

This report presents the findings of the 2000/01 Tanzanian Household Budget Survey (HBS). It focuses on poverty-monitoring indicators and offers a set of baseline measurements for the future. Data on key poverty indicators are presented for each region. Trends over the 1990s are also assessed by comparison with the 1991/92 HBS.

The 2000/01 Household Budget Survey

A nationally-representative sample of 22,178 households was interviewed in this latest HBS. Between 12 and 24 households were surveyed in each sampled area. Fieldwork was between May 2000 and June 2001.

Households interviewed were selected from the regional sample of the National Master Sample (NMS). In each region the final sample comprised around 1,000 households. Sampling weights are used to make the estimates representative of mainland national and regional populations.

The HBS collected information on a range of individual and household characteristics. These included:

- household members' education, economic activities and health status
- household expenditure, consumption and income
- ownership of consumer goods and assets
- housing structure and materials
- household access to services and facilities, and
- food security

Information was collected using one main household questionnaire, together with a diary recording household consumption, expenditure and income over a calendar month. Personal diaries enabled individuals to record their consumption outside the household.

The analysis focuses on indicators defined in the Government's Poverty Reduction Strategy Paper and by the National Poverty Eradication Division in the Office of the Vice-President. The aim is to provide a baseline for the future and an examination of trends over the 1990s. The 1991/92 data were analysed again to maximise the comparability of estimates over time.

Key findings

HOUSEHOLD DEMOGRAPHIC COMPOSITION

There has been a large rise in the proportion of households headed by a woman – from 18 per cent in 1991/92 to 23 per cent in 2000/01. Urban areas other than Dar es Salaam have the highest proportion of such households.

There has been a fall in household size – from an average of 5.7 to 4.9 people – and a small rise in the proportion headed by the over-65s.

HOUSEHOLD CONSTRUCTION AND FACILITIES

There has been an increase in the proportion of households living in dwellings built with modern materials – concrete, stone, cement and metal. Some 43 per cent of Tanzanian houses now have a metal roof and 25 per cent have walls of concrete, cement, stone or baked or burnt brick. These improvements usually have been greater in urban areas but are also seen in rural areas.

Nationally, 84 per cent of households own the house they live in, although in urban areas over a third rent privately. There was very little change in tenure over the decade.

Overall, 10 per cent of Tanzanian households are connected to the electricity grid. Coverage is much greater in urban areas – 59 per cent of households in Dar es Salaam and 30 per cent in other urban areas. In rural areas, only two per cent of households are connected. Over the 1990s, coverage of the grid increased in urban areas but showed little change in rural areas.

Dar es Salaam, Kilimanjaro and Arusha are the regions with the highest proportion of households connected to the grid. Those in Shinyanga and Kagera are least likely to be connected.

Around nine per cent of households use electricity as their main energy source for lighting, while 84 per cent depend on paraffin. Use of electricity for cooking is less common – reported by about one per cent of households. Firewood and charcoal are the most important cooking fuels – used by 78 and 14 per cent of households respectively. In urban areas, use of electricity for cooking declined over the decade while its use for lighting rose, probably reflecting its increased real cost to households.

Some 93 per cent of households report having use of a toilet; over 90 per cent in rural areas. There was no change over the decade.

Average distance to a number of important services fell over the 1990s. Such services include markets, shops and public transport, although distance to a primary court and primary cooperative society increased. In rural areas there are long average distances to some important facilities. Rural households are on average 37 kilometres from a bank and 18 kilometres from a police post.

Urban households are more likely than rural ones to own a range of consumer goods. Such ownership rose over the 1990s. While the rise was largest in Dar es Salaam and other urban areas, rural areas also saw an increase in ownership of a number of goods that do not require mains electricity, including bicycles and radios. Some 46 per cent of rural households now own a radio.

EDUCATION

A quarter of Tanzanian adults have no education and 29 per cent can neither read nor write. Some 30 per cent in rural areas have no education, compared with only eight per cent in Dar es Salaam and 13 per cent in other urban areas.

Women are about twice as likely as men to have no education. Rural women in particular have missed out, with 41 per cent unable to read or write.

The proportion of adults with any education is highest in Dar es Salaam, Kilimanjaro, Ruvuma, Iringa and Mbeya; lowest in Lindi, Pwani and Shinyanga.

Improvement in the level of adult education over the decade was limited. There was a rise in the highest standard achieved for those with primary schooling but no apparent decline in the proportion of adults without education.

Some 59 per cent of seven to thirteen-year-olds were enrolled in Standards I-VII in 2000/01. Enrolment levels are much higher in urban areas than in rural ones – 71 per cent compared with 56 per cent. Girls have slightly higher enrolment rates than boys in this age range, although boys are more likely to stay in school at older ages. Kilimanjaro, Dar es Salaam and the south-west regions have the highest enrolment ratios; Lindi and Shinyanga the lowest.

