

Poverty in Tanzania –

An analysis of impoverishment in Morogoro and Kilombero districts

SUSANNE ÅDAHL (2007)

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Foreword

One of the central issues that development policies seek to address is that of poverty and how to support poverty reduction strategies. In 2005/2006 KEPA commissioned studies to be carried out in Indonesia, Nicaragua, Zambia and Tanzania in order to better understand how local people perceive of and live with poverty. What KEPA, more specifically was interested in was local people's understanding of welfare and the good life; how they understand poverty and what economic activities, both formal and informal, they are involved in; what kind of problems they face in doing so; and, what kind of help they have received from local, national or foreign bodies. Locally specific, in-depth poverty analysis is hoped will help KEPA to recognise how it can support processes of change to alleviate poverty.

In Tanzania a baseline study was carried out by Dr. Damian M. Gabagambi and Dr. Flavanius T. Magayane at the University of Dar es Salaam. The baseline data was collected through a questionnaire, group discussions and structured interviews with key informants in two selected locations; the urban district of Morogoro and the rural district of Kilombero¹, both in the Morogoro region of the country. The locations were selected on the basis of the region having a deprived status in terms of low life expectancy, low birth weight and weak food security.

A substantial amount of additional information was collected and support extended by Kenny Manara, Development Policy Officer of KEPA Tanzania. I would also like to thank Outi Hakkarainen for the support she has provided to the writing process of this report. Secondary data collection consisted of a review of documents related to poverty and development in Tanzania.

The purpose of this report is to present a condensed picture of the complex and often cited issue of poverty in the context of Tanzania. It is my hope that the reader will receive a locally specific picture of what poverty is in four selected locations in Tanzania, not only in terms of statistics, but also as a socio-cultural phenomenon that deeply touches the lives of a vast number of individuals.

Helsinki, 30 November 2007
Susanne Ådahl

¹ A total of four sites - two in each district – were selected. See annex 1 for details on the location of the study sites and annex 2 for details on respondents.

Introduction

The United Republic of Tanzania was formed in 1964 out of the union of the two sovereign states of Tanganyika and Zanzibar. Today it is a multi party democracy with a population of 33 million². In pre-colonial times the country was administered through a political system of kingdoms and chiefdoms. Systematic colonial domination by Germany and Great Britain has been part of Tanzania's history at different times since the mid-19th century. By 1916 Great Britain had occupied the whole country from the Germans. After WW I most of the territory was passed to the United Kingdom under a mandate of the League of Nations and in 1947 it was placed under UN trusteeship. During this time period Britain was required to develop the political life which by the 1950's gradually lead to the growth of the Tanganyika National Union (TANU).

The TANU party initiated a series of nation-building programmes around the time of independence based on the radical new vision of *Ujamaa* ("socialism") and self-reliance³ administered by a one-party system that was led by a political elite (Levine 1975). The aim was to make all Tanzanians equal and to put all major means of production in the hands of the mass, i.e. the public sector. The extended role of the state started with the nationalisation of the banking and insurance system and large private trading companies. The industrial sector was brought under government control by establishing parastatal companies.

Various policies and programmes were geared towards promoting rural development. A villagization policy was initiated during the First Five Year Plan (1964 – 1969) creating schemes where farmers were re-settled in *Ujamaa* villages to work on collective farms. (Coulson 1982) The intention was to overcome the problems created by low population density and a dispersed population. By moving farmers into communal villages it was thought it would abolish exploitation of the rural poor. The aim was also to increase agricultural production through the use of modern agricultural techniques and to enhance

² According to the 2002 Population and Housing Census 51% of the population were women and about 46% under the age of 15 (United Republic of Tanzania 2002).

³ The Arusha Declaration adopted in 1967 proclaimed the building of a socialist society.

the provision of social services (such as water, electricity, health services etc.) for the population. All this had an impact on the trend of rural development in Tanzania and up to the early 1980's the country showed impressive results in terms of the provision of social services⁴.

The Tanzanian economy started to face problems beginning in the late 1970's when agricultural production dropped markedly in spite of the efforts of the villagization schemes. By the early 1980's per capita production of agricultural products declined by 50 percent. Government expenditure increased and public resources were mismanaged resulting in a considerable underfunding of government programmes and services. In addition, Tanzania faced a growing external debt and was to an increasing degree relying on foreign aid⁵. Poor economic growth continued to burden the country in the early 1990's and by the mid 1990's improvement in economic growth did take place, mainly in the manufacturing and mining sectors.

The views of the majority of Tanzanians is that *Ujamaa* did not bring the country the expected economic prosperity and welfare. Instead of reaching self-sufficiency at the village level, the *Ujamaa* scheme gave a dominant role to the state in order to speed up the development process. During the socialist era the education system was based on Julius Nyerere's philosophy of Education for Self Reliance (1967) which had a strong pro-poor focus, urging for primary education to be terminal for the majority. The aim of education was to prepare individuals with the skills needed for self reliant, rural livelihoods rather than for further academic education. This has later been criticized (e.g by Leshabari and Massesa 2000; Rajabu 2000) as a main factor in reducing quality of education at all levels.

Tanzania is still largely a country of farmers and most of its population lives in the rural areas. Also the vast majority of the poor are living there⁶. To significantly impact on economic

⁴ The average literacy rate, primary school enrollment, access to safe water and provision of health services was markedly better compared to the average of other African countries. (McHenry 1994)

⁵ During the First – Five Year Development Plan of 1964 – 1969, the foreign assistance financed about 20 percent of the development budget. This figure rose to 40 percent during the 1970 – 75 plan and to almost 60 percent during the 1978 – 81 plan. The figure increased to about 70 percent in the 1992 – 93 annual development plan. (Economic Survey 1991) Indeed, between 1980 – 1990, Tanzania was the second largest aid recipient in Sub-Saharan Africa.

