

## **SURVIVAL STRATEGIES AND URBAN DEVELOPMENT: THE CASE OF KIOSKS IN MOSHI, TANZANIA**

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### **Summary**

The main objective of this paper is to examine how survival strategies can evolve into, for lack of better a term, development strategies. In this paper the author points out that economic crisis has pushed many Tanzanians to go for survival strategies like kiosk businesses, urban agriculture, etc. Given the current magnitude of the crisis and its damage to the economy, it is not likely that the effects of the economic crisis will be corrected in the near future. The author indicates in this paper that crisis can be used as a special opportunity to push a society to go for approaches which, in the past, were underutilized or not utilized. The path to this, though long and tough, can be through survival strategies and thus local governments are encouraged to allow these developments to take place. This paper argues that survival strategies are no longer about survival as soon as they start attracting a social class less affected by the economic crisis. Usually those who are hard hit by the economic crisis are the ones who use survival strategies. Unaffected individuals have few if any incentives for joining

such activities as they have good incomes.

## **1. Introduction: Kiosk Business**

Kiosks in the formal city center are small open structures from which, traditionally, small items such as newspapers, lottery tickets, cigarettes, mints, candies, nuts, and other small refreshments are sold. Usually these units are small in terms of size and capital, easy to establish and conveniently placed in the central business district (CBD) to reach customers. In the past, these units were mainly informal, and highly monitored to control their number and locations.

Moshi municipality, like most Tanzanian urban centers, has a good number of kiosks in its CBD. They are scattered in many places, including areas reserved for other non-commercial uses. Most people looked down on owning a kiosk business up to the late 1970s. People in such businesses were seen as weak, poor, and incapable of running a formal business. Some Tanzanians were afraid of identifying themselves with such businesses due to the fear of being marginalized by those who were employed in the formal sector. Between the 1980s and 1990s, kiosk-based business has grown rapidly in the CBD, posing a strong challenge to non-kiosk-based business. The nature and the type of kiosks in the CBD now are different compared to the late 1970s. The new kiosks are found on streets, verandahs, pedestrian spaces, staircases and undeveloped spaces between buildings and bus stops. Late in the 1970s, kiosks were mainly in a few undeveloped public spaces. In this study the author attempts to find out what factors have contributed to the growth of kiosk business in the north-east town of Moshi in Tanzania. The central issue explored was: survival strategies as opposed to development strategies. The research question, which guided this study, was: "What are the main causes of growth of kiosk business in Moshi Town?" This question was posed because the kiosk business sector in Moshi is developed to a level beyond survival strategy.

Discussions of kiosk business in Tanzania are associated with the informal sector, unemployment, decline of real wages in the public sectors, poor performance of the parastatal companies, municipal governments, and structural adjustment programs (SAP) recommended by World Bank and the International Monetary Fund (IMF). In these areas, kiosk business is discussed as a survival strategy following the economic crisis that has affected the country for the last two and half decades. Scholars argue that municipal governments should play the role of supporting survival strategies, enabling individual urban residents to attempt to cope with the economic crisis. It is claimed also that, if the municipal governments fails to support survival strategies, they may be forced to feed the unemployed, care for the sick and homeless, pay for their education, and face increased costs of controlling crime. If there is support from local councils, individuals can finance their needs out of income generated from productive activities in the informal sector. They will also have some resources that will allow them to pay development levy, an important source of revenue to the municipal councils.

Although the role of municipal government in creating space for the growth of these survival strategies is acknowledged, what is not covered thoroughly is "When does a survival strategy stop being so and become something else?" In other words: "Does a survival strategy always remain so over time?" Many research works on survival strategies have tended to avoid this question as they focus on the nature, characteristics,

politics, economics and reasons for the growth of these strategies. They do not discuss in detail the various future potentials of these strategies as well as their trans-formative potentials. This study attempts to demonstrate the potentials of survival strategies, how they have developed in Moshi municipality, the role of the council, and its limit in supporting these strategies through kiosk businesses. Survival strategies are adopted during periods of economic crisis to help withstand the shocks. Survival strategies also differ from place to place and usually involve maximum utilization of available human resources, natural resources and established institutions. Examples of survival strategies in Tanzania include; kiosk business, local hand crafts, food vending, urban agriculture, x-ray services vending units, part time teaching (extra classes) and, among professionals, a second job. Those who are hard hit by the crisis such as lower income earners, the unemployed, women, the elderly, etc., adopt survival strategies.