There are many over-age children in primary schools – partly because they often enter school late, particularly in rural areas. As a result, even children in school are often well below the class they should be in according to their age. For example, some 82 per cent of the 13-year-olds in school are enrolled in Standard V or below.

There was a small rise in children's participation in education over the decade, with the proportion of seven to thirteen-year-olds up from 57 to 61 per cent. Enrolment increased most in urban areas but by only two percentage points in rural areas.

Enrolment in secondary education is much lower than in primary. Only five per cent of 14 to 17-year-olds are enrolled in forms I-IV; in rural areas it is two per cent.

Almost two-thirds of Tanzanian households are within two kilometres of a primary school; even in rural areas 58 per cent are within this distance. This suggests distance is not a major impediment to primary schooling for most households. Average distance to a primary school appears to have lengthened slightly over the decade.

Households are furthest from a primary school in Shingyanga, Kagera and Dodoma, and closest in Dar es Salaam, Kilimanjaro, Lindi, Ruvuma and Rukwa.

Households are much farther from secondary schools: a quarter of rural ones are more than 20 kilometres distant.

HEALTH

In rural areas, some 28 per cent of individuals were ill in the four weeks preceding the survey, compared with 19 per cent in Dar es Salaam and 24 per cent in other urban areas. Children under five and older adults are the age groups most likely to be ill or injured. Women report more illness than men. However, among children under five, boys are ill more often than girls.

For individuals who have been ill, the most commonly reported complaint is fever/malaria – reported in 69 per cent of children and 60 per cent of adults.

Some 69 per cent of individuals who had been ill reported that they had consulted a health-care provider. Even in rural areas, 67 per cent reported consultation of some kind.

Some 54 per cent of individuals who consulted a health-care provider used a government service. The private sector is an important service provider in both urban and rural areas.

Users are more likely to report dissatisfaction with government providers than with private ones. Long waiting times, lack of drugs and, in the case of regional hospitals, high cost are the most commonly reported problems with government facilities. High cost is also the most common complaint about private providers.

Most households are reasonably close to primary health-care facilities. Even in rural areas, over 90 per cent reported being within 10 kilometres of a dispensary or health facility. The average distance to these facilities appears to have shortened slightly over the decade. The average to a hospital was 21 kilometres.

Over 90 per cent of households are within six kilometres of a dispensary or health centre in Dar es Salaam, Kilimanjaro and Kigoma, but less than half in Dodoma.

DRINKING WATER

Overall, 43 per cent of Tanzanian households use an unprotected source of drinking water, including unprotected wells and springs and surface water such as rivers and lakes. Some 39 per cent use piped water and another 16 per cent protected wells or springs.

People in urban areas have better drinking water supplies than the rural population. Some 53 per cent of rural households depend on an unprotected water supply, while 86 per cent of households in Dar es Salaam and 76 per cent in other urban areas have piped water of some kind. Rural households must also travel farther to their supply, with only 49 per cent within a kilometre of it. This compares with 84 and 73 per cent of households in Dar es Salaam and other urban areas respectively.

Urban and rural people saw quite different trends in drinking water supplies over the 1990s. In rural areas, sources improved, with the proportion of households depending on unprotected supplies falling from 64 to 53 per cent. In urban areas, by contrast, there was a fall in the proportion of water piped to the dwelling.

There are big differences in drinking water sources from region to region. Three-quarters or more of the households in Dar es Salaam, Kilimanjaro, Kigoma and Mbeya have a protected source, whereas more than three-quarters in Lindi and Tabora depend on an unprotected one.

Trends in the distance to drinking water supplies are divergent, with a rise in households reporting a source within a kilometre but also an increase in those with a source more than six kilometres away.

Only about one third of households are within a kilometre of drinking water in Mara and Shinyanga while over 80 per cent are within that distance in Ruvuma and Dar es Salaam.

PRODUCTIVE ACTIVITIES AND PRODUCTIVE ASSETS

Although most Tanzanians still depend on agriculture, households have diversified their economic activity. Some 70 per cent are now headed by an individual who works in agriculture or fishing, compared with 75 per cent in 1991/92. Sixty-three per cent of adults gave one of these as their main activity in 2000/01 compared with 73 per cent in 1991/92.

There has also been a drop in government and parastatal employment – from 5.2 to 2.5 per cent of adults. The fall is biggest in Dar es Salaam, where such employment is down from 21 to seven per cent of adults. There is a rise in private sector employment and in self-employment, which are now the main activities of 40 per cent of adults in Dar es Salaam and 31 per cent in other urban areas.

