

THE HUMAN DEVELOPMENT INITIATIVE

POPULATION AND EMPLOYMENT

SITUATION REPORT

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TABLE OF CONTENTS

ITEM	PAGE NUMBER
1. INTRODUCTION	1
2. POPULATION GROWTH AND DISTRIBUTION	2
2.1 Population and Its Growth Rate	2
2.2 Sex and Age Structure of the Population	4
2.3 Geographic Distribution of Population	5
2.4 Rural - Urban Population Distribution	12
3. EMPLOYMENT	
3.1 Definition of Employment	14
3.2 Profile of Labour Force	16
3.3 The Employment Situation	19
3.3.1 The Employment Situation: Over view	19
3.3.2 Formal Sector Employment	22
3.3.3 Employment in the Informal Sector	25
3.4 The Extent of Unemployment	31
3.4.1 An Over view of Unemployment	31
3.4.2 Seasonal Unemployment	34
3.4.3 Underemployment	34
3.5 Income Considerations in Employment	35
4. FUTURE EMPLOYMENT PROSPECTS AND POLICY IMPLICATIONS	37

I. INTRODUCTION

The focus of development efforts in the decades of the 1960s and 1970s was on economic growth. The simplest and most commonly used indicator for economic growth was the GDP or its variation, and measured yearly by its rate of growth. That the people were to have a better quality of life was going to be because the economy had grown and therefore capable of providing higher living standards. Nevertheless, some specific policies and programmes were undertaken which had a more direct impact on the level of welfare of the people. These included programmes in education, health and water. Noticeable gains on welfare had been made in these target sectors.

From the late 1970s, to about the mid 1980s, the performance of the economy of Tanzania was very poor. Indicators of poor performance included a negative rate of growth, deficits in government budget, balance of payment deficits, high inflation rate etc. The impact of the poor economic performance was in human terms was a fall in the standard of living of the people.

The attention to human development in the mid 1990s, has come about as the result of the economic development strategies adopted from the late 1980s to the early 1990s. The strategies which had the basic objective of inducing an improvement in the performance of the economy concentrated on the restructuring of the economy, reducing government expenditure to restore equilibrium in the budget, devaluing the currency to spur exports and discourage imports for the purpose of a surplus in the balance of payments, etc. In the process of doing all these, the gains on welfare made during the decade of the 1960s and 1970s were seriously eroded. Though as the result of the restructuring process, there have been some positive macro economic indicators implying that the economy is improving, the welfare of the people is not increasing at the same rate. It is now acknowledged that economic growth and positive macro economic indicators are not sufficient to ensure the welfare of the people.

The concept of Human Development, embodies in its definition the level or degree of the participation of individuals in matters that affects them. It implies an economic development process that centers on the people for whom the process is meant. In this respect, issues of population, employment and income are central to the development agenda.

This chapter examines issues of population, employment and income and links them to the level of human development. The specific objectives of this chapter are to :-

- review the population profile of the country and indicate its influence on human development,
- examine the employment situation in the country and indicate the level of unemployment as a measure of the level of human development in the country.
- suggest some strategies and policy changes in the development process of the country which would promote higher levels of human development.

2. POPULATION GROWTH AND DISTRIBUTION

Population issues are an integral part of a dynamic human development process. The link between the rate of growth of population, its distribution and the utilization of resources is well established. The provision of effective health service is related to the size of the population and its rate of growth. The ability of the economy to provide quality education at any level especially primary education, is linked to the size of the population in general, and child population in particular. The capacity to provide water and other sanitary facilities is also a function of population. Similarly, the provision of housing and other urban support services also depend on the size of the population, but of more relevance is the rate of growth of the urban population. Similarly the provision of employment opportunities, and old age pension, is related to the size of population and its rate of growth.

To an appreciable extent, the sustainability of the development process which comes about through the conservation of the environment and natural resources, is a direct outcome of the size of the population, its distribution and rate of growth. It is for these reasons that a discussion about human development has to include a review of population issues.

2.1. The Total Population and Its Growth Rate

The results of the 1988 population census showed that Tanzania mainland had a population of 23,174,469. It is currently estimated that the population of mainland Tanzania is about 27 million given a growth rate of 2.8% per annum. The population of Tanzania in 1967 was 12,313,469 and for 1978 it was 17,512,610. The percentage change in population and the annual growth rate are shown in the following table.

Intercensal Population and Population Change

Area	Percentage Change		Annual Growth	
	1967/78	1978/88	1967/78	1978/88
Mainland	42.5	31.8	3.2	2.8
Zanzibar	34.2	34.6	2.7	3.0
Tanzania	42.2	31.9	3.2	2.8

Source: Bureau of Statistics 1988 Population Census, National Profile, The Population of Tanzania, The Analytical Report, Table 3.1

The table indicates a decline in the rate of population growth in the 1978/88 population period for Tanzania mainland. In the past, the rate of growth of the population increased from 1.8% in 1948/57 to 3.0% 1957/67 census period. Although there is a decline in the rate of population growth, when related to the rate of growth of the economy, it is still much too high.

While the population at the national level grew at 2.8 %, there was marked variation in the growth of the population between regions. An indication of the regional variations in population growth is given below:

Population Growth Rate By Region

Region	Annual Growth Rate	
	1967/78	1978/88
Dar es salaam	7.8	4.7
Rukwa	4.5	4.2
Tabora	4.4	2.4
Kagera	3.9	2.7
Arusha	3.8	3.7
Shinyanga	3.5	2.9
Mbeya	3.3	3.1
Ruvuma	3.2	3.3
Dodoma	2.9	2.4
Kilimanjaro	2.9	2.1
Morogoro	2.9	2.6
Kigoma	2.9	2.7
Mwanza	2.8	2.6
Tanga	2.7	2.1
Iringa	2.7	2.7
Singida	2.7	2.5
Mara	2.6	2.9
Limbi	2.1	2.0
Mtwara	2.0	1.4
Coast	1.7	2.1
Tanzania Mainland	3.2	2.8

Source: Bureau of Statistics 1988 Population Census, National Profile, The Population of Tanzania, The Analytical Report, Table 3.2

The region with the highest rate of growth in 1978/88 is Dar es Salaam. This is basically because of the influx into Dar es Salaam of the rural population. Other regions with high population growth rates are Rukwa (4.2), Arusha (3.7), Ruvuma (3.3) and Mbeya (3.1).

While it is possible to associate the high rate of growth in some of these regions with an influx of refugees into these regions e.g. refugee from Burundi into Rukwa, or from Mozambique into Ruvuma, a greater part of the high population growth is natural.

The region which has the lowest rate of growth is Mtwara (1.4). If the large number of refugees who came into the region from Mozambique in the early 1970s were to be left out, the growth rate of the population would have much lower. Other regions with a relatively low growth rate include Lindi (2.0) Coast (2.1), Tanga (2.1) and Kilimanjaro (2.1).

The table also shows another aspect of population growth in the regions, and that is, except for Iringa, Mara and Coast regions there was a decline in the rate of growth of population in all other regions.

The variations in population growth seen at the regional level are also seen at district level. Generally districts which have an urban center have relatively higher rates of population growth.

2.2 Sex and Age Structure of the Population

The 1988 census results showed that of the total population of Tanzania, women represented 51 %, while men were 49 % of the total population. Even when Tanzania mainland and Zanzibar are considered separately the percent of male and females remains the same. This is shown in the following table.

Population Distribution by Sex

	Mainland		Zanzibar	
	Population	Percent	Population	Percent
Male	11,012,647	49	314,864	49
Female	11,521,111	51	325,714	51
Total	22,533,758		640,578	

Source: Bureau of Statistics 1988 Population Census: Preliminary Report

The 1988 census results gave a sex ratio of 96 for both the Mainland and Zanzibar. With regards to age distribution, Tanzania has a young age structure. The structure of the population is broad at the base, where about 45 % of the population is below 15 years, it quickly narrows at the top with about 7.5 % of the population being 55 years and over. This age structure for Tanzania Mainland is indicated in the following table.