On the one hand, economic crisis affects people and the economy in a number of ways and some may even be harmed forever. Businesses may close, industries can be forced to lay off workers, and loans mount higher. On the other hand, crisis from a functionalist perspective may stimulate economic development as well by pressing people to think beyond survival strategies and come up with development strategies. A crisis may cause people to be more innovative and efficient in using resources as well as in developing new ones. For example, the First World War created a crisis situation which forced manufacturing firms in the United States to learn mass production techniques which were used after the war to re-build the post war economy and leap forward. Thus survival strategies may later prove to be efficient and help the society leap forward. However, a development strategy should not be confused with a survival strategy. The former transforms the actor from a lower level to an advanced level of development while the latter sustains the actor when a downward movement is likely to happen. A survival strategy thus becomes a development strategy as soon as it sets in motion a transformation process from a lower level to a more advanced level of economic growth.

## **2. Moshi Municipality**

Moshi municipality is one of the six administrative districts in Kilimanjaro region. It is located in the north-eastern part of Tanzania right at the foot of Mount Kilimanjaro with an area of 77.5 sq. kilometers. The history of Moshi dates as far back as 1897 when the chief of Moshi permitted Germans to start a trading center in the territory. Gradually, traders started to settle in Moshi and its present position was largely influenced by completion of the railway line from Dar es Salaam. The town is in the middle of agriculturally fertile land where coffee, bananas, maize, rice and vegetables are grown. The town in turn serves as a market for this produce. The population of Moshi according to the 1988 national census was 96 838 with an inter-censal growth rate 1967-1988 of 6.4% on average. Population density in Moshi is around 1 250 per sq. kilometer and nominally it is not big compared to some other urban centers in the country like Dar es Salaam, Mwanza, Arusha or Mbeya. However, commuting into metropolitan Moshi district from the surrounding rural areas is higher than in most other urban centers in the country, which make Moshi a town of its own kind. There is a substantial number of people who commute to and from the town every day because they own businesses, are employed, own kiosks, go to school, attend church services, or

visit hospitals. Although their everyday life is in urban Moshi, they are categorized as rural residents by census criteria simply because of their permanent residential status.

Moshi is not a principal industrial center in the country compared to Dar es Salaam or Mwanza. Dar es Salaam has a well-developed transport and market system as a pulling factor while Moshi has raw material availability as the only principal factor encouraging industries to locate in the town. Important industries in Moshi include Kibo Match, Bonite Bottles (Coca cola), Kibo Breweries, Tanzania Breweries, Tanzania Bag, Coffee Curing Company and several saw mills. Some of the residents are also employees of big units found in the rural areas like the Sugar Company and Kilimanjaro Agricultural Development Corporation. With the exception of Kibo Breweries, the other institutions have been established for 11 years or more.

### **3. The Pre-1980s Kiosk Owners**

The people who owned kiosks in Moshi town 25 years ago were very different compared to those who own these units today. The differences are in several aspects, including the size of capital, type of business, educational level of the business owners, gender composition, and social status. Most of those who operated kiosks in the 1970s had a low level of education/ training. They could not join the formal sector, had small amounts of capital, and /or certain types of skills demanded by the community, such as radio and watch repair, hairdressers, etc. These were some of the characteristics of the kiosk owners in the past. In the paragraphs below, the author discusses the broader context that contributed to the situation.

The problem of unemployment in Tanzania for those with good levels of education is a recent problem but it initially started in the early 1980s. In the past the Department of Manpower Development used to post high school leavers and college graduates into various formal sector divisions. The government was and remains the largest employer in the country. Secondary school leavers who had done well in their final examinations were assigned to various high school programs, posted into various mid-range colleges, or posted into direct employment openings in certain positions. This practice had the effect of filtering the best minds into the formal sector first, before the manpower needs of the rest of the economy were considered.