⁶ According to statistics from 2003, 87% of the poor lived in

growth it is essential to increase productivity in agriculture⁷ and to increase rural incomes. The poor of the rural areas are smallholder farmers who cultivate the land using hand hoes, which limits the size of land holdings they are able to cultivate. The main constraints facing the agricultural sector include insufficient agricultural extension services, low levels of technology, excessive reliance on rain fed agriculture, and low labour productivity. Deficient transportation and marketing infrastructure and facilities have also impaired agricultural development. The lack of development within agriculture and assistance extended to farmers is a serious problem in a country where the majority of the population are farmers. When the collective farms of the *Ujamaa* era were gradually dismantled and free market principles started entering the Tanzanian economy farmers were left to cultivate the land with practically no assistance from the government. Less than one per cent of Tanzania's national government budget is presently invested in agricultural development. One of the main reasons for the low level of government support is that donor interest in agriculture has declined since the mid 1980's while food insecurity in Africa has remained at high levels. (Manara 2006) The fact that most rural Tanzanians have access to land has prevented rural populations from experiencing mass human suffering by being able to keep famine at bay during periods of drought. Landlessness is, however, an increasing trend especially in areas with high population density as changes in land laws have facilitated land grabbing by private investors. (Jerve and Ofstad 2000)

Unemployment, by international definitions, remains low over the country as a whole, although it has been growing (from 3.5% to 5%) throughout the 1990's. In rural areas the unemployment rate has remained constant, but has increased in the urban areas from the 1990's onwards⁸. It is particularly high for urban youth aged between 15 and 24 (28%) with higher rates for women than for men. Caution must however be taken in interpreting these figures; since there is no unemployment benefit and only a small minority of the population are engaged in formal

rural areas. (United Republic of Tanzania 2003).

7 The agricultural sector accounts for almost 50% of GDP. (United Republic of Tanzania 2003)

8 Unemployment is 2% in the rural areas and in urban areas it has climbed from 10% to 15% from 1990/91 to 2000/2001. (United Republic of Tanzania 2003)

sector employment it is difficult to obtain actual figures for unemployment. Being a largely urban phenomenon, it is, though partly influenced by problems in rural areas. Rural youth often lack access to land and hence a source of income, forcing them to migrate to the cities in search of employment (United Republic of Tanzania 2003). The poor in rural areas are forced to work as day labourers on the land of others, which prevents them from cultivating their own lands in time before the rains come, leading to further loss of income. (Narayan 1997)

Tanzania is one of the poorest countries in the world⁹, and poverty reduction has long been central to government policies. In the last decade, a series of economic policy reforms have been undertaken, which have contributed to significant improvement in macroeconomic performance (growth, inflation, domestic revenue), social service delivery (education, water), and infrastructure (rural roads). However, the economy continues to face the challenge of pervasive and persistent poverty (United Republic of Tanzania 2005)¹⁰. Although many families live in poverty, a lower proportion of them live in absolute poverty than in counties of comparable GDP. This is in part a legacy of Nyerere's socialist, pro-poor policies, resulting, among other things, in a relatively high adult literacy rate. (United Republic of Tanzania 2003) Life expectancy has dropped as a result of HIV infection, which affects young women to a greater extent than young men. It is not only income that forms the basis of inequality within the Tanzanian population. Poverty is clearly more prevalent in the rural areas and among certain ethnic groups (Jerve and Ofstad 2000).

9 On the Human and income poverty scale Tanzania ranks 64th out of 102 countries. (UNDP 2006)

10 Recent data indicates that about 35% of the population are living below the poverty line. (World Bank 2007).

Two study areas

One of the aims of this study was to compare case study areas; two urban locations and two rural ones. All of these locations were selected in the Morogoro region in the south west corner of Tanzania. The economy of the region is dominated by agriculture and allied activities and the majority of the population is rurally based. The major activities include small scale farming (food and cash crops subsistence farming), cattle keeping (mainly indigenous livestock), plantations and estates (sisal, sugar). There is however growth of a small capital intensive urban sector whose main activities include manufacturing and provision of services - offices, hotels, petty trading etc. People in the two districts are involved in a wide variety of economic activities ranging from farming to local brewing. Apart from farming, which occupied 71.9% of all respondents, other activities include informal teaching, casual labouring, gardening, livestock keeping, mining, fishing, shop-keeping/kiosk business, local brewing, barber/hair dressing, hawking, driving, bus conducting, food vending¹¹, craft, mechanics and masonry. People earn more than twice as much in the urban areas than in the rural ones, but their living costs are also twice as expensive in towns¹².

Women carry out most of the agricultural work in addition to their traditional duties of looking for firewood and water, and caring for children and the household. Yet, the financial benefits that they receive for their labour is small compared to that of men who work less. In the urban area most people are engaged in formal employment and trade related activities, but some are also involved in farming as one of their main livelihood activities. In the rural areas apart from farming people are involved in construction, beer production and fish vending either as their main income earning activity or as a sideline business. One of the most serious problems of the job mar-

ket situation in both urban and rural locations is unemployment among the youth.