Distribution of Mainland Population by Age Group

Age Group	No.	Percentage
Under 10	7,061,360	31.1
10-14	3,140,212	13.9
15-19	2,559,238	11.3
20-24	1,836,404	8.1
25-34	3,192,045	14.1
35-54	3,178,567	14.0
55 and over	1,693,774	7.5
Total	22,661,600	100

Source: Bureau of Statistics and the Labour Department, Ministry of Labour and Youth Development, Tanzania (Mainland) The Labour Force Survey 1990/91, June 1993, Table 1.4.1.

The broad base age structure of the country is largely the result of long periods of high fertility¹. The broad base of the population implies that there is a large number of people who depend on a few. If it is accepted as a starting point, that the working age is 15-55, then the above table shows that the working population is only about 48.4 % of the total population. If people who are not economically active but belong to the 15-55 age bracket are taken out, the working population is considerably reduced, hence imposing a heavy burden on those who work.

2.3 Geographic Distribution of the Population

One of the distinct features of the population as shown in the 1988 census, is that the population is not evenly distributed across the country. About 54 % of the population occupy only 25 % of the land area. The regional distribution of the population on the basis of 1988 census results and projection to 1991 is shown in the following table²

¹ The total fertility rate (TFR) has been about 6.5 for Mainland Tanzania, and 6.9 for Zanzibar children per woman.

Population Distribution by Region
1988 Census

Region	Area (Km ²)	Cummulati. %	Population	Cummulat %
Dar es Salaam	1,393	0.2	1,360,850	5.9
Zanzibar	2,460	0.5	640,685	8.7
Mwanza	19,683	2.7	1,876,776	16.8
Kilimanjaro	13,250	4.2	1,106,068	21.6
Mtwara	16,710	6.1	887,583	25.6
Tanga	26,677	9.1	1,280,262	30.9
Kagera	28,456	12.3	1,313,639	36.6
Mara	21,760	14.8	952,616	40.8
Shinyanga	50,760	20.5	1,763,960	48.4
Dodoma	41,311	25.2	1,235,277	53.7
Mbeya	60,350	32.0	1,476,261	60.1
Kigoma	37,040	36.2	853,263	63.8
Iringa	56,850	42.6	1,193,074	69.0
Coast	32,517	46.3	639,182	71.8
Morogoro	70,624	54.3	1,279,931	77.1
Arusha	82,098	63.6	1,352,225	82.9
Singida	49,340	69.2	793,887	86.3
Tabora	76,150	77.8	1,042,622	90.8
Ruvuma	63,699	85.0	779,868	94.2
Rukwa	68,635	92.6	704,054	97.2
Lindi	66,040	100.0	642,363	100.0

Source: Bureau of Statistics 1988 Population Census, National Profile, The Population of Tanzania, The Analytical Report, Table 3.3

The table shows that twelve regions had over one million people each. These regions occupy about 60 % of the total land area, but have about 70 % of the population. This pattern of

population distribution was repeated at district level. There was a higher concentration of people in some districts than in others.

The regional distribution of population has to be related to the size of the region to get an indication of the ability of the region to support its population. The regional population density is shown in the following table.

Population Density by Region

Region	1988		1991		% change in Density
	Population in 000s	Density	Population in 000s	Density	
Dodoma	1234.9	30	1325.7	32	6.6
Arusha	1348.4	16	1509.6	18	12.5
Kilimanjaro	1106.0	83	1196.6	88	6.0
Tanga	1307.3	48	1390.5	52	8.3
Morogoro	1254.0	17	1362.2	19	11.8
Coast (Pwani)	636.5	20	677.1	21	5
Dar-es-Salaam	1357.6	977	1642.3	1173	20.0
Lindi	645.0	10	687.6	11	10
Mtwara	887.4	53	937.0	56	5.7
Ruvuma	781.4	12	893.9	14	16.7
Iringa	1206.0	21	1341.4	24	14.3
Mbeya	1472.7	25	1664.4	28	12
Singida	789.9	16	871.6	18	12.5
Tabora	1033.8	14	1136.1	15	7.1
Rukwa	693.3	10	822.1	12	20
Kigoma	857.8	23	957.9	26	13
Shinyanga	1768.6	35	1982.9	39	11.4
Kagera	1358.8	47	1471.5	52	10.6
Mwanza	1874.4	96	2024.1	103	7.3
Mara	968.6	50	1055.5	54	8

Source: Bureau of Statistics. Economic Survey 1992, (Table 33)

The table shows that other than Dar-es-Salaam and Mtwara the ten most populated regions are in the North and North Western part of the country. These are Mwanza, Kilimanjaro, Mara, Tanga, Kagera, Shinyanga Dodoma and Mbeya regions.

The table also shows that regions with highest population densities are Mwanza, Kilimanjaro, Mara, Kagera, Tanga, Shinyanga and Dodoma. Part of the explanation for the high population density in these regions is a high rate of population growth. Shinyanga for example has a 3.5 % rate of population growth, Mbeya has a 3.3% rate of growth, Mwanza has a 2.8% rate of growth of population and Mara region has an estimated 2.6% rate of growth of population. While the national average density for 1988 was 26.2 people per km² up from 19.8 per km², in 1978, 54 % of the people live in regions where the density is higher than the national average. This is yet another measure of the uneven distribution of the population.

The impact of high population density is reflected in the ability of the region to provide livelihood to its people. A crude indication of the ability of the regions to support its population is given in the following table which shows the proportion of land used.

Land-use and Potential for Expansion

Region	Area Planted to Annuals/ IIII (ha)	Area Suitable for Annuals in 000 ha.	% of Gross Area used
Dodoma	1.5	144	207
Arusha	0.83	287	80
Kilimanjaro	0.59	108.6	201
Tanga	0.70	158.0	93
Morogoro	0.6	996.0	13
Coast	0.95	319.0	52
Dar.	0.50	13.0	201
Lindi	1.0	475.0	29
Mtwara	0.80	213.0	68
Ruvuma	1.63	1,139.0	19
Iringa	0.63	1,092.0	14
Mbeya	0.68	1,020.0	17
Singida	0.81	104.0	107

Tabora	0.92	678.0	21
Rukwa	1.25	981.0	14
Kigoma	1.03	544.0	25
Shinyanga	1.55	573.0	70
Kagera	0.52	339.0	40
Mwanza	0.73	535	34
Mara	0.87	189.0	68
Total	0.88	9,853	34

Source: World Bank: Tanzania Agriculture; A Joint Study by the Government of Tanzania and World Bank, December 1994.

The table shows the limited potential for increased agriculture in many regions. Kilimanjaro, Dodoma, Dar es Salaam and Singida regions have over used the available land. There are limited possibilities for expansion. Arusha, Tanga, and Shinyanga regions are about to fully utilize their land potential. Though Kilimanjaro, Dar es Salaam and Tanga are high density regions, the other regions have fairly low population density. That they have used up their agricultural potential is because the climatic conditions (the other determinant of agricultural potential) are less favourable. It is now becoming increasingly apparent that these regions are now having more people than they can reasonably carry.

One of the early indicators of the inability of the land to support the increasing population is the degradation of the environment. The following table shows the extent of environmental damage in the various regions.

Environmental Problems by Region

Region	Land Degradation				
	1	2	3	4	5
Arusha	a	b	b	b	c
Coast	b	b	b	b	a
Dar es Salaam	c	b	c	b	a
Dodoma	a	a	a	a	a
Iringa	b	b	b	b	b
Kagera	c	b	b	b	a
Kigoma	c	b	c	c	b
Kilimanjaro	b	b	b	b	a

Lindi	c	b	c	b	b
Mara	b	b	c	b	b
Mbeya	c	b	b	b	b
Morogoro	b	b	b	b	b
Mtwara	c	b	c	b	b
Mwanza	b	b	a	a	a
Rukwa	c	b	b	b	b
Ruvumu	c	b	a	b	b
Shinyanga	a	a	a	a	a
Singida	b	b	b	b	b
Tabora	c	b	c	c	b
Tanga	b	b	b	b	b

Source: B.L.M Bakobi, "An Assessment of Environmental Impact of Human Development", A Paper prepared for the Human Development Report of Tanzania, June 1995, table 1.