The impact of posting secondary school and college leavers in the formal sector was that the informal sector was left to those who had been rejected by the formal system through educational criteria. Employees in the formal sector were seen as the most competent and, in a sense, bright and with many opportunities. The above practice created an environment in which parents worked very hard to make sure their children obtained a good education, so that they could improve their family's social position and, most importantly, their children's own prospects for formal sector employment. Employment status at that time revealed many other characteristics, such as educational level and, in some situations, performance as well. The competition for higher levels of education in Moshi district pushed parents to open parent-owned secondary schools more than in any other single district in the country. This was aimed at creating spaces and access for their children to this development resource. Working in the informal sector thus disclosed the financial condition of the family as well as academic

competence. By enrolling in what the formal sector had rejected, those who could not be selected to join public secondary school and those who could not afford parent-owned secondary schools were looked down on by many.

In the 1970s, Tanzania was implementing its rural development program. According to the laws of the land, people without formal, legal and productive work had to leave urban centers for farming work in the rural areas. Formal employment was very important as police roundups and questioning on employment status were very common. To stay peacefully in town, one needed an employment identification card, a practice that encouraged searching for formal employment as a security for living in urban areas. Law enforcement agents often viewed informal sector activities as illegitimate and people in this sector were targets of their operations.

The second group of people who operated in the informal sector comprised those who had little capital to start formal business. As noted earlier, individuals who could not get into parents/ community secondary schools due to low income were also not able to start formal businesses. The only resource owned was their human labor and to raise physical capital out of it they had to sell it. The little capital they put into informal business enabled them to survive in town. Business to them was thus more of a coping strategy than a development strategy. Some had more than one survival strategy at a time, and all were aimed solely at providing food for the table and school fees for the children. Capital was small and one could sell all items in stock in a single day. Shortage of capital limited the ability of kiosk vendors to rent business premises, and to pay rent, electricity, water bills, license fees, income tax, etc. Some of them had such little stock that they could carry it home on a bike at the end of the business day. Kiosk owners at that time were also kiosk business operators and hiring labor was not common. Where labor was necessary, family labor was in most cases used. This is because the kiosk business was merely a survival strategy rather than a development or commercial strategy and they could not afford paying wages since they did not make much profit.

The third type of kiosk owners were people with certain skills such as bicycle repair, carpentry, hair cutting, radio repair, watch repair, tailoring, shoe repair, metal works, etc. These little kiosks served as mini workshops providing their working tools and reference points to their customers. Most of the people who were offering these services had in one way or another acquired their respective skills informally and thus it was difficult for them to join formal institutions for employment even if they wanted to. Their choice of joining the informal sector was not voluntary but rather because they could not qualify for public secondary schools, could not afford parent-owned secondary schools, and had no capital for starting a formal business. Interviews with the residents show that most of the kiosk owners prior to 1980 were males. Women working in the informal sector were mainly cooking and selling food and most of their vending kiosks were not located in the CBD. They were located at construction sites and industrial areas where the target was the low level laborer. Their business activities were often conducted in the open-air, under a tree, and did not have specialized kiosks. These food-vending kiosks are still very popular and they are now moving into the CBD, where non-traditional operators, i.e. males, have also joined them.

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### Biographical Sketch

**Colman Titus Msoka** (BA, MA) is a Tanzanian citizen, currently a PhD Candidate in the Department of Sociology University of Minnesota. Prior to joining the PhD program in Minnesota, he was lecturing and conducting research on development issues. Colman has extensive field experience and traveled widely in Tanzania as he has served in many research teams and consultancy works. He is author of book chapters and conference papers mainly in urban studies. He writes features in Tanzanian local daily papers on different development issues. He has presented his works in Africa, North America and Europe. As of January 2003, Colman was holding three research grants from: The Wenner-Gren Foundation for Anthropological Research, N.Y. Foundation for Urban and Regional Studies Research Grant, Institute for Social and Economic Research, University of Essex, UK, and Compton Peace Fellowship, MacArthur Program, University of Minnesota.