Women have experienced the largest reductions in agricultural activity: down from being the main activity of 77 per cent in 1991/92 to 63 per cent in 2000/01. Men saw a smaller fall, but have been more affected by the shift from government and parastatal employers to the private sector.

Some 62 per cent of children aged five to 14 undertake some form of work; slightly over half combine work with study. Girls are more likely to work than boys – 64 per cent of girls and 59 per cent of boys reported this. When they work, girls are most likely to do so in the household business or undertaking household chores. Boys are more likely than girls to work in agriculture or outside the home.

The sale of agricultural products was the main source of cash income for 62 per cent of households, compared with 67 per cent in 1991/92. Food crops remain the most important single source – the main one for 41 per cent of households, similar to 1991/92. The importance of cash crops fell and they now provide the main source for 17 per cent of households.

Some 42 per cent of households report having a business – the highest proportion is in urban areas, particularly outside Dar es Salaam.

In most regions, around 60 to 80 per cent of adults report agriculture as their main activity. The proportion is lower only in Dar es Salaam, Arusha and Mbeya, where employment and self-employment are more common than elsewhere.

Around 89 per cent of rural households report owning land for agriculture or grazing, a similar proportion to 1991/92. The average area owned by rural households is six acres, although five per cent of households have more than 20 acres. Some 29 per cent of rural households own cattle or other large livestock, 49 per cent medium-sized livestock, such as sheep or goats, and 65 per cent poultry. The degree of agricultural mechanisation among rural households is low: while some 11 per cent own a plough, only around 0.2 per cent have a tractor.

Only six per cent of households have one or more members with a bank account and only four per cent participate in an informal savings group; these activities are even less common in rural households. Use of banking and other savings groups fell over the 1990s.

HOUSEHOLD CONSUMPTION

Average consumption per person is highest in Dar es Salaam - 2.6 times higher than the rural average of about 8,500 TShs per month.

Household consumption rose by around 17 per cent in real terms between 1991/92 and 2000/01. Dar es Salaam saw the biggest rise – around 47 per cent – whereas rural areas witnessed only around 11 per cent. As a result, the gap between urban and rural areas widened.

Some 65 per cent of household consumption expenditure is on food. Rural households spend the highest proportion on food; those in Dar es Salaam the lowest. The proportion spent on food fell over the 1990s, from 71 to 65 per cent, consistent with the rise in real incomes. It was down 14 percentage points in Dar es-Salaam and five points in rural areas.

The share of household spending on education and medical expenses has increased. Both are now about two per cent of average household expenditure, compared with one per cent in 1991/92. Dar es Salaam households spend the biggest proportion of their income on health and education; rural households the lowest. There was also a rise in the proportion of spending on other non-durable items – from 20 to 23 per cent.

INCOME POVERTY AND INEQUALITY

The rise in household consumption was accompanied by a small increase in inequality. The Gini coefficient, a measure of how unequally expenditure is distributed, rose from 0.34 to 0.35. The richest 20 per cent of the population now account for 44 per cent of household spending, compared with 43 per cent in 1991/92. The biggest rise in inequality was in urban areas, particularly Dar es Salaam.

Poverty lines were developed as part of the analysis. The price of a minimum food basket necessary to provide 2,200 calories per day was calculated, based on the consumption pattern of the poorest 50 per cent of the population. A higher, 'basic needs' poverty line was also set to allow for non-food consumption. This was done for both 2000/01 and 1991/92, so that trends in income poverty could be assessed.

There was a small fall in income poverty of about three 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, compared with 39 and 22 per cent in 1991/92. However, this decline is not large enough to be statistically significant.

Rural areas have the highest poverty levels, with 39 per cent of the population below the basic needs poverty line compared with 18 per cent in Dar-as-Salaam and 26 per cent in other urban areas. Over the decade, poverty declined most in Dar es Salaam. Poverty remains overwhelmingly rural, with 87 per cent of the poor living in rural areas.

Absolute numbers in poverty increased over the 1990s because of population growth. Using national population projections, there are now 11.4 million Tanzanians below the basic needs poverty line compared with 9.5 million in 1991/92.

Regional comparison of income poverty levels should be undertaken with caution. However, looking at both income poverty and the share of expenditure on food, four regions are consistently identified as poorer than average: Lindi, Singida, Shinyanga and Mara. Dar es Salaam and Mbeya have lower levels of poverty than average.

POVERTY PROFILE

Households particularly likely to be poor include those with many members and those with a large proportion of dependants. Households headed by someone who is economically inactive are also more likely to be poor.

Households that depend on agriculture have somewhat higher levels of poverty than average, particularly those relying on the sale of livestock.

Poverty levels are also strongly related to the education of the head of household. Some 51 per cent of individuals are poor if the head has no education, compared with only 12 per cent when the head is educated above primary level.

