelters; they have no toilets, or for those which have them, the toilets are filthy; they have no piped water; and all of the clusters have piles of garbage whose collection for disposal by the City Council is not certain.

Where the clusters are located in City Council owned market places, the only permanent buildings available are the market buildings and toilets. These buildings are surrounded by ramshackle shelters which are constructed with, or a combination of, any materials available; palm fronds, cardboards, poles, timber, concrete blocks, plastic and iron sheets.

It is extremely difficult to keep such shelters clean, especially during the rain.

All (except the Umoja wa Migahawa at Gerezani) the makeshift restaurants prepare food and serve customers in unhygienic conditions, exposing customers as well as operators themselves to disease. The unhygienic conditions of these makeshift restaurants has led to their closure whenever there is a threat of an outbreak of contagious diseases such as cholera.

Lack of clean water in most of the makeshift restaurants aggravates the unhygienic conditions of the restaurants concerned. This problem affects also fishmongers selling fresh fish. At Magogoni Ferry for example, the youth who prepare fish for customers, use the dirty sea water because of non availability of piped water.

### **5.3 Social security of the operators.**

As shown in this report, most of the clusters do not have any formal arrangements for social security of the operators. Some do have an understanding among themselves to assist each other on welfare matters, such as sickness, loss of property or death. Each operator contributes an unspecified amount of money when such a mishap takes place, i.e. there is no arrangement for establishing a fund to which every operator would contribute on a regular basis.

One common response was received from respondents on the question concerning insurance policy against fire and loss of property as a result of theft. The response was that the operators did not earn enough to enable them to pay premiums for insurance policies, and that, even if they earned more than they did, they would not take insurance policies because of the bother one encounters when it comes to claiming benefits.

### **5.4 Self-help efforts**

Although all the clusters have either grassroot or apex organizations, the organizations were formed basically as a survival strategy for the informal sector operators (to act as pressure groups in facing authorities on the issue of land occupation). Self-help efforts by the operators is limited to only a few activities, such as monthly cash contributions towards the cost of paying watchmen, water and electricity where these services are available. Financial contributions for social related matters such as assisting a member in funeral expenses are only made when such an occurrence takes place, and are not obligatory.

This study did not find any cluster engaged in self-help activities related to improvement of the physical environment, such as removing garbage or repairing damaged access roads. Such activities are regarded as the responsibility of the City Council.

Existence of grassroot and apex organizations makes it possible for interventions which will take place to expand the scope of self-help activities through the organizations' leadership. It is not possible for this study to comment on the qualities of the leadership of the organizations concerned, as no data on this issue was collected.

However, it should be borne in mind that issues for intervention (e.g. social security, sanitation, etc.) will be "new ideas" to the operators, in the sense that they are not immediately seen to be directly related to increased income of the operators. Since interventions may mean financial contributions by the operators, introduction of such interventions have to be carefully planned and "sold" to the operators.

## **6. INTERDEP INVOLVEMENT IN THE CLUSTERS.**

All the identified clusters have areas in which INTERDEP could be involved. The areas are:

### **6.1 Land problem.**

INTERDEP participation in this area involves starting a dialogue with all those concerned in informal sector development: government, the City Council, representatives of informal sector operators, NGO's and donor agencies involved in informal sector activities in Dar es Salaam, towards finding a solution to the problem of the right for informal sector operators to have legally secure locations for their businesses.

### **6.2 Sanitary issues.**

Poor sanitary conditions were observed in all the clusters, as shown above. This is one area in which INTERDEP could be involved, as is further discussed below.

### **6.3 Training.**

Some of the issues facing informal sector operators can be dealt with by training the operators. There are three areas in which training could be very useful for the operators. They are:

#### **6.3.1 Leadership training.**

Cluster leaders as well as grassroots leaders would benefit from the training on issues pertaining to role of leaders in the clusters/businesses. Sanitation of the cluster locations and other matters could be taken up by the clusters through such training.

#### **6.3.2 Training in skills and simple business management.**

This type of training would be extended to operators who need it (not imposed on all the operators). In the course of this research, training was mentioned (without any prompting by the researcher), as a need by several respondents. Some sanitary issues for the makeshift restaurant operators, for example, cleanliness, can only be dealt with through training.

In general, improvement of productivity of the informal sector activities as well as improvement of the well being of the operators can best be achieved through training.

### **6.3.3 Training in issues related to social protection.**

As shown above, none of the clusters has a programme of social protection for the operators. Although the main reason given by the operators for not having such programmes is low income earned from their businesses, lack of knowledge on how to initiate such programmes and lack of trust between cluster members could be contributory factors too.

### **6.4 Establishment of a loan fund for operators.**

Here, like in the land problem, INTERDEP could work in collaboration with others in finding ways of establishing a revolving loan fund for informal sector operators.

The fund would be one way of ensuring credit availability for operators who are unable to obtain credit from other sources.

## **7. LEVEL OF INTERVENTION**

Intervention should take place at business level because it is at that level that operators can form a grassroot organization (for businesses which are not yet so organized) and the impact of intervention can be more effective, as it is also at that level intervention would involve the individual operators.

Also in clusters where intervention at cluster level may not be possible, for example, because of high cost of intervention, or in cases of difficulty in establishing cluster demarcations, only some businesses in the cluster could be selected for intervention. For instance, makeshift restaurant operators could be involved in a training programme without involving the whole cluster.