Morogoro Urban District

The urban location where the field work was carried out was in Morogoro Urban District which is located about 194 km inland (west) from the capital city of Dar es Salaam. This location was selected because it has an unusually high population due to its metropolitan characteristics which attract many people looking for employment in the industries and surrounding sisal estates as well as services, hotels, offices etc. It is also characterised as an academic town. It hosts two public universities; Sokoine University of Agriculture and Mzumbe University and the private Muslim University of Morogoro, which are also the biggest employers in the Municipality. According to the 2002 Tanzania National Census, the population of Morogoro Urban District was 228,863 with a significant proportion living in the rural areas. Expectedly, Swahili, the national language, is widely spoken. The religious composition of the population is Christian and Muslim.

A broad mix of ethnic groups is found in the district. The *Waluguru* is the main ethnic group and it is represented throughout the district. However, the urban population has been diversified by immigration from other parts of the country, and people from other ethnic groups, such as *Chagga*, *Sukuma*, *Nyamwezi*, *Zigua* and *Pogoro* are now commonly found, along with people of Asian origin (most of whom are located in the central areas). The majority of immigrants are from other tribes of Morogoro and other regions of the country. The current ethnic composition has also been influenced by the colonial policy of transferring civil servants from their home districts to work in other regions.

More than half of the population lives in unplanned settlements, many of which are overcrowded and where the physical living conditions are very poor. In most of these settlements there is an almost complete lack of basic services such as piped water supply, sewerage, drainage, and roads. Being informal or unplanned areas, the residents do not have certificate of title to their properties, and therefore cannot access credit facilities that require collateral or loan guarantees. Cholera, dysentery and diarrhea outbreaks are common in these areas during rainy seasons. Being a district with a high water table there is

¹¹ Food vending of staple foods like rice, maize porridge (*Ugali*), beans and meat stews has been the domain of women, but in towns men's food vending activities are confined to potato or cassava chips frying and barbequing, especially in the evening at local brew pubs.

¹² Annual income is \$1,547 for Morogoro Urban District and \$ 612 for Kilombero Rural District. Spending per day is \$ 4.2 in the urban area and \$ 1.7 in the rural area.

a particular risk of water borne epidemics breaking out. Overcrowding itself brings problems, such as the risk of rapidly spreading fires. The majority of urbanites in Morogoro would prefer to own the land formally. Formalisation of businesses and properties has been enhanced by an ongoing governmental programme. The government has scaled up the issuance of certificates of occupancy throughout the country as it believes that formal land ownership is a recipe for poverty reduction because it can be used as collateral to access capital. It is also developing new plots and formalising squatter settlements in towns and cities.

The economy of Morogoro Urban District has been influenced by historical developments as far back as the colonial era. The commoditisation of indigenous economies like the introduction of export crops is part of this colonial legacy. Indeed, colonial rule capitalised on existing patriarchal systems of dominance in facilitating indirect rule at the local level. Most of the fertile land was given to white settlers during the German rule. This limited the free movement of livestock keepers and shifting cultivators. As monoculture was practiced by the settlers on fragile soils, land degradation became inevitable. Cash crop production also introduced an obligatory tax on cultivators to be paid either in labour by male farmers or by them being involved in cash crop production. This practice re-enforced male superiority as a symbol of the family or clan. (Gwassa 1969 quoted in Rugumamu 1997) At the household level, it meant establishing male dominance and ownership of property. Public institutions that were established during the colonial era are still operating today like the central railway line, soon to be privatised and its ownership transferred to the Indian company RITES. Another historical period which has marked the economy of the district is the *Ujamaa* era when parastatal companies mushroomed in the area. In the 1970s and especially the 1980s, Morogoro was one of the main industrial growth zones of Tanzania. Very sizeable areas were laid out as industrial estates and numerous large state-owned industrial enterprises were established. At this time the population increased which posed serious strains on socio-economic services and food supplies.

This period of rapid industrial growth was not soundly based, however, and with the reduction of subsidies and the economic decline of the late 1970s and early 1980s massive blows

were levelled to the public sector, leading to IMF demands for structural adjustments. In the late 1980's and early 1990's factories started closing down and employees were retrenched all over the country. This was also the case in the food and leather industries that employed over 90 per cent of all employees working in the industrial sector (The Planning Commission, 1998). Massive privatisation of publicly owned properties subsequently took place and with it a few of the larger factories like the Morogoro Canvas Mill, the Seed Oil Plant, the tobacco plant and the Soap Factory were revitalised, but most are still empty and left to deteriorate.

These deplorable economic circumstances forced the urban population, who mainly depended on salaried work to look for alternative sources of income. A small capital intensive urban sector developed and today the major economic activities include retail and wholesale trade, commercial and subsistence farming, government, transport and communications, education and other services, and industry (mostly small-scale). There has also been a visible growth particularly in the "informal" or petty trade sector, which has expanded in response to service demands in residential and business areas. This informal sector consists of street vendors and small-scale artisans who work with a wide range of activities like vehicle repair, construction, furniture making, handicrafts, etc. There is a feeling in Morogoro that the perceived rapid growth of petty trading is causing a variety of problems that need to be addressed. One issue concerns crowding together of traders and the "takeover" of pavements, streets, and other public spaces. This causes problems for pedestrian as well as vehicular traffic – and by forcing pedestrians into the streets it becomes a traffic safety issue. The particular environmental problem of petty trading is the generation of waste, which is generally not collected or disposed of properly. This concentrates solid waste in particular locations like drainage courses or waterways that become casual dumpsites.