Key:

Land degradation problems: 1. Desertification, 2. Soil erosion, 3. Loss of soil fertility, 4. Loss of Biodiversity, 5. Energy Crisis.

Extent of damage: A. Very serious, B. Serious, C. Relatively serious.

The table shows that the regions with the more serious environmental problems are the relatively dry regions of Shinyanga and Dodoma, and those with high population densities². These include Mwanza, Kilimanjaro and Mara regions. As shown in the previous table, these are also the regions which have fully either have over used their land potential or are near their limit.

High population density exerts great pressure on land. This is seen in the inability of farm size to increase, decline in productivity and consequently, the fall in output of both food and cash crops. Where there is a clear trade off between food and cash crops e.g. in Mwanza, Shinyanga and Kilimanjaro regions, the reduction in the productivity of the land is reflected more severely in a fall in the output of food crops.

² The problem of high population density is reflected more immediately in fuel crisis. This is so because the majority of the people still depend on fire wood as a source of fuel. With a high density of population, fuel wood runs out quickly.

The high pressure on land has been a major contributing factor in the migration of people, particularly youths, from the rural areas to urban centers in search for better alternatives. The level of migration between regions on the basis of 1988 population census is reflected in the table below.

Life Time Migration by Region: Tanzania Mainland.

Region	In migration	Out migration	Net migration
Dodoma	89,900	190,985	-101,085
Arusha	218,427	76,703	141,724
Kilimanjaro	93,040	217,423	-124,383
Tanga	98,747	150,915	-52,168
Morogoro	172,393	141,956	30,437
Coast (Pwani)	103,804	207,716	-103,912
Dar es Salaam	651,246	150,625	500,621
Lindi	95,200	145,031	-49,831
Mtwara	46,299	144,988	-98,689
Ruvuma	66,442	81,661	-15,219
Tanga	49,282	169,480	-120,198
Mbeya	160,377	113,378	46,999
Singida	86,651	150,531	-63,880
Tabora	241,729	175,359	66,370
Rukwa	87,599	49,294	38,305
Kigoma	26,795	129,718	-102,923
Shinyanga	288,210	281,447	6,763
Kagera	103,713	109,693	-5,980
Mwanza	270,142	303,646	-33,504
Mara	75,987	115,865	-39,878
Total	3,025,983	3,106,414	-80,431

Source: Bureau of Statistics 1988 Population Census, National Profile, The Population of Tanzania, The Analytical Report, Table 3.3

The table shows that Dar es Salaam had the largest number of people who moved into it, next was Arusha, followed by Tabora and Mbeya. These regions attracted more people either because of the belief that they have more opportunities to offer (the case of Dar es Salaam and Arusha) or have vast land resources to be exploited i.e the case of Tabora and Mbeya. The regions of Tabora and Mbeya are the least environmentally damaged, hence an attraction to people who want to settle in such regions. Since Tabora has a small percentage of its people in urban centers, it is safe to assume that the people who went to Tabora were mainly farmers and/or cattle keepers¹ who settled in rural areas.

It is more interesting to note the regions which lost people due to out migration. Regions which experienced a net loss in people due to out migration have one of three characteristics. They either experience high pressure on land e.g Kilimanjaro region, or are periphery regions with low level of development e.g Kigoma, Mtwara, Lindi and Singida regions, or were attracted by a nearby large urban center, the case of Morogoro, Tanga and Coast regions whose population is attracted by the city of Dar es Salaam. But in all cases, the regions that lost people were at a lower level of development than the regions to which the people moved to. If that was not the case, there would be no point in moving.

2.4 Rural - Urban Population Distribution. *

Tanzanian population is basically rural. About 80 % of the population live in rural areas and depend on subsistence farming. The rural urban population distribution based on 1967, 1978 and 1988 census results is reflected in the following table.

Urban Population as Percent of Total Population

Year	Mainland	Zanzibar	Tanzania
1967	5.7	23.5	6.2
1978	13.3	29.4	13.8
1988	20.9	21.1	31.8

Source: Bureau of Statistics 1988 Population Census, National Profile, The Population of Tanzania, The Analytical Report, Table 3.4

The table shows that the population of Tanzania is becoming more urbanized. The urban population of Mainland Tanzania increased by 57 % between 1978 and 1988. While for Zanzibar the population increased by only 8 %. The relatively lower rate of increase of the urban population of Zanzibar is largely because Zanzibar's population is already significantly more urbanized than that of Tanzania Mainland.

¹ In the case of Tabora, its in migration could also be accounted for by refugees from Burundi who were settled in the region in the 1970s.

There are regional variations in the proportion of people who live in urban centers. Generally, regions which have large urban centers attract more of their population to those centers. The distribution of urban population by region is indicated in the following table.

Distribution of Urban Population by Region (1988)

Region	Total Population	Total Urban Population	% of Regional Population.	% of National Urban Popul.
Dar es Salaam	1,360,850	1,205,443	88.6	29.8
Zanzibar	640,685	203,588	31.8	4.2
Mwanza	1,876,776	348,995	18.6	8.6
Kilimanjaro	1,406,068	168,619	15.2	4.2
Mtwara	887,583	124,466	14.0	3.1
Tanga	1,280,262	224,912	17.6	5.6
Kagera	1,313,639	72,457	5.5	1.8
Mara	952,612	99,763	10.5	2.5
Shinyanga	1,763,960	119,090	6.8	2.9
Dodoma	1,235,277	138,162	11.2	3.4
Mbeya	1,476,261	268,012	18.2	6.6
Kigoma	853,263	108,876	12.8	2.7
Iringa	1,193,074	119,625	10.0	3.0
Coast (Pwani)	639,182	98,271	15.4	2.4
Morogoro	1,279,931	269,801	21.1	6.7
Arusha	1,352,225	167,730	12.4	4.1
Singida	793,887	69,536	8.8	1.7
Tabora	1,042,622	148,848	14.3	3.7
Ruvuma	779,868	93,178	11.9	2.3
Rukwa	704,050	99,847	14.2	2.5
Lindi	642,364	98,117	15.3	2.4
Tanzania	23,174,443	4,247,292	18.3	100

Source: Bureau of Statistics 1988 Population Census, National Profile, The Population of Tanzania, The Analytical Report, Table 3.5

Dar es Salaam region has the largest proportion of its population in an urban center. It has about 30% of the national urban population. Other regions which have a fairly high proportion of the population in urban centers include: Mwanza, Morogoro, Tanga, Mbeya, and Kilimanjaro. It is generally hypothesized that there is a positive correlation between the degree of urbanization and the level of development. Hence, the more urbanized regions are more developed relative to the less urbanized regions. The relatively less developed, periphery regions of Lindi, Mtwara, Ruyuma, Rukwa and Kigoma have a smaller proportion of their population in urban centers.

While it is acknowledged, that, higher rate of urbanization implies a higher level of development, the rapid increase in population in urban centers imposes great demands on social services such as housing, education, health services, water and sewage system, and on garbage collection and disposal systems. The inability to provide such services at the same rate as the urban population increases, has meant a deterioration in these services. Poor and inadequate housing, shortage of water, poor sanitary services particularly garbage collection and cesspit emptying services, etc. are common situations in urban centers of Tanzania. Generally, the level of human development in urban centers is severely reduced by the inability of to provide such services.

Since population is such a critical factor in human development, the achievement of higher levels of human development will to a large extent depend on the ability of the country to control and link the rate of growth of its population to the rate of growth of the economy. While the National Population Policy specifies no absolute desirable rate of population growth, but suggests a rate of growth in population which is less than the rate of growth of the economy. If that is achieved, some of the problems which are related to rate of growth of population will be reduced, making it possible to increase the level of human development.

3. EMPLOYMENT

Employment is considered in this context in its general sense as a means of getting income. Employment is also a means of getting psychological satisfaction, a means of achieving personal fulfillment. Unemployment on the other hand is considered de-humanizing not only because it denies one the means of livelihood, hence causing economic hardships to those who are unemployed, but also because it can lead to social unrest and expensive rehabilitation programmes. Because of its direct and indirect impact on the level of human development, employment is a critical factor in human development.

