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CONCLUSIONS

This report has presented the results of the 2000/01 Household Budget Survey. The focus of the analysis has been on indicators for poverty monitoring, both to provide a set of baseline measures for the future and to assess trends over the 1990s. It has examined a range of non-consumption measures, including those covering the priority sectors of education, health and water. It has also looked at household consumption and income poverty. This chapter outlines some of the main findings.

Households and Housing Conditions

There has been a substantial increase in the proportion of households headed by women, now making up 23 per cent of all households. Female-headed households are particularly common in the urban areas excluding Dar es Salaam. There has also been a decline in average household size over the 1990s, from 5.7 to 4.9 persons. As a result there has been a decline in the density of household occupation, except in Dar es Salaam.

Most inhabited buildings are constructed of natural, locally available materials. However, there has been an increase in the proportion of households living in dwellings built with 'modern' materials – concrete, stone, cement and metal. Although the improvements have tended to be larger in urban areas, they are also observed in rural areas.

Most households in Tanzania report using a toilet; over 90 per cent have a toilet even in rural areas. There has been no change in this measure over the decade.

Only 10 per cent of Tanzanian households are connected to the electricity grid. Coverage has increased in urban areas but has shown little change in rural areas.

There has been a decline in the distances between households and a number of important services – including markets, shops and public transport. However, the average distance to a primary court and to a primary cooperative society appears to have increased. Facilities are nearby in most urban areas, but distances can be more substantial in rural areas. The average rural household is over 37 kilometres from a bank and 18 kilometres from a police post, for example.

The ownership of many consumer goods has increased over the 1990s. Dar es Salaam has seen particularly large increases in the ownership of electrical goods. While households in urban areas own more items than rural households, a number of goods that do not require mains electricity show an increase in ownership in both urban and rural areas.

Education

Many adults in Tanzania have not been educated: one quarter have had no education and some 29 per cent are illiterate. Rural women have particularly missed out on education, 41 per cent being illiterate. Improvements in adults' level of education over the decade have been limited.

Education in adults reflects past schooling. The HBS also provides information on the recent performance of the education system by looking at children's schooling. It shows that 59 per cent of seven to thirteen-year-olds were enrolled in Standards I-VII in 2000/01. Enrolment levels are substantially higher in urban areas than in rural areas – 71 per cent compared to 56 per cent. Girls have slightly higher enrolment ratios than boys, although this is partly because the analysis focussed on primary-age children. The HBS data suggest that boys are more likely to stay in school at older ages. The gap between boys and girls appears to have narrowed during the 1990s.

There are many over-age children in primary schools. This is because they often enter school late, particularly in rural areas. As a result, many children are also well below the class that they should be in according to their age. Just five per cent of 14 to 17-year-olds are enrolled in secondary school.

There have been modest increases in children's participation in education over the decade, with a rise of about three percentage points in the proportion of seven to thirteen-year-olds reporting studying. However, the school system has not met the needs of the most disadvantaged in Tanzania during this period. While participation levels have increased appreciably in urban areas and amongst richer households, they have increased by only a small amount in rural areas and have declined amongst the poorest households. Since adults' incomes are strongly related to their education, the risk of sustaining a cycle of deprivation is clear.

Even in rural areas, the distance to primary schools does not appear to present a large problem for many households. Almost two-thirds of Tanzanian households are within two kilometres of a primary school, although the average distance has increased slightly over the decade. Secondary schools are much farther; a quarter of rural households reported being over 20 kilometres from a secondary school.

Health

The 2000/01 HBS collected a good deal of information on health; this was not collected in the 1991/92 survey. It showed a typical age-pattern of morbidity, in which children under five and older adults were most likely to have been ill or injured in the four weeks preceding the survey. Overall, rural areas have the highest levels of illness, though children under five were most likely to be reported as ill in Dar es Salaam. Women reported more illness than men, though in children under five boys were more often reported ill than girls. By far the most commonly reported complaint in both children and adults was fever/malaria.

Over two-thirds of individuals who had been ill reported that they had consulted a health-care provider. Even in rural areas, consultation levels were high. Over half of the individuals who consulted a provider used a government service, although the private sector is important even in rural areas. Users were more likely to report dissatisfaction with government providers than with private providers.