Because of its extensive size and spread-out nature, agriculture remains important even within the boundaries of the municipality of Morogoro. Around 25,000 hectares of land is potentially suitable for agricultural activities and as much as three-quarters of the population engage

in some degree of agricultural activity (mostly part-time). Urban dwellers may also be involved in farming by owning farms in villages that are operated by day labourers¹³. The long distance to farming sites and expensive labour costs require urban farmers to have more capital to do farming than rural farmers. The main agricultural products include maize, rice, tomatoes, legumes, bananas, cassava and horticultural crops. Vegetable production serves the market in Dar es Salaam as well as the Morogoro regional market. Relatively few households keep livestock and it is mostly on a small scale basis. Poultry production is also practiced, particularly for local consumption. Sisal Estates are situated in the Northern and Eastern part of the Municipality.

Morogoro is an important node for both road and railway transportation, and this supports considerable economic activity, such as the railway engine maintenance facility and a variety of mainly small workshops for motor vehicle maintenance. The highways not only link Morogoro to other cities but also bring quite a lot of traffic as well, most of which are undeveloped earth roads. The municipality is also a significant regional centre for communications, with post and telephone central facilities, as well as a locally based television station.

The standard of basic social services has been falling and cost sharing was introduced in 2005 in an attempt to rectify this undesirable state of affairs. Since 1994/95 the public is expected to contribute towards the cost of health care given by the government. Only recently (2002) did the government abolish user fees in primary education, but indirect costs related to the purchase of uniforms and books continue to hinder children from poor households to access primary education.

Kilombero Rural District

Kilombero is the name of a river and a district in the Morogoro Region. The Kilombero Valley is one of Tanzania's most productive agricultural areas. The tributaries from the Udzungwa Mountains drain into the Kilombero River in the Kilombero Valley, the north-western sides of which forms a

¹³ *Individuals belonging to a high income group own wired electricity or power, a diesel-powered generator or similar equipment, a water pipe connected to the house, and a TV set. Middle income households are likely to possess a sewing machine, a radio and a bicycle. Low income earners live in mud houses with thatched roofs.*

fertile farming area. The (1967) flood plain of the Kilombero Valley is rare and unique because it is an intact natural wetland ecosystem comprising a myriad of rivers, which make up the largest seasonal freshwater lowland floodplain in East Africa. It is of global, national, regional and local importance in terms of its ecology and biodiversity.

According to the last census in 2002, the population was 321,611 dispersed in 81 registered villages and consisting mostly of subsistence farmers. The area is predominantly rural with the semi-urban district headquarters Ifakara as a major settlement. A variety of food crops (such as maize, rice and beans) and cash crops (such as sugar) are grown. Most of the district is dominated by paddy cultivation, except for the areas where various sugar companies have their plantations like the Tanzanian Igloo Sugar Company and the transnational Illovo Kilombero Sugar Company. Large teak wood plantations are also found in the district. Recently, rice production using the indigenous cultivation system has increased and has produced a surplus for sale through the introduction of modern technologies, such as tractors and trucks. It has enabled the expansion of paddy fields to remote areas. Suitable land for flood cultivation is, however limited to narrow riversides.

In 1997, median monthly household expenditure varied from US \$77 to US \$96, depending on the season, of which about 75% is spent on food. In January–May 1999, part of the area suffered a famine, during which emergency food aid was distributed by the government, the World Food Programme, and local civil society organizations. Village houses are mainly made of mud and have thatched roofs. Water supply is often inadequate and waste disposal is poor. Most houses have no electricity nor telephone service. Access to the villages is difficult because there are no paved roads and flooding occurs during the rainy season. There is a limited bus service that runs up to three times each day between the towns of Ifakara, Mahenge, and Malinyi during the seasons when the roads are accessible. The Tazara railway (Tanzania-Zambia railway) links the towns of Ifakara and Mlimba.

The main ethnic group in Kilombero is *Wandamba*. *Wandamba* means "people of the valley", indicative of this tribe's long relationship with its homeland, the Kilombero Valley. However, the presence of *Wapogoro* from the neighbouring district of Ulanga is also noticeable. There is

also the *Wabena* group from Iringa, *Wambunga* and several others in small proportions. Fishing is the primary occupation of the local people, especially of the *Wandamba*.

The public health system comprises a network of village health workers, health posts, dispensaries, health centres, and hospitals, offering a varying quality of care. In Ifakara, the capital of Kilombero, the main hospital is a large, well-equipped mission-designated district hospital with 370 beds and a staff capacity of 400 (17 doctors and 76 Medical Officers). However, village health workers are recruited and trained in every village, but few are active. Traditional healers are an important part of Kilombero society and various types of healers are found in every village. Since Kilombero is among the malaria zones in Tanzania, most of the traditional healers are familiar with the symptoms of the disease as defined by biomedicine.

Social Context of Poverty

Indigenous definitions of poverty

Common use definitions of the term poverty in Tanzania depend on location and social group, but poor people are generally characterized by communities as those who can only afford to eat one square meal a day or who have few or no possessions, can't afford health services and are often sick. According to a participatory poverty assessment carried some ten years ago the local perception of individuals who are 'poor' were people that brought forth sympathy in others. They were seen as someone hard-working that had to sell his or her labour and who loses whatever he or she does. Local perceptions of the 'very poor' were people who were forced to depend on others and this was generally seen as a negative trait. These individuals included those who were lazy and irresponsible, but also disabled persons. When ranked, the causes of poverty were primarily linked to the inability to farm productively, and next related to poor health, followed by social problems such as drunkenness. (Narayan 1997) This information sheds light on the diverse views that surround the causes of poverty and point to how it is understood as something more than just material scarcity.