3.1. The Definition of Employment

The definition of employment includes at least four concepts. Employment involves :-

- (i) doing some work for a specified period of time,

- (ii) the work should be legally and socially acceptable,
- (iii) the return from the work must be sufficient to meet minimum living standards, and
- (iv) no compulsion is involved in deciding to work.

There are several theoretical and empirical difficulties in defining and measuring employment. The two key variables in defining employment are number of hours worked and income earned from the work. The two variables are not mutually re-enforcing. It is not necessary that an employment situation that satisfies one satisfies the other condition as well. Hence for example; one may work for 40 hours a week, yet the returns from the work may be much less than the minimum required to maintain basic living condition for a period of one week. Where as, one could be considered to have worked by the variable of time, one would not have satisfied the condition of return to the employment. In such a situation, the relative importance of the variables in defining employment will be left to the subjective judgement of the analyst. In a situation where there is low productivity and therefore low returns to labour, a conflict in the measurement of employment is more frequent.

The other difficulty in determining the level of employment is the availability of data. There is limited data available on employment and income levels in Tanzania. The problem of data is more acute for the subsistence sector than it is for the formal sector. For the subsistence sector, where a substantial part of the return from work is in kind, there is an added difficulty of getting an accurate measure of the returns from work. The inability to get an accurate indication of the contribution of the subsistence sector which is a big proportion of the economy of Tanzania understates the level of human development of the country.

Despite the problems associated with defining and measuring employment, employment is defined as :-

(i) Full Employment

One is said to be fully employed if one without compulsion is engaged in a legally and socially acceptable activity at least 40 hours a week and the return from that work generates sufficient income (in money and non money terms) to maintain basic needs.

(ii) Under employment

Under employment refers to a situation in which the activities one is engaged in occupy less than 40 hours a week or generates a return which is less than the minimum necessary to meet basic needs.

(iii) Unemployment

Unemployment is defined as a situation where an individual would want to but is unable to find legally and socially acceptable work to utilize one potential working time so as to get a return to meet basic needs.

(iv) Not Economically Active

This is a group of individuals who are not available for any kind of employment. These include those who are studying, sick or engaged in unpaid domestic work.

3.2. Profile of the Labour Force

A Labour force survey undertaken in 1990/1991⁴ indicated that in 1991, Tanzania had a working age (10 years and over)⁵ population of over 15.6 million people. These constitute the labour force. Of the total labour force, about 11.29 million are considered economically active. The labour force participation rate (which is the ratio of the economically active to the working age population) is 72.4%. The age distribution of the labour force is indicated in the following table.

Labour Force by Age Group

Age Group	Population	% of Populat.	Economic. Active	Not Econom. Active	Partici. Rate
10-14	3,140,212	20.1	712,491	2,427,721	23
15-19	2,559,238	16.4	1,661,472	897,766	64.9
20-24	1,836,404	11.8	1,635,689	200,715	89.0
25-29	1,813,858	11.6	1,701,459	112,399	93.8
30-34	1,378,187	8.8	1,314,452	63,735	95.4
35-39	1,051,785	6.7	999,515	52,270	95.0
40-44	760,062	4.9	720,298	39,764	94.8
45-49	758,767	4.9	711,160	47,607	93.7
50-54	607,953	3.9	563,830	44,123	92.7
55-59	452,323	2.9	414,509	37,814	91.6

⁴The Survey was undertaken by the Bureau of Statistics and the Ministry of Labour and Youth Development in 1990/1991.

⁵ If one conforms to the International definition of the working age, this would be 15-64. But that would understate the contribution made by the 10-14 year olds, and by those who are still active but above 64 years. In an African context, the young (10-14) have an active role to play in the society. The role they play e.g. herding of livestock adds substantially to the human development of the country.

60-64	393,701	2.5	329,755	63,946	83.7
65+	847,750	5.4	330,297	317,453	38.9
Total	11,612,278	100	10,052,139	1,560,139	86.5

Source: Bureau of Statistics and the Labour Department, Ministry of Labour and Youth Development, Tanzania (Mainland) The Labour Force Survey 1990/91, June 1993, Table T1.

The table indicates that 28 % of the labour force is in the age group 15-24, and about 60 % of the working population is under 30 years of age. These statistics show that Tanzania, consistent with its population profile has a youthful working population. The participation rate of the 15-24 year olds when related to the 25+ year old is low, hinting at a higher unemployment rate of this age group.

There are differences in the participation rate between male and females in the various age groups. This is indicated in the following table.

Profile of the Labour Force by Sex.

Age	Male				Female			
	Total	Active	Not Active	%	Total	Active	Not Active	%
15-19	1,268,939	809,071	459,868	64	1,290,898	852,401	437,898	66
20-24	812,062	742,658	69,404	91	1,024,342	893,031	131,311	87
25-29	852,467	823,868	28,599	97	961,391	877,591	83,800	91
30-34	661,565	649,713	11,852	98	716,622	664,739	51,883	93
35-39	508,430	498,960	9,470	98	543,355	500,555	42,800	92
40-44	384,932	374,006	10,926	97	375,130	346,292	28,838	92
45-49	389,192	377,050	12,142	97	369,575	334,110	35,465	90
50-54	296,984	278,635	18,349	94	310,969	285,195	25,774	92
55-59	232,545	220,224	12,321	95	219,778	194,285	25,493	88
60-64	199,086	182,687	16,399	92	194,615	147,068	47,547	76
Total	5,606,202	4,956,872	649,330	88	6,006,076	5,095,267	910,809	85

Source: Bureau of Statistics and the Labour Department, Ministry of Labour and Youth Development, Tanzania (Mainland) The Labour Force Survey 1990/91, June 1993, Table T1.

While the informal sector is considered as a secondary source of income to some people, to many others, it is the only source of income. The number of people who have found employment within the informal sector has, over the years, been increasing largely due to the inability of the formal sector to offer employment opportunities.

There isn't a single uniformly accepted definition of the informal sector. The following characteristics of informal sector activities may be used to identify them. An informal sector activity:

- depends on family labour, though may have some hired help for running the business,
- is started using personal or family savings, little dependence on borrowed capital,
- is operated from residential premises, and,
- is outside the formal regulatory framework of the government.

Many informal sector activities are survival activities, earning just enough income to meet basic needs. But there are a few activities others which earn incomes exceeding public sector minimum wage.

While rural based informal sector activities tend to be operated mostly during off season, informal sector operations in urban areas are operated on full time basis, either by the owner or by hired help.

The Informal sector survey undertaken in 1990/91 has indicated that about 2,370,000 people are engaged in the informal sector as a main or secondary activity¹⁰. These constitute about 22 % of the economically active population of the country. The level of informal sector activity is indicated in the following table.

Total Informal Sector Employment by Geography

Sex	Dar es Salaam	Other Urban	Rural	Total
Male	190,971	354,256	985,597	1,531,094
Female	124,587	279,619	433,680	838,286
Total	315,958	634,145	1,419,277	2,369,380

Source: The Planning Commission and The Ministry of Labour and Youth Development, Tanzania (Mainland) The Informal Sector 1991 table 2.1.1

¹⁰ The informal sector survey includes in its estimate individuals who have informal sector activity as a main or secondary activity, while the Labour force survey focusing only on the level of employment, counted an individual as being in the informal sector only if that was the main activity. Because of this methodological difference, the informal sector survey has reported more people in the informal sector than has the Labour Force survey.

Source: Bureau of Statistics and the Labour Department, Ministry of Labour and Youth Development, Tanzania (Mainland) *The Labour Force Survey 1990/91*, June 1993, Table T1.

The table shows that the participation rate of women in rural areas is about the same as the rate of men. But in urban areas, the participation of females in economic activities is very much lower than that of males. This signals a high rate of unemployment among females in urban centers.

3.3 The Employment Situation

3.3.1 The Employment Situation: An Overview

The sectoral contribution to employment of the various sectors is in the following table⁷. The table also shows the relative importance of the various sectors to rural and urban employment.