The poor do not report higher levels of illness and injury than wealthier households; in children the reverse is the case. It may be that this is due to different perceptions of illness in the different groups. When they are ill, the poor are somewhat less likely to see a health-care provider, including a government provider.

Primary health care facilities are reasonably close to most households. Even in rural areas, over 90 per cent of households reported being within 10 kilometres of a dispensary or health facility. The average distance to these facilities appears to have declined slightly over the decade.

Drinking Water

Urban populations have better drinking water supplies than rural areas. Over half of rural households depend on an unprotected supply, while over three quarters of urban households use piped water of some kind. Rural households must also travel further to their supply, slightly over half of them being one kilometre or more from their drinking water source.

Poor households are more likely to depend on an unprotected source of drinking water, and less likely to have piped water, than households that are not poor. The average distance to drinking water is also higher for them.

Urban and rural populations have seen quite different trends in drinking water supplies over the 1990s. There has been an increase in the proportion of rural households using piped or protected supplies, while there has been a decline in the proportion of urban households with water piped to the dwelling.

The trends in distance to drinking water supplies are puzzling. There appears to have been an increase in households reporting a source within one kilometre and also an increase in households reporting a source more than 6 kilometres away.

Economic Activities

Households have diversified their economic activities. Although Tanzanians continue to be largely dependent on agriculture, non-agricultural activities have become increasingly important during the 1990s. Some 70 per cent of households are headed by an individual who works in agriculture or fishing, compared with 75 per cent in 1991/92. A decline in government and parastatal employment and a rise in private-sector and self-employment are also apparent, particularly in urban areas. Women have seen the largest reductions in agricultural activity whereas men have been particularly affected by the changes in employer.

Some 62 per cent of children aged five to fourteen years undertake some form of work, usually combined with study. Girls are more likely than boys to work.

Households were asked to report their main source of cash income. Some 62 per cent of households reported that the sale of agricultural products was their main source, compared with 67 per cent in 1991/92. Food crops remain the single most important source; the importance of cash crops has declined.

Despite the overall importance of agriculture in rural areas, an analysis of rural household income reported in the monthly diary shows that some 40 per cent comes from sources outside their own farm production. Rural households also depend on a much wider variety of income sources than do urban households. This diversification seems to be an important means of raising rural incomes.

There are large differences in the income earned by the most and least educated; individuals with a tertiary education have almost four times the income of the least educated. These differences are particularly large in Dar es Salaam. There are also substantial differences between the average incomes of men and women, which persist even when an allowance is made for their different levels of education.

There is very limited uptake of banking or other savings facilities, particularly in rural areas. Even informal savings groups are rare there. The use of banking and savings groups has declined over the 1990s.

Household Consumption and Income Poverty

Consumption is highest in Dar es Salaam, at nearly 22,000 TShs per person per month, and lowest in rural areas where it is only 8,538 TShs. Consumption has increased by around 17 per cent in real terms between 1991/92 and 2000/01. The proportion of expenditure on food has also declined, as would be expected if real incomes have risen.

Both urban and rural areas have seen an increase in consumption and a fall in the food share. However, there has also been a substantial widening of the gap between urban and rural areas, as consumption levels have risen most in Dar es Salaam and least in rural areas. The share of expenditure on food shows a correspondingly larger fall in Dar es Salaam and a smaller fall in rural areas. There has also been a small increase in inequality, the largest rise being in Dar es Salaam.

The net effect of these trends has been a small decline in income poverty, about 3 percentage points over the decade. Some 36 per cent of Tanzanians now fall below the basic needs poverty line and 19 per cent below the food poverty line. The absolute numbers in poverty have increased because of population growth and there are now 11.4 million Tanzanians below the basic needs poverty line. Poverty remains overwhelmingly rural, with 87 per cent of the poor living in rural areas.

The interpretation of these findings is complicated by the large sampling errors that surround the estimates, despite the large sample size in 2000/01. The increase in real consumption levels, using the restricted measure that forms the basis for the poverty estimates, is significant at the 5 per cent level only in the population as a whole and in Dar es Salaam. The decline in poverty levels is not statistically significant, although it is difficult to capture the full complexity of the sample design in undertaking the significance tests.

Poverty levels vary with household characteristics. Households with a large number of members, and a large number of dependants, have high levels of poverty, as do households with a head who is economically inactive. Households that depend on agriculture also have high levels of poverty; amongst these, those that depend on the sale of livestock are particularly likely to be poor.