When Tanzanians talk of poverty they generally use the Kiswahili term *umaskini*. The term pertains to the broader meaning of poverty as social deprivation. It implies a lack of ability to utilise resources or lack of social capability, which according to Sen (1997) is "the ability to take part in the life of the community, to participate in social activities, to have a sense of belonging in larger groups." This may be due to lack of skills, having a disability or other circumstances. *Umaskini* also implies that someone is unfortunate and thus deserves pity. When one wants to express sympathy for any type of misfortune that affects an individual the exclamation "maskini!" is often used. (Narayan 1997) A term less commonly used than *umaskini* is *ufukara*, which

refers more specifically to lack of income, or lack of one's basic needs being fulfilled.

The term *umaskini* is ambiguous because it is often also used to describe disabled people. This leads to some confusion in terms of how it is understood by people in general. When it is applied to poverty reduction slogans and programmes of the government, like for example loan provision schemes and used by a number of associations running disability programmes it is likely that some people may ignore the information. There is a need to define poverty terminology by either clearly linking the *umaskini* word to poverty or to use it together with the term *ufukara*. Among the respondents of the study some understood *umaskini* as meaning both poverty and disability while others used only *ufukara* when referring to poverty.

What is important to keep in mind is that poverty is a difficult term to measure. One of the reasons for this is discrepancy in understanding of what poverty is. What researchers may consider to be income poverty may not, and often does not tally with what are people's own notions of poverty, particularly when talking to people living a traditional way of life, such as rural dwellers.

Local perceptions of poverty

In the rural area most villagers depend on crop surpluses for their income. Within each village there is a distinctly skewed distribution of well-being, with most people having very low levels of material wealth and being dependent on working as day labourers on the fields of richer farmers. Most of the people who are better off cannot be described as materially wealthy by national or regional standards. A number of socio-economic indices were used to rank households in terms of material well-being. These included: ownership of chickens/ducks (54% of households had one or more); a radio (41%); a bicycle (35%); a tin roof (23%); and of other animals (11%); living in a rented house (7%) rather than owner-occupied; whether the household head had an income apart from farming (29%); and whether the mother had an income apart from farming (10%). The research did not include information on whether people defined themselves as poor. They went out with the aim to find and define poverty indicators from the beginning assuming that people would perceive themselves as being

poor and would use the same notions of poverty as the researchers. This, no doubt affected the way people responded to the researchers' questions.

In the urban areas respondents felt that the most important indicator of poverty is lack of employment. In the rural communities, however it was the lack of food, poor agricultural production and poor housing that were thought to be the most prominent poverty indicators. Lack of affordable technology and loans to improve productivity within farming prevented rural people from increasing their earnings¹⁴.

"Our income is very low, some fundamental tools like tractors we don't have, how could we cultivate 5 hectares?"

(Young men in Kilombero District)

Male youth in both areas felt that money was central to resolving the problems they faced because once you have access to cash you can meet needs like food and also access other services such as medical ones. Also campaigning carried out by civil society organisations or the government fuels people's perception of poverty. In the rural locations of the study (Kilombero District) people felt sanitation to be one of the indicators of poverty, something that never emerged in the views of people in Morogoro Urban district. The fact that PLAN international had campaigns and assistance to construct toilets in these areas most certainly played a role in raising awareness of the importance of sanitation as a means of increasing overall wellbeing.

The brunt of poverty is felt in the urban study areas constantly throughout the year as compared to the rural areas where there are seasonal fluctuations. The most difficult times of the year for farmers are during the sowing seasons when most households experience serious food shortages and at the same time need more caloric energy in order to work the fields. Material wealth also varies according to ethnicity, with certain groups being relatively wealthier than others. One of the groups that is better off in both the rural and urban areas of the study was the *Wachagga* who possess more money, entrepreneurial spirit and skills than the other groups. Another reason for their success is the mutual assistance

¹⁴ This situation is found all over the country as is evident from government studies on agriculture. (United Republic of Tanzania 2003)

that they extend to members of their group in the form of employment and loans.

The issue of corruption also cropped up in discussions and most individuals felt the phenomenon is growing particularly in the urban areas. Corruption is not limited to government institutions only such as hospitals, courts, schools etc., but is also present in the private sector and is found on all levels of society from the national level right down to the village level. One example mentioned was that of casual labourers who have to bribe supervisors to get employment in former parastatal organisation that have recently been privatised. If no money is available to pay the bribe it is possible to enter into an informal contract with a supervisor in which the supervisor takes a portion of the wage.

Corruption is also one of the reasons why some people are hesitant to formalise their business. Most economic activities are not registered¹⁵, but it is more common for businesses to be formalised in the urban area (80%) than in the rural area (20%). A higher income level and one's gender (male) made it more likely that one registered one's business. The advantages of formalisation is that it may increase one's income, minimise the risk of eviction by government officials, provide easy to access loans, support, and export markets, and make it easier for one to get business partners. Credit is, indeed, only extended to businesses that are formally registered. Those individuals whose businesses were small and seasonal felt it was not worth formalising their economic activities. They argued that formalisation would require them to pay taxes and the process itself is very bureaucratic and corrupt so they would end up spending both time and money on getting it done. The lower level of registration in the rural areas was by those interviewed thought to be that people in rural areas are not aware that they need to register their business. Other reasons mentioned were poor implementation of development programmes and neglect of the agricultural sector. Even the urban dwellers had the same sentiments about the neglect of agriculture because it affects their lives by making agricultural products more expensive.