Total Employment By Main Industry By Geography

Industry	Urban		Rural		Total	% of Total
	Employ.	% of Urban	Employ.	% of Rural	Urban+ Ru	
Agriculture	642,325	37.9	8,521,734	92.7	9,164,059	84.2
Mining	7,932	0.5	94,887	1.0	102,819	0.9
Manufact.	155,220	9.7	83,721	0.9	238,941	2.2
Electricity	11,560	0.7	728	0.01	12,288	0.1
Building	58,580	3.5	33,069	0.4	91,649	0.8
Trade	426,956	25.2	153,099	1.7	691,388	6.3
Transport	95,654	5.6	13,408	0.1	109,062	1.0
Finance	21,919	1.3	2,465	0.02	24,384	0.22
Services	273,442	16.1	181,173	2.0	454,615	4.1
Total	1,693,588	100	9,195,617	100	10,889,205	100

Source: Bureau of Statistics and the Labour Department, Ministry of Labour and Youth Development, Tanzania (Mainland) *The Labour Force Survey 1990/91*, June 1993, Table M1.

⁷ The figures include self employment and counts the working age as from 10 years to over 70 years.

Agriculture provides employment to about 84 % of total employment. Other sectors that are important in employment creation are trade, manufacturing and the service sector. The table also shows the relative importance of the various sectors in employment in urban and rural areas. While agriculture is the most important in both urban and rural areas, it is about the only source of employment in rural areas. 93 % of rural employment is in agriculture.

In urban areas, the trade sector, the service sector and the manufacturing sector are also important in offering employment opportunities. These sectors are much less important in the rural areas.

It is also important to examine the employment pattern in terms of gender. An indication of the employment among the sexes is in the following table.

Total Employment By Main Industry By Sex

	Females		Males	
	Urban (% urban)	Rural (% rural)	Urban (% urban)	Rural (% rural)
Agriculture	376,460 (53.3)	4,534,503 (95.9)	265,865 (26.9)	3,987,231 (89.3)
Mining	1,502 (0.2)	2,606 (0.06)	6,430 (0.7)	92,281 (2.1)
Manufacturing	35,771 (5.1)	30,019 (0.6)	119,449 (12.1)	53,702 (1.2)
Electricity	2,450 (0.3)	0 (0)	9,110 (0.9)	728 (0.02)
Building/Const	3,242 (0.5)	1,719 (0.04)	55,338 (5.6)	31,350 (0.7)
Trade	176,676 (25.0)	111,333 (2.4)	250,280 (25.3)	153,099 (3.4)
Transport	9,614 (1.4)	1,006 (0.02)	86,040 (8.7)	12,402 (0.3)
Finance	5,414 (0.8)	850 (0.02)	16,505 (1.7)	1,615 (0.04)
Services	94,783 (13.4)	46,158 (1.0)	178,659 (18.1)	135,015 (3.0)
Total	705,912	4,728,194	987,676	4,467,423

Source: Bureau of Statistics and the Labour Department, Ministry of Labour and Youth Development, Tanzania (Mainland) The Labour Force Survey 1990/91, June 1993, Table M1.

While for both males and females the agricultural sector is the most important source of employment, it is more so for women than it is for men. For urban males, trading is just as important as agriculture in employment creation, while for urban females trading comes second. The trading sector employs about half as many women as are employed in the agriculture sector. Other sectors which are important for both males and females are the service sector especially for urban men and women, and the transport sector particularly for urban males.

If the sectors are redefined in terms of government, parastatals etc. the disproportional high employment of males relative to females becomes more apparent. This is given in the following table.

Employed Person By Sex and Main Sector of Employment

Sector	Males		Females		Totals
	No.	% of Total	No.	% of total	
Government	224,852	70.4	94,603	29.6	319,455
Parastatal	141,663	78.4	39,104	21.6	180,767
Traditional Agr.	4,214,774	46.2	4,901,158	53.8	9,115,932
Informal Sector	615,704	64.4	339,943	35.6	955,647
Others	258,106	81.3	59,298	18.7	317,404

Source: Bureau of Statistics and the Labour Department, Ministry of Labour and Youth Development, Tanzania (Mainland) The Labour Force Survey 1990/91, June 1993, Table M8.

The table shows that males dominate in all employment categories except in traditional agriculture. Men occupy over 70 % of the positions in government and parastatal sector, they form over 60 % of those in the informal sector. Women on the other hand form only 30 % of government employees, and 22 % of parastatal employees. Implicit in these figures is the higher rate of unemployment of urban women relative to men. This aspect of human development will be made explicit in the following sections.

The predominance of women in traditional agriculture is a confirmation of what is known, of women in the rural areas. Women are the main producers in traditional agriculture, though the income derived from production is not enjoyed by women in the same proportion.

If a detailed examination of the employment in the government, parastatals and the informal sector is done, it will show that women occupy the less paying positions relative to men, hence the pay women get from employment is less than that of men. This has a major impacting on their level of human development.

3.3.2 Formal Sector Employment

The formal sector comprises of the civil service, parastatals and the medium to large sized private establishments. The importance of the various sources of employment is indicated below*.

Employment by Main Sector

Source	Number
Government	319,455
Parastatal	180,767
Others (paid)	58,854
Private (paid)	374,282
Self employed	807,338
Unpaid helpers	57,259
Agriculture	9,091,250
Total	10,889,205

Source: Bureau of Statistics and the Labour Department, Ministry of Labour and Youth Development, Tanzania (Majimani) The Labour Force Survey 1990/91, June 1993, Table M5.

The above table shows that paid employment in the formal sector as a main or secondary source of employment, despite its projected prominence and popularity offers only about 8.6 % of total employment.

3.3.2.1 Public Sector Employment

Employment in the public sector has, since independence, been the most important source of wage employment. For about a decade i.e. from the mid 1970s to the late 1980s, public sector employment grew by an average of about 2% per annum. But since the early 1990s, the contribution of the public sector to wage employment has declined. The Public sector, which offered as much as 80 % of total wage employment in the late 1970s, now offers about 50% of wage employment. The yearly decline in public sector employment is indicated in the following table .

* The employment figures are quoted from the Labour force survey without adjusting for the 15 year old and those above 64.

Public Sector Employment
in 000

Year	Employment Level	Rate of Growth - %
1980	603.2	1.1
1981	638.2	5.8
1982	676.0	5.9
1983	686.9	1.6
1984	633.4	6.2
1985	662.1	4.5
1986	692.8	4.6
1987	700.0	1.0
1988	703.7	0.5
1989	711.8	1.2
1990	-	-
1991	559	

Source: Bureau of Statistics
 1. Annual Economic Survey (respective years)
 2. Labour Force Survey 1990/91

The decline in public sector in employment has come about as the result of the retrenchment exercise being undertaken by the government as part of the economic restructuring programme and the privatization of public corporations which has led to substantial reductions in employment levels. As the privatization of the economy continues, the private sector will become more important relative to the public sector in employment creation. Since the process of employment creation by the private sector has a long lag period, the short term effect of the privatization exercise is to create unemployment, hence impacting negatively on the level of human development.

Within the Public Sector, the service sector contributes over 57 % of total employment in the sector. The manufacturing sector which contributed about 18 % of total employment in the late 1980s now contributes about 11%, agriculture (excluding traditional agriculture) contributes about 5% of wage employment, and transport and communication contributes about 10% of total wage employment. The relative importance of key sectors in employment creation is indicated in the following table.

Public Sector Employment in Key Industries
in 0000s

Sector	Government	Parastatal	Total Public	% Of Total
Agriculture/Fishery	12.4	11.9	24.3	4.7
Mining/Quarrying	0.0	0.5	0.5	0.1
Manufacturing	2.7	53.7	56.4	10.9
Electricity/Gas	7.0	5.3	12.3	2.4
Construction/Building	21.3	9.3	30.6	5.9
Wholesale/retail	6.2	18.5	24.7	4.8
Transport/Storage	6.9	44.2	51.1	9.9
Financial Services	6.9	15.5	22.4	4.3
Other Services	268.0	26.9	294.9	57.0
Total	331.6	186.0	517.6	100

Source: East Africa Department World Bank, "The Status of Employment and Underemployment in Tanzania and Prospects for Employment Growth" A paper presented at a workshop on Socio-Economic Growth and Poverty Alleviation in Tanzania, Arusha, May 14 - 20 1995, table 3.8

The table shows the prominence of the service sector (including government services) in employment promotion. Over 75 % of the total public sector employment is in service related sectors. Though the expansion of the service and trade related sectors has the potential for quickly creating employment opportunities, because of their short gestation period, more employment opportunities can be created in the long term by the manufacturing sector..