Poverty levels are strongly related to education. Over half of the individuals in households where the head has no education are poor, compared with only 12 per cent where the head has been educated above primary level.

Poverty has declined most amongst the employed and self-employed, particularly employees in the private sector. In contrast, poverty appears to have increased in the economically inactive, the uneducated and in households with large numbers of dependants.

Conclusions: Poverty and Welfare in Tanzania

The 2000/01 Household Budget Survey provides information on a wide range of poverty indicators. These were presented for the national population and were examined according to a number of key characteristics – place of residence and sex, particularly.

Unsurprisingly, the 2000/01 HBS confirms that income poverty is high and that many social indicators are poor in Tanzania. It has also shown large differences between groups. The most consistent of these is between the urban and rural populations. At one extreme, Dar es Salaam is substantially better off than the rest of the population on almost all measures. Housing materials, electrification, ownership of consumer goods, education and water supplies are better in Dar es Salaam than elsewhere. The average expenditure per person is twice the national average and income poverty is about half as common as in the population as a whole.

Most indicators are also better than average in other urban areas, while rural households are usually much poorer than urban households. They are less likely to live in 'modern' housing, to have a connection to the electricity grid and to own consumer goods. They depend on poorer quality drinking water and travel further to reach it. Adults have much lower levels of education and their children are less likely to attend school. The rural population has the lowest average expenditure and the highest level of income poverty. The need to focus poverty reduction in rural areas remains compelling.

Regional differences are more complex and vary to some degree with the indicator that is examined. Caution is also required because sampling errors are larger. In addition to Dar es Salaam, the regions that are commonly better off in terms of housing conditions and facilities are Kilimanjaro and Mbeya, while Shinyanga, Singida, Tabora, Pwani and Lindi tend to be less well off. Distances to health and education facilities do not show the same patterns. The educational level of adults, and school enrolment in children, are both high in Dar es Salaam, Kilimanjaro and south-west Tanzania. They are low in Shinyanga, Lindi and Pwani. Lindi, Singida, Shinyanga and Pwani are also usually found to be poor on income poverty measures, as is Mara. Dar es Salaam and Mbeya have lower levels of income poverty. Overall, it is possible to identify a number of regions that are disadvantaged on most measures and would warrant particular attention in poverty reduction.

Where possible, indicators were also examined by sex. The largest differences are in income earned, where men earn almost twice what women do. Women are about half as likely as men to be employed or self-employed. Household budget surveys do not look at the distribution of consumption within the household, so it is not possible to assess sex differences in consumption for individuals. Female-headed households are no poorer than those headed by men, however.

Adult women have substantially lower levels of education than do adult men, reflecting differences in school attendance in the past. However, current school enrolment rates are slightly higher in girls than in boys. Girls are more likely than boys to work. Women are more likely to report illness or injury than men, although in children under five the reverse is the case. On the whole, sex differences in most indicators are much smaller than geographical differences.

Trends over the 1990s were also assessed by comparison with the 1991/92 HBS. The general picture is one of modest improvements in welfare over the decade, as most indicators show small but positive changes. Housing materials improved and the ownership of consumer goods increased. The distance to a number of key services declined, although not all showed this trend. Primary school enrolment increased, although adult educational levels appeared to improve little. The use of piped and protected water supplies increased.

The economy has diversified. Household dependence on agriculture has declined and private-sector employment has increased. Household consumption has increased. The proportion of the population who are poor has declined slightly, although absolute numbers have increased because of population growth.

These improvements have often been associated with increasing inequality, however. For many indicators, improvements have been concentrated in urban areas. Improvements in housing construction have been largest in urban areas, as have increases in primary schooling. One exception is in drinking water supplies, where rural supplies improved while urban supplies appeared to become worse. The growth in consumption has been largest in urban areas, particularly in Dar es Salaam. The decline in poverty has also been largest in Dar es Salaam.

There has been some increase in the share of expenditure accounted for by the richest households and some groups do not appear to have benefited from the increase in consumption. Poverty appears to have increased in households whose heads are economically inactive or uneducated and in households with a large number of dependants. Primary school enrolment has fallen amongst the poorest households. The benefits of improvements during the decade have not been equally distributed.