"The poverty results from the situation when a person has no capacity to do anything. We in the agricultural sector are roughly 95% of the Tanzanian population, but the government does not put

any strong emphasis in that sector, agriculture is neglected. That's why we became poor."

(Young men in Kilombero District)

The local economy of Morogoro Urban District is linked to national and global economic networks through the fact that it is strategically located. All central transportation networks cut across the district. The Central Railway line passes through the middle of Morogoro town which is the major town of the region hence connecting the two northern districts of the region Kilosa and Morogoro rural with Dodoma Region in the west and the Coast Region in the east. Similarly, the highway from Dar es Salaam to Lusaka, Zambia passes through the heart of the town, where there is a junction of another highway to Lake Victoria and the City of Mwanza via the state capital of Dodoma. This provides local producers a relatively easy access to local and foreign markets via the Dar es Salaam harbour.

A number of transnational companies are operating in the region, mainly in the tobacco and sugar processing industries. The U.S. owned Dimon International A.G. and Alliance One International, Inc. are major players in addition to the locally registered Tanzania Leaf Tobacco Company. Sugar cane seems to be gaining importance especially to farmers living around the Kilombero Sugar Company. However, some 3,000 of the company's workers were laid off following the plant's acquisition by South African investors and a bitter labour dispute in June 2000. In response to these layoffs and other changes in worker security, both former and current workers are moving into the farming sector. Unfortunately, though, much of the arable land around the company is already taken up by company cane plantations and sugar-cane out grower schemes. Illovo of South Africa is the only transnational corporation that is operating fully in Kilombero rural district. The sugar giant acquired the Kilombero Sugar Company in 2000 and renamed it the Illovo Kilombero Sugar Company. For many decades the Kilombero Sugar Company was run as a government enterprise, with guaranteed worker protection and other benefits. Since liberalisation, however, the size of the labour force has been reduced as well as the short- and long-term security of those who remain employed.

Although agriculture remains the main activity, the production of cash crops seems to be declining, probably due to the lack of reliable

¹⁵ Overall, only 8.2% of the activities in the two districts were registered.

markets. In the highland maize-growing areas surrounding the Tazara railway line, liberalisation is having a different kind of impact on rural livelihoods. The rising cost of fertilizers and other supplies has caused farmers to leave highland maize production and migrate into the railway corridor of the Kilombero valley. Here the fertile soils enable cultivation of not only maize but also rice and other food crops without significant capital investment. At the same time, farmers have moved from producing maize and other low-price, high-input crops to "fast" crops like market vegetables and low-investment crops like wetland rice. The liberalisation process has created new market opportunities and emergence of small scale processing, which has encouraged vegetable cultivation.

Gender and poverty

Rural poverty strikes women much harder than men, especially women who have the responsibility as bread winners through smallholder farming or through other income generating activities. Women are disadvantaged in terms of having significantly lower levels of education and limited access to formal employment. It is less common for women to have secondary education than it is for men. Since childbirth girls are prepared for marital life. Thus, they are forced to work longer hours in housekeeping such as cooking, cleaning the house, fetching water, caring for their younger siblings, and washing clothes for family members. Meanwhile, boys have adequate time to prepare themselves for examinations.

A key factor in the chain reaction of gender disparities embedded in the economic system is women's lack of control over land. The customary land tenure system is governed by patriarchal customary laws that dictate that access to land is through inheritance, allocation, purchase and right of occupancy. Only male clan members and sons inherit clan land although women had usufructuary rights to land. The adaptation of landed property and development of commodity relations, coupled with the greater access to cash and education of the chosen few put land in the hands of a minority. The traditional protection that most women have had in terms of land rights has been eroded by privatisation, commercialisation and population pressure. (Mukangara and Koda 1997) Lack of control over land impairs

women's eligibility to gain credit, since traditional lending institutions require collateral, often in the form of land. Even in cases where women do have title to land, there is evidence that they cannot take full advantage of the established credit system, since credit institutions tend to be male-oriented and discriminate on a cultural and social basis against women.

Decision making depends on tradition and patrilinearity leading to women being accustomed to having a subordinate role. They are usually less engaged in community activities, and have limited influence over or representation in formal decision-making systems due to the lack of free time, in conjunction with lack of self-confidence (i.e. a feeling that a woman's place is in the home) and opposition from husbands. Many crucial decisions, which affect women, are thus made by men with little or no input from women.

"We are always going to those meetings, but no one listens to us, they just clap their hands and that's the end of it. We have never been involved in the decision making processes of the development of the ward."

(Young women in Morogoro District)

Men tend to be more mobile and to associate with a wider variety of people than women, implying that they often have access to a larger amount of information than women. They dominate off-farm activities including petty business and crafts. On-farm activities preferred by men are often profitable such as vegetable growing. However, capital is very important for women to purchase food that cannot be produced on their farms. The concentration of women's agricultural activities in subsistence crops, rather than cash crops as is the case with men, leaves women with limited cash income. And when women do earn cash from their trading activities, it is not uncommon in intra-household relations for the husband to control all family income, including his wife's earnings. Through small scale income generating activities women may be able to get some small amounts of cash that they can manage themselves. Purchase of household necessities (like salt, sugar) and kitchen items is dominated by women, whereas furniture and luxury goods like radios were purchased by men.