3.3.2.2 Formal Private Sector Employment

Although still small in numerical terms the number of jobs created by the private sector, the importance of the sector in employment creation as indicated before is increasing. The number of people employed in the private sector has increased from 0.15 million in 1984 to 0.3 million in 1991⁴. The increase in private sector employment is attributable to the economic reform process through which the economy has been liberalized. The contribution of the various sectors in employment creation is indicated in the following table.

⁴World Bank "The Status of Employment and Unemployment in Tanzania and Prospect for Employment Growth", A paper presented at the Socio-Economic Growth and Poverty Alleviation in Tanzania, Arusha , May 14 - 20 1995.

Formal Private Sector Employment

Sector	Employment in 000s	% of Total
Agriculture/Fishery	14.5	4.3
Mining/Quarrying	2.6	0.8
Manufacturing	55.5	16.5
Electricity/Gas	0.0	0
Construction	30.6	9.1
Wholesale/retail	111.1	33.0
Transport/Storage	30.0	8.9
Financial Services	2.7	0.8
Other Services	89.3	26.5
Total	336.3	100

Source: East Africa Department, World Bank, "The Status of Employment and Underemployment in Tanzania and Prospects for Employment Growth" A paper presented at a workshop on Socio-Economic Growth and Poverty Alleviation in Tanzania, Arusha, May 14 - 20 1995, table 3.8

About one third of employment in the formal private sector is in wholesale and retail trade, about one quarter is in other services, while there is none in the electricity sub-sector. As indicated, the private sector became an important player in the economy only with the liberalization of the economy, since the mid 1980s. As privatization continues, the importance of the private sector in employment creation will grow.

There is limited data to permit a regional analysis of employment levels. In many regions especially the peripheral regions of Kagera, Mara, Kigoma, Ruvuma, Mtwara and Lindi and Coast region, the only major source of wage employment is the government, and a few parastatals. There are limited industrial establishments in these regions.

3.3.2.3 Employment in the Informal Sector

The importance of the informal sector has come to the fore from the late 1980s. As the economic situation worsened in the country, and as the take home pay continued to decrease due to inflation, the need for alternative ways of earning income to supplement wage employment became apparent. The economic liberalization process opened up business opportunities, and made input supply more reliable.

While the informal sector is considered as a secondary source of income to some people, to many others, it is the only source of income. The number of people who have found employment within the informal sector has, over the years, been increasing largely due to the inability of the formal sector to offer employment opportunities.

There isn't a single uniformly accepted definition of the informal sector. The following characteristics of informal sector activities may be used to identify them. An informal sector activity:

- depends on family labour, though may have some hired help for running the business,
- is started using personal or family savings, little dependence on borrowed capital,
- is operated from residential premises, and,
- is outside the formal regulatory framework of the government.

Many informal sector activities are survival activities, earning just enough income to meet basic needs. But there are a few activities others which earn incomes exceeding public sector minimum wage.

While rural based informal sector activities tend to be operated mostly during off season, informal sector operations in urban areas are operated on full time basis, either by the owner or by hired help.

The Informal sector survey undertaken in 1990/91 has indicated that about 2,370,000 people are engaged in the informal sector as a main or secondary activity¹⁰. These constitute about 22 % of the economically active population of the country. The level of informal sector activity is indicated in the following table.

Total Informal Sector Employment by Geography

Sex	Dar es Salaam	Other Urban	Rural	Total
Male	190,971	354,256	985,597	1,531,094
Female	124,587	279,619	433,680	838,286
Total	315,958	634,145	1,419,277	2,369,380

Source: The Planning Commission and The Ministry of Labour and Youth Development, Tanzania (Mainland) The Informal Sector 1991 table 2.1.1

¹⁰ The informal sector survey includes in its estimate individuals who have informal sector activity as a main or secondary activity, while the Labour force survey focusing only on the level of employment, counted an individual as being in the informal sector only if that was the main activity. Because of this methodological difference, the informal sector survey has reported more people in the informal sector than has the Labour Force survey.

The table shows that Dar es Salaam has about 13 % of total employment in the informal sector. Other urban areas have about 27 % of total informal sector employment, and the remaining 60 % of the sector's employment are in rural areas.

The above table shows the different participation of males and females in informal sector activities. In Dar es Salaam for example, women constitute 39 % of the total participants in the sector, while they form about 31 % of informal sector participants in rural areas. In other urban areas, women are about 44 % of informal sector participants.

Most of the individuals who participate in the informal sector do so as owner operators. But there are also wage employees in the sector. This is indicated in the table below.

Informal Sector Employment

Sex	Operators	Employees	Total
Male	1,119,578	411,516	1,531,094
Female	623,096	215,190	838,286
Total	1,742,674	626,766	2,369,380

Source: The Planning Commission and The Ministry of Labour and Youth Development, Tanzania (Mainland) The Informal Sector 1991 table 2.1.2

The table shows that owner operators are about 74 % of the total number of individuals who participate in informal sector activities. The remaining 26% are wage employees in the sector. The percentage is about the same for both males and females. The participation of men and women in the various industry groups is shown in the following table :-

Total Informal Sector Employment By Industry

Industry Group	Male	Female	Total
Agricultural and Fishing	188,063	48,314	236,377
Mining and Quarry	18,723	2,998	21,721
Manufacture	395,247	131,002	526,249
Construction	162,216	1,222	163,438
Trade/Rest/Hotel	575,389	638,311	1,213,700
Transport	75,292	2,778	78,070
Personal services	116,164	13,661	129,825
Total	1,531,094	838,286	2,369,380

Source: The Planning Commission and The Ministry of Labour and Youth Development, Tanzania (Mainland) The Informal Sector, 1991 table 2.2.1

It is known and confirmed by the data, that most women who are involved in informal sector activities are in the trade, restaurant and hotel sub-sector. Within this broad group, women are mostly in food vending. The relative importance of the sectors to males and females is given below.

Percent of Male/Female in Informal Sector by Industry Group

Sector	Male	Female
Agriculture/Fishing	12.3	5.8
Mining/quarry	1.2	0.4
Manufacture	25.8	15.6
Construction	10.6	0.2
Trade/Rest./Hotel	37.6	76.1
Transport	4.9	0.3
Personal services	7.6	1.6
Total	100	100

Source: Calculated from table 2.2.1 of the Informal Sector Survey Report

While a substantial number of men are in three sub sectors i.e. trade/restaurant/hotel, manufacture and the agriculture/fishing, sub-sectors, women have a substantial representation in only two sub sectors, i.e. trade/restaurant/hotel and the manufacturing sub-sectors.

Enterprises that form the Trade/Restaurant and hotel sub-sector include kiosks (duka general) the selling of cooked and uncooked food, fruit and vegetables sales, local beer sale, charcoal sale and restaurant activities. These are traditional areas where women are dominant. The type of activities in which women are over represented are activities which are low income, hence impacting on their welfare.

Some information is available to indicate the level of participation of various age groups in informal sector activities. The table below shows informal sector operators and employees by age group.

Informal Sector Operators and
Employees by Age Group

Age Group	Operators	Employees
Less than 15	-	53,768
15 - 19	49,491	168,535
20 - 24	172,582	163,141
25 - 29	347,191	107,334
30 - 39	540,110	87,070
40 - 49	336,215	29,897
50 - 59	186,369	12,221
60 +	104,833	4,740
Not stated	5,883	
Total	1,742,674	626,706

Source: The Planning Commission and The Ministry of Labour and Youth Development, Tanzania (Mainland) The Informal Sector 1991 tables OP6 and EMP6

If we examine the participation in the informal sector by age group, it will show that youths (years 15-24 years old) participate mostly as employees, while grown ups i.e above 25 years participate in the sector as operators. The table below shows the level of participation in the informal sector by age group.