## **8. SOME CRITERIA FOR SELECTION OF CLUSTERS FOR INCLUSION IN INTERDEP PROJECT**

It should be pointed out that the criteria suggested in this study below, do not concern the three clusters which were selected prior to this study, i.e. Magogoni Ferry cluster (Vusha Co-operative Society Ltd.), Gerezani cluster (DASICO) and Mwananyamala market cluster. It has been pointed out above that for this study it was decided to go beyond the definition, and therefore criteria which were used to select the three clusters. It is assumed that the three clusters have already been selected for inclusion in the INTERDEP project, because representatives from those clusters have been participating in INTERDEP project meetings.

As for clusters which should be included in the INTERDEP project in addition to the three clusters mentioned above, the following criteria is suggested:

### **8.1 Cluster location (land/premise occupancy)**

Clusters/businesses which are located in areas where it is likely that they may not be evicted in the near future. For example, clusters located in recognized market places. Some kind of permanency of a cluster allows improvement of infrastructure, such as construction of better shelters. Social protection programmes (based on contributions at cluster or business level) may not be easy to implement if operators think they may disperse as a result of eviction. Also, in a cluster where security of self employment is not assured, the only programme which can be implemented is training, which alone is not sufficient to improve the informal sector.

### **8.2 Type of business.**

There are basically two groups of businesses, manufacturing activities and services. In the manufacturing type of businesses, goods are created and added to those in circulation. Employment creation in this sector is more sustainable than is the case in the services sector. Needless to say, the wealth of a nation is created by manufacturing rather than by services.

It is in manufacturing businesses that training in skills would be in greater demand than in services businesses. Also, it is in the manufacturing businesses that informal sector training (through apprenticeship) takes place, and is more valued than in services businesses.

It is recommended that manufacturing businesses should be given a higher priority in selection for inclusion in INTERDEP project over services activities (except makeshift restaurant businesses), especially if those businesses are also engaged in the training of apprentices.

### **8.3 Gender issues.**

The results of this study show that there are very few women operators in the clusters covered in such businesses as selling food, fruit, vegetables, etc. On the other hand, women operators form the majority in makeshift restaurant businesses. Makeshift restaurant operators have established themselves in all market place based clusters.

The issue of hygiene in these makeshift restaurants, and what needs to be done has been discussed above. This means that makeshift restaurant businesses should be selected for inclusion in the INTERDEP project.

### **8.4 Willingness of operators to participate.**

Success or failure of any intervention in informal sector activities will depend mainly on how the operators view the interventions concerned. Before an intervention is undertaken, it is important to know whether or not the operators concerned are willing to participate in implementing the intervention. Also, willingness of operators to participate should cover cash contributions where necessary, for example, to meet cost of training, improvement of infrastructure, etc.

|                           |   |  |
|---------------------------|---|--|
| Activities                | : | Selling of sea shells, flower pots and young plants.   |
| Public utilities/services | : | None   |
| Title deed?               | : | Allowed by City Council to operate from the site on condition that they could be evicted at any time.  |
| 4. Name of cluster        | : | Sinza Building Co-operative Society  |
| Location                  | : | Sinza Kijiweni (jobless corner)  |
| No. of operators          | : | 150 (all male)   |
| Activities                | : | The group consists of skilled unemployed masons, carpenters, plumbers, fitters and painters who always meet at the jobless corner and wait for customers who need their skills, and are hired on contract. Each one is hired and earns income on individual basis. Sometimes up to 10 individuals can find employment at once (the majority remain unemployed for long periods). |

Two businesses had at the beginning of the study been categorized as clusters, they are 37 fresh fish sellers of Mwananyamala Market and 32 live chicken sellers of Ilala Market. Since the two businesses do not have their own grassroot organizations (they are under the leadership of the umbrella organizations) and use the same services/utilities of the markets concerned, it was decided not to treat them separately from the markets where they are located.

## TERMS OF REFERENCE

The Consultant will be required to do the following:

1. Carry out a survey to identify areas (clusters) of high concentration of informal sector activities in Dar es Salaam.
2. For each cluster identified, describe the cluster in terms of:
  - location, and approximate size of the cluster,
  - the approximate number of operators,
  - the type of informal sector activities being undertaken,
  - sex distribution of the operators in the cluster,
  - number of disabled workers in the cluster,
  - available public utilities and other services.
3. For each cluster identified determine whether the operators are organized in any type of organization (grass-root or umbrella), and describe the functions of such organization, the strength and weak points of such organisations.
4. Describe the critical issues facing the cluster, the businesses in the cluster and the individual operators. These may include but not limited to:
  - land problems,
  - threat of eviction,
  - sanitary issues,
  - organizational issues,
  - business performance,
  - social security issues,
  - legal issues (unrelated to land and eviction).

For each issue identified, indicate whether a solution should be sought at the level of the organization (s) of the cluster, the enterprise or at the level of operators as owners of businesses.
5. Identify programmes that are operational in the cluster. For each programme, indicate:
  - who (organization) is undertaking the programme,
  - the objectives of the programme,
  - methodology of the programme,
  - the degree of success of the programme.
6. On the basis of the critical issues identified in each cluster, and the programmes currently being undertaken in the cluster and the objectives of the INTERDEP project, indicate whether or not the INTERDEP project should get involved in any of the clusters.
7. For the clusters which the INTERDEP project should be involved, indicate in which areas the project should be involved and provide a justification.
8. Provide a justification for advising the INTERDEP project not to get involved in the other clusters identified in the study.
9. On the basis of the above, derive a general criteria which can be used for selection of clusters for inclusion in the INTERDEP project.