Also in the urban area women are now forced to work outside the home, in order to bring in

money for the family. Since they are still the ones carrying out most of the work at home, it is clear that they have a greater work load than men. They are engaged in petty trading, and production and selling of food and local beer. This involves considerable use of water and fuel wood, which in turn has environmental consequences. The collection of firewood – mostly women's responsibility - is leading to deforestation which is a serious environmental problem in Morogoro. These activities also create waste products that are often poorly disposed of.

Coping Strategies

There are quite a number of informal activities that are taking place both in the urban areas as well as in rural areas, but few options in terms of getting capital to get businesses started. There are few credit institutions providing lending services and those that do exist charge very high interest rates and have short repayment periods. Few people use these services because they fear that their property will be confiscated when they fail to meet the payment terms.

"You may ask with pride a 50,000 shillings loan and do business. If you have difficulties paying back the loan, they (lenders) come to your house and they take your bed, your cooking utensils and your clothes to cover the loan, so is this poverty alleviation or does this create more problems? It's better you just rest and eat if you get 200 (shillings), if not you sleep without eating."

(Young women in Morogoro District)

There is an indigenous loan scheme, *kupeana* which basically means a pooling of resources. Individuals contribute money on a regular basis to a common pool of resources which is then given to one person in need of capital and which she or he would not have been able to accumulate individually. Each individual receives contributions in turns until the cycle is completed.

Another coping mechanism, which is used as a survival method of an increasing number of impoverished women is prostitution. In the study areas it is mainly young women who employ this option. According to traditional values women would never mention prostitution, let alone admit to resorting to it. The fact that they are now talking about it openly indicates that the

poverty they face is so severe that they have no other option than to exchange sexual services for money or food in spite of the possible stigma they may experience. Since the 1980's due to increased economic hardship and commercialisation of goods and services prostitution has grown overall. Prostitution is something that unemployed women are forced to resort to or is used as a way of supplementing ones income among women who have employment. There is social pressure enacted against women to use sex as negotiating power to get income and their basic needs fulfilled. An increased need for cash, coupled with inflation also acts as a push factor. A further explanation is that a general erosion of social morals, ethics and the fabric of society which used to restrict sexual behaviour has taken place, which is indicative of the broader socio-economic and political problems facing the Tanzanian society. (Mukangara and Koda 1997)

Not surprisingly, agriculture is increasingly practiced in the urban areas. This can be interpreted as an adaptive response by urban households to improve their food situation and to diversify their livelihood options under conditions of persistent economic uncertainty and the threat of unemployment and declining purchasing power. The practice contributes to household food and nutritional security, the creation of informal employment, income diversification through sales of surplus produce or savings on food expenditures, and more broadly promotes urban food supply systems and, at least potentially, environmental sustainability. It is widely recognised that especially the urban poor could benefit from farming in town because of the relatively low investments needed to start the activity. Many rural families have linkages to the urban areas through kinship ties and thus often also income earned by relatives earning a living in urban areas (Jerve and Ofstad 2000).

"Most of us depended on the government employment. When the government cut down employment we realised that most of us were redundant and didn't have any other means of having a better life, then we were poor. Even our families are in trouble, because when we were working at the end of the month we got something. We have our elders who we helped when we had employment, but now we can't. Maybe we start a business, business needs capital, but there is no capita. Maybe we can start farming and get some harvest so that we could help our elders and our families, but we don't get any harvest because there will be very little rain."

(Men in Morogoro District)

Links to Civil Society Organisations and Poverty Reduction Strategies

The Civil Society sector in Tanzania is still relatively young and the strategic and operational capacity of the majority of Civil Society Organisations (CSOs) in Tanzania is moderate. There are a number of foreign civil society organisations collaborating with local organisations on various aspects of community development and empowerment. Some of these are, for example Concern, the United Nations Association (UNA), KEPA and OXFAM GB. The Tanzania Association of Non Governmental organisations (TANGO) is the largest and oldest national umbrella organization serving the Tanzanian CSO community. Likewise in Morogoro region there is an umbrella organisation known as The Union of Non Governmental Organisations in Morogoro (UNGO), which is affiliated with TANGO. One of the key partners with UNGO is Uhusiano an umbrella organisation of Finnish CSOs working in Morogoro. There are over 30 Finnish CSOs (including missionary organizations) working in Tanzania mostly in the Morogoro region engaged in various social development projects such as health and education.

In the areas where the study was conducted people on the whole had little knowledge of civil society organisations working in their area. Most of the organisations that they did mention were organisations that extended credit. There are two possible explanations to this; one is that some of these organisations had programmes in only certain areas of the Morogoro region. None of the chosen study sites were in the project areas of UNGO or Uhusiano. The second probable explanation could be that most people are currently interested in getting credit and were thus more inclined to remember those organisations that provided loans. Similarly, there was more awareness of civil society organisations in the urban areas than in the rural study areas, because the few organisations that were operating in the study sites were in the urban rather than the rural area.

The Tanzanian government has formulated many policies and programmes to reduce poverty. Long-term poverty eradication objectives have been set out in the National Poverty Eradication Strategy (NPES). In the rural sector, the poverty reduction objectives are to be achieved through the Rural Development Strategy (RDS) and the Agricultural Sector Development Strategy (ASDS). Morogoro Urban District and Kilombero Rural District are already part of the Local Government Reform Programme, in which districts are expected to include agricultural development plans in their district development plans. However, district efforts do not seem to have trickled to the villages studied. Community members in the villages are not aware of the various policies and strategies related to members' production activities and poverty reduction. Given the short period in which the districts have had the opportunity for implementing the various agricultural development projects under the Agricultural Sector Development Strategy (ASDS), which invariably concentrates on capacity building initially, it is conceivable that not many communities have yet been reached to undertake District Agricultural Development Programme (DADP) activities.