The table shows that over 70% of youths in the age bracket 15-19 participate in the informal sector as employees, and about 50% of the 20-24 year old are employees in the informal sector. As individuals grow old, they tend to become owners of informal sector activities. These activities are mostly a secondary source of income.

Informal Sector Participation
By Age Group

Age Group	Participants	Operators % of Total	Employees % of Total
Less than 15	53,768	-	100
15 - 19	218,026	23	77
20 - 24	335,723	51	49
25 - 29	454,525	76	24
30 - 39	627,180	86	14
40 - 49	366,112	92	8
50 - 59	198,590	94	6
60 +	109,573	96	4

Source: Calculated from figures on tables OP6 and EMP6 of the Informal Sector Survey Report.

A higher proportion of youths get into the informal sector as employees because of their inability to secure start up capital and the lack of requisite experience to manage a business. Owner operators in the informal sector tend to be middle aged, individuals who have accumulated sufficient capital and experience to start and successfully manage a business unit.

A different aspect of informal sector activity that has an impact on the level of human development is the geographic distribution of the informal sector activities. To a very large extent, informal sector activities both as primary and secondary activities are an urban phenomenon. In terms of the number of people engaged in informal sector activity it is estimated that about 35% of owner operators are in urban areas, of which a little over 10% are in Dar es-Salaam. With regard to employees in the informal sector, it is estimated that 54% of the employees are in urban areas and the remaining 46% are employed in rural areas.

Informal sector activities have been initiated largely as a means of supplementing the main source of income. They are undertaken either during off season (in the case of rural areas) or after regular hours of work. This implies that the under employment generally experienced in rural areas due to seasonality of agricultural production could be reduced significantly with an increase in non farm informal sector activities.

3.4. The Extent of Unemployment

3.4.1 An Overview of the Unemployment Situation

In recent years, the government has been increasingly concerned about the problem of unemployment. The concern has been mostly on youth unemployment. It is estimated that over 600,000 youths join the labour market annually, while the capacity of both the formal and informal sector to offer employment opportunities is far less than the needs for jobs. For this reason, it is believed that the problem of youth unemployment is a major one.

The Labour force survey of 1990/91 has given an estimate of an overall unemployment rate of 3.6 % for a population of 10 years and over. For males, the unemployment rate is estimated at 2.9% and for females is estimated at 4.2%. The under employment rate is estimated at 4.1%. Based on what is felt to be the level of unemployment, these unemployment rates are the considered too low.¹¹

Part of the reason for the apparent understatement of the unemployment rate is the liberal definition of employment to include working one hour or more in the reference week, and the inclusion of people as employed those who are temporarily out of work irrespective of the reason for being temporarily out of work.

Using a modified definition of temporary unemployment¹², it has been estimated that the employment rate is 10.4 % as opposed to the 3.6 % rate reported in the Labour force survey. The following table shows the rate of unemployment on the basis of the two estimates, both of which define the labour force as 10 years and above.

¹¹ One of the indicators of the level of the unemployment problem for youths is the increase in crime involving youths. Those who are involved in crimes are believed to be unemployed, though no data is available to demonstrate that point.

¹²The World Bank in a seminar paper "The status of Employment and Unemployment in Tanzania and Prospects for Employment Growth" has treated temporary absent from work as employed, unemployed or out of the labour force depending on the reason for being temporarily absent. If temporary absence is due to economic reasons e.g cannot find work, the person is treated as unemployed. If it is due to non economic reasons e.g disability or in school, the individual is regarded as not economically active, while a person who is temporarily absent from work for social reasons, is regarded as employed.

Employment Status Composition
in million

Status	LFS estimate	Alternative estimate
Total Population	15.6	15.6
Labour Force	11.29	10.05
Out of Labour	4.31	5.55
Participation Rate	72.4	64.4
Employed	10.89	9.00
Unemployed	0.41	1.05
Unemployment Rate	3.6	10.4

Source: East Africa Department, World Bank, "The Status of Employment and Underemployment in Tanzania and Prospects for Employment Growth" A paper presented at a workshop on Socio-Economic Growth and Poverty Alleviation in Tanzania, Arusha, May 14 - 20 1995, table 4.1

The table shows an unemployment rate of 3.6 % as given in the labour force survey, but a 10.4 % rate of unemployment if the definition of temporary unemployed is used. The higher rate of unemployment is considered to be more realistic

The unemployment rate varies substantially between females and males, and between rural and urban areas. Using the adjusted definition of temporary absent from main activity (table M23), the unemployment rate of 10 year old and above for males and females is given below.

Unemployment by Gender and Geography

	Rural			Urban		
	Unemploy.	Active	Rate	Unemploy.	Active	Rate
Males	362,681	4,132,207	8.8	103,237	1,007,672	10.2
Females	397,666	4,155,591	9.6	185,966	764,295	24.3
Total	760,347	8,287,798		289,203	1,771,967	

Source: Calculated from data on tables T5 and Table M23 of the 1990/91 Labour Force Survey.

The table shows that the unemployment rate for males and females¹³ in rural areas is about the same. But in urban areas the unemployment rate for females is more than twice that of males. Given the fact there are more women than men in urban areas, and given that fewer women are employed in the formal sector, and fewer women relative to men have activities in the informal sector, the above result is consistent with that situation.

There is also a marked difference in the unemployment rate between various age groups. The table below shows (using un adjusted figures) the rate of unemployment of various age groups.

Unemployment Rate By Age Group and Geography

Age Group	Urban			Rural		
	Male	Female	Total	Male	Female	Total
10 - 14	23.4	31.4	27.0	5.1	3.9	4.5
15 - 19	30.0	33.8	31.9	5.1	4.8	5.0
20 - 24	13.5	25.7	19.7	2.4	2.3	2.3
25 - 34	2.6	11.3	6.4	1.3	1.8	1.6
35 - 54	0.5	5.7	2.6	0.7	1.3	1.0
55 +	0.6	1.2	0.8	0.8	1.1	0.9

Source: Bureau of Statistics and the Labour Department, Ministry of Labour and Youth Development, Tanzania (Mainland) *The Labour Force Survey 1990/91*, June 1993, Table 6.1

The unemployment rate of youths in general is higher than that of other age groups. The problem is particularly acute for urban youths where the unemployment rate is over 30 % for the 15 - 19 age bracket. The unemployment rate for urban males is, in relation to other groups fairly low.

The high rate of unemployment for youths is the outcome of a number of factors. These include: the lack effective skill training programmes, non availability of self employment support programmes, the inability of the formal sector to offer employment opportunities, and non supportive policies and programmes for the development of the informal sector as an alternative to formal sector employment.

¹³ Calculations of the unemployment rate in the World Bank paper op cit. of males and female in the 15-64 age brackets indicated an unemployment rate of rural women being 12.29 % while that of males being 9.24 %, and urban women being 24.10 %, and that of males as 10.02 %.

The high unemployment rate of youths is a social threat to the society, hence a major factor in influencing the level of human development in the country. Programmes that address the unemployment problem of youths would therefore have a substantial impact on the level of human development.

3.4.2 Seasonality of Employment

Other than the male/female view of the employment situation, there is also the question of seasonality of employment. Seasonal unemployment is more of a rural problem than it is of urban areas. The results of the labour force survey has given an indication of the level of seasonal unemployment. While in urban areas the unemployment rate ranges from a high of 11.3 % in the July to September quarter, to a low of 8.7 % in October-December. In rural areas, the unemployment rate increases from 1.0 % during January to March, to 4.5 % in July-September. The seasonality of unemployment follows agricultural seasons. There is low unemployment during the rain season, and high unemployment during the off season. In urban areas, where agriculture does not depend on seasons, no seasonality of employment is observed.

3.4.3 Underemployment

The extent of the unemployment problem may have been understated by the level of underemployment in the economy. While it is in relative terms, easy to measure visible underemployment (under employment due low hours of work) it is more difficult to measure invisible under employment due to low incomes. In a situation of low productivity and low returns, visible under employment is more common.