Over the 1990s, poverty declined most among the employed and self-employed, particularly private sector employees. In contrast, poverty increased in households with a head who was economically inactive or uneducated and in those with a large proportion of dependants.

Only 50 per cent of children aged seven to thirteen from the poorest households were studying compared with 66 per cent from other households. The proportion of children studying from the poorest households fell over the 1990s. This risks creating a cycle of deprivation, since the survey also shows that adults' incomes are strongly related to their education.

In the case of adults, the poor do not report higher levels of illness and injury than wealthier households; for their children the reverse is the case. When they are ill, the poor are somewhat less likely to see a health-care provider, including a government provider, than individuals from other households, although the differences are not large.

Some 54 per cent of the poorest households depend on an unprotected source of drinking water, compared with 40 per cent of other households. The average distance to drinking water is also higher for the poorest.

REPORTED INCOME

Despite the overall importance of agriculture in rural areas, some 40 per cent of rural household income comes from sources outside their own farm production. Employment and self-employment account for around 71 per cent of income in Dar es Salaam. In other urban areas these sources contribute 57 per cent of income and agricultural sources provide another 20 per cent.

Rural households depend on a wider variety of income sources than urban households; 65 per cent report more than three sources. Such diversification seems to be an important way for rural households to raise their incomes, since households with a larger number of sources have higher mean incomes.

Individuals with a tertiary education earn almost four times the income of the least educated. These differences are particularly large in Dar es Salaam, where the most educated earn 10 times more than the least.

There are also large differences between average incomes of men and women, men earning 1.9 times more than women. A number of factors contribute to these differences but they persist even when allowance is made for the different educational levels of the sexes.

CONCLUSIONS: POVERTY AND WELFARE IN TANZANIA

The 2000/01 Tanzanian HBS confirms that income poverty is high and social indicators usually poor. It also points to large gaps between different groups.

The biggest gap is between urban and rural populations. At one extreme, Dar es Salaam is substantially better off than the rest of the country; at the other, rural households are much poorer than their urban equivalents – by almost any indicator. The need to focus on reducing poverty in rural areas remains compelling.

Regional differences are more complex and vary to some degree with the indicator being considered. But it is possible to identify a number of regions that are disadvantaged in most respects. These include Lindi, Singida and Shinyanga; they might also include Pwani, Mara and Tabora.

On the whole, differences in poverty and social indicators between the sexes are smaller than differences resulting from geography. Women have lower incomes than men, but it is not possible to assess differences in consumption between individuals. Households headed by women are no poorer than those headed by men. Adult women have lower levels of education than adult men, but current school enrolment rates are slightly higher for girls.

Over the 1990s there were modest improvements in welfare, with most indicators showing small but positive changes. The economy has diversified and household consumption has increased. The proportion of the population that is poor has fallen slightly, although absolute numbers have risen due to population growth.

However, such improvements are often associated with rising inequality. Many of them have been concentrated in urban areas, particularly Dar es Salaam. Generally, improvements in rural areas have been smaller. Some types of household have actually seen increases in poverty over the period. It is clear that the improvements of the last decade have not been equally distributed.

Key Indicators from the Household Budget Surveys

Indicator	1991/92	2000/01
THE FAMILY AND HOUSING		
Average household size	5.7	4.9
Mean percentage of dependants	40	42
Percentage of female-headed households	18	23
Percentage of households with a modern roof	36	43
Percentage of households with modern walls	16	25
Average number of persons per sleeping room	2.6	2.4
Percentage of households with electricity	9	12
Percentage of households using a toilet	93	93
Percentage of households owning a radio	37	52
EDUCATION, HEALTH AND WATER		
Percentage of adult men with any education	83	83
Percentage of adult women with any education	68	67
Percentage of adults literate	--	71
Primary net enrolment ratio	--	59
Percentage of children age 7-13 years studying	57	61
Secondary net enrolment ratio (forms I-IV)	--	5
Percentage of households within 2 km of a primary school	66	63
Percentage of ill individuals who consulted any health provider	--	69
Percentage of households within 6 km of a primary health facility	75	75
Percentage of households with a protected water source	46	55
Percentage of households within 1 km of drinking water	50	55
ECONOMIC ACTIVITIES		
Percentage of adults whose primary activity is agriculture	73	63
Percentage of children age 5-14 years who are working	--	62
Mean area of land owned by rural households (acres)	--	6.0
Percentage of households with a member with a bank account	18	6
CONSUMPTION AND POVERTY		
Average consumption expenditure per capita (2000/01 TShs, 28 days)	8,686	10,120
Percentage of consumption expenditure on food	71	65
Percentage of population below the food poverty line	22	19
Percentage of population below the basic needs poverty line	39	36
Gini coefficient	0.34	0.35
Percentage of total consumption by the poorest 20 percent of population	7	7