Nevertheless, focus group discussions revealed that many community members are ready to undertake modernisation of agricultural production to improve productivity and profitability for farmers. This was evidenced by the fact that many members echoed the need to receive credit to initiate mechanisation and to purchase agricultural inputs, including improved seeds to increase production. Farmers were clearly more interested in getting access to loans with reasonable terms than getting free inputs. In addition, in Kilombero Rural District in the village of Michenga farmers had started forming a Savings and Credit Cooperative Society (SACCOS).

Conclusions

The problems faced by the four communities selected for this study are, no doubt, ones that populations all over Tanzania face. The privatisation trend which has been going on since the mid 1990's is likely to continue and will create jobs in the industrial sector. Unfortunately the corruption that existed already during the socialist era has been transferred into the industries under new ownership. Social institutions like corruption are tenacious structures that are hard to change. It is difficult to know how the problem can be addressed in the short-term.

Respondents expressed that there is a need for education in the form of both formal and vocational skills training. Formal education should extend beyond the primary school level in order to give people the capacity to think critically and creatively, skills needed to be successful in business. Farmers in particular felt that training in agricultural and enterprising skills to be essential to help them increase their income. What farmers additionally need are sensible loan schemes with reasonable repayment terms; technical inputs such as machinery to rent; access to herbicides and pesticides; and, access to markets through the development of infrastructure and transportation.

Other long lasting social institutions that seem to have been little affected by the socialist ideology of equality is the patriarchal structures found within the family. Women continue to be in a subordinate position vis a vis men and although they earn a significant proportion of household income they are still left out of public decision making structures and their earnings are controlled by men. Bringing about a change in gender disparities is a challenge in any country, but even more so in one where a large proportion of the population live in poverty. Educating both men and women about rights and responsibilities is one long term strategy to raise women's status in the family and in society at large.

Creating job opportunities for young people is yet another major challenge in the study areas and in Tanzania on the whole. Providing vocational training or other forms of education is not enough to solve the problem. Young people migrate to cities in the hope of procuring employment which leads to overcrowding and also in

the urban areas it is difficult to get permanent employment. Supporting local economies is a more sustainable manner of integrating young people into the economic life of their communities. This means providing credit on reasonable terms in order to develop agriculture and for small businesses to make the investments necessary to expand their activities.

Government run poverty reduction programmes should ask themselves why there is no trickle down effect in the rural areas. Why are their interventions not reaching the masses of the rural poor? One explanation provided has been that policy prescriptions have had the nature of wholesale reforms, rather than piecemeal and learning based processes of change. There is still too little empirically based research on the causes of poverty which takes stock of the variety of experiences of poverty and the extent to which they are locally specific phenomena. Including the voices of the poor as well as critical voices in policy design is central to developing interventions that truly benefit the poor. In practice most policy measures are directed by government elites and influenced by external forces such as donor demands. (Jerve and Ofstad 2000) Bureaucratic structures need to be streamlined and increased transparency of government administration should be put into place. The donor community should be encouraged to provide more aid to agriculture which is the backbone of the Tanzanian economy.

Annexes

ANNEX 1

MAP WITH LOCATION OF STUDY SITES



The case communities in Tanzania are two communities (Sultan Area and Mji Mpya) in the Morogoro Urban district and two (Michenga and Mkangawalo) in Kilombero district in the Morogoro region of central Tanzania

ANNEX 2

- The majority (50.8%) of respondents in the survey were middle aged (40-60 years of age), followed by 25.4% old aged (above 60 years of age) respondents and 23.8% youth (18-40 years of age).
- Most of those interviewed were married (72.1%) , 9% divorced, 1.6% separated, 7.4% widowed, 2% spouse disappeared. The largest number of un-married individuals were found among the middle aged.
- The overwhelming majority (82.1%) of respondents had attended primary school. Secondary education had been attained by 26.2% of urban and 8.2% of rural respondents. Twice as many men (18%) as women (9.1%) had attended secondary education.

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Abstract

This paper seeks to explore the possibilities of Property and Business Formalisation Programme in Tanzania to empower the poor to find their pathways out of poverty. The programme, popularly known in Kiswahili as MKURABITA, targets property and business owners in the informal sector whose entry into the formal market economy would enhance their opportunities by using their assets to access capital and thus transform their productive activities and reduce individual poverty. We found that while the programme may help the petty traders to access credits by virtue of operating formally, the same could not be said of smallholder farmers, who may lose their attached land once they fail to service their loans. Thus, MKURABITA appears to benefit petty traders more than smallholder farmers regardless of whether the operators are in rural areas or urban setting. This suggests a paradox.



Poverty in Tanzania - An Analysis of Impoverishment in Morogoro and Kilombero Districts

Poverty reduction is the central goal of current development policies both locally and internationally. To reach this objective it is essential to understand the complexity and ambiguity of poverty. This locally specific in-depth analysis offers a means to understand poverty beyond statistics.

The aim of this working paper is to give voice to the poor by reviewing local people's understanding of poverty in four selected communities in Tanzania. It presents the ways the locals perceive both poverty in general as well as the challenges of everyday life. Rural and urban coping strategies are examined and the social context analyzed to create a profound description of poverty in Tanzania.

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