The labour force survey has indicated that some 467,167 were reported to be under employed. This is about 4.1 % of the labour force (unadjusted by the definition of temporary absent from work), or 4.3 % of the total number of people employed. Underemployment by hours worked varies between males and females and between rural and urban areas. The following table gives a rough picture.

Underemployment Rates - Employed Persons

Sex	Total	Urban	Rural
Total	4.3	6.2	3.9
Male	4.6	3.8	4.6
Female	4.1	9.5	3.3

Source: Bureau of Statistics and the Labour Department, Ministry of Labour and Youth Development, Tanzania (Mainland) *The Labour Force Survey 1990/91*, June 1993, Table 7.1

Underemployment is generally less in rural areas than it is in urban areas. With regards to gender, the under employment rate of females in rural areas is lower than that of men, basically because women are the main agricultural producers in the rural areas. The situation in urban areas is different. Women experience about three times as much underemployment as men. As has been shown before, this higher rate of under employment comes on top of there being higher rates of unemployment for women.

Sectors which have relatively high rates of underemployment include agriculture, manufacturing and trade. Finance, transport and electricity have low incidence of underemployment.

3.5 Income Considerations in Employment

An aspect of employment that impinges on the level of human development is the level of income earned from employment. It was estimated from the labour force survey that in 1991, the average monthly income for paid employees was shs 4,950 and the median income for the self employed, shs 5,700¹⁴. It is now acknowledged that incomes from self employment in the informal sector are generally higher than wage employment in the formal sector.

But when average incomes of paid employees are examined with a gender perspective, it shows that women earn less than men. This is shown in the following table.

Average Monthly Paid Income by Industry by Sex

Industry	Total	Male	Female
Agri/Fore/Fish	3,140	3,340	2,280
Mining/Quarry	4,940	4,870	-
Manufacturing	5,240	5,560	3,910
Electric/ Gas	4,700	4,760	4,480
Building/Const	5,600	5,670	4,540
Trade	3,880	3,970	3,640
Transport	6,160	6,210	5,720
Finance	6,690	6,940	6,000
Perso.Services	5,100	5,330	4,610

¹⁴The average income for the self employed was shs 17,340 suggesting that there are large variations in the level of incomes between the various sectors (participants) within the informal sector.

Source: Bureau of Statistics and the Labour Department, Ministry of Labour and Youth Development, Tanzania (Mainland) The Labour Force Survey 1990/91, June 1993, Table 9.2.2.

The table shows that in all sectors women earn less than men. This is mainly due to the lower positions women are holding in paid employment relative to men. The sector which pays the least is the agricultural sector, followed by the trade sector. It is also in the agricultural sector that women are the majority. The implication is that not only women earn less than men in all sectors, but that the sector which has the most women pays the least.

An indication of income of the self-employed in the informal sector is given below.

Median Income for the Self-employed by Industry by Sex.
In shs.

Industry	Total	Males	Females
Agr/For/Fish.	6,000	6,000	4,800
Mini/Quary	29,100	29,100	5,000
Manuf.	3,510	5,200	2,400
Elect/Gas	*	*	*
Build/Const.	9,100	9,000	*
Trade	5,200	8,000	3,700
Transp.	15,200	15,200	*
Finance	*	*	*
Perso. Service	6,400	7,150	3,300
Total	5,700	8,700	3,330

Source: Bureau of Statistics and the Labour Department, Ministry of Labour and Youth Development, Tanzania (Mainland) The Labour Force Survey 1990/91, June 1993, Table 9.3.2.

The lower position of women in terms of income earned is also apparent in the informal sector. The sectors that pay the highest in the informal sector are mining, and transport. In the mining sector women earn about 1/6 of what men earn. It is likely that while men are in small scale gold and other precious stones mining women are in stone crushing hence earning substantially less than men though in the same sector. In the transport sector, women are not represented.

The overall observation is that women occupy relatively low paying positions in the formal sector and are engaged in the low paying self-employed activities in the informal sector. The income they get from employment is consequently lower than that of men. By just

looking at this one criteria, one would conclude that women are at a lower level of human development.

4. FUTURE EMPLOYMENT PROSPECTS AND POLICY IMPLICATIONS

In the short to medium term, the total labour force is more or less fixed by the current demographic characters of the country. Any attempts to reduce the aggregate level of unemployment will therefore be limited to increasing employment opportunities.

If the economy grows at the projected rate of 4 % per annum, and employment could grow at between 3 and 3.5 % per annum, implying that between 240,000 and 280,000 employment opportunities could be generated every year¹⁵. But, it is estimated that over 6000,000¹⁶ youths join the labour market every year. Hence, despite the healthy growth in the economy, and the resultant employment opportunities, in the short to medium term, the unemployment problem is unlikely to be reduced unless some additional and specific employment promotion policies and programmes are formulated and implemented.

The agricultural sector, is the most important sector not only in terms of being the backbone of the economy but also because the majority of the people live in the rural areas and depend on it for livelihood. The sector will therefore continue to offer a safety net for the rural population. But its ability to create employment opportunities for the rural youths is limited in some places by the high population density, and in others by the non availability of supporting inputs, and infrastructure. The low productivity of the sector tends to discourage youths and propel them to migrate to urban centers.

The government, as part of the economic restructuring programme, has liberalized the agricultural sector, removed price controls and restructured the marketing system. These measures have had some positive impact on the productivity of the agricultural sector. But for long term effect, these measures have to be sustained, and infrastructural problems currently constraining the sector have to be removed. The rural roads programme is in this regard a key programme.

Though it may seem a monumental task, the urban unemployment problem would also be reduced if rural to urban migration would be slowed down. This can be achieved not only through making the agricultural sector attractive (by increasing its cash generating capacity) but also by encouraging and facilitating the introduction of off-farm and off-season income generating activities.

¹⁵World Bank report pg 31. The estimates are based on historical trends modified by the potential impact of policies being undertaken.

¹⁶United Republic of Tanzania. "National Employment Policy" Prepared by the Ministry of Labour and Youth Development, 1993.

The formal public sector which has for a long time been an important source of employment opportunities has limited potential for additional job creation in the short to medium term. Since the civil service reform programme as well the privatization of the parastatal sector is going to continue in the short to medium term, the sector is not going to be creating employment opportunities in the foreseeable future.

The economic reform programme is aimed at stimulating the private sector. The reforms undertaken since the mid 1980s have stimulated the growth of the private sector, though its impact on employment has been mixed. Nevertheless, since the private sector is considered to be the future driving force of the economy, hence the lead in employment creation, it has to be encouraged through appropriate macro economic policies, improvement in infrastructure and building up a pool of trained and skilled labour from which the private sector can draw.

In the short to medium term, the informal sector offers the best opportunity for employment creation. The low level of skill required, the limited capital needs, and the easy locational needs of enterprises in the informal sector make it ideal for school leavers and other entrants into the labour force¹⁷. But the development of the sector is limited by some constraints. These include: lack of supporting policy, non access to financial resources and other support facilities, cumbersome registration procedures and heavy tax burden. These constraints have to be resolved for the promotion of the informal sector. The proposed National Employment Policy and the Informal sector policy aims at resolving those constraints and provide a supportive environment for the promotion of the sector.

Parallel to the need to have supporting policies for the informal sector, there is a need for programmes that promote the informal sector. Relevant programmes in this regard may include programmes that improve the access of the sector to credit, improving access to product and input markets, providing training and extension support to operators in the informal sector.

The previous discussion and data has demonstrated the extent of the unemployment problem of youths and women. Women are under represented in wage employment, as well as in the informal sector. The level of income earned is also lower than that earned by men.

Given this weak position of women, general programmes which aim at promoting the general level of employment in the economy, will perpetuate if not buttress the second class position of women. What are needed are programmes that target at women. These programmes should solve the constraint that prevent women from participating effectively in the labour market and provide the support they need to get into the labour force even at the level of self employment. Some of the programmes may include: skill training programmes, credit facilitation programmes, business extension support programmes, pre school child care programmes etc.

¹⁷ The informal sector is not a panacea for all employment problems. Despite its high potential, the sector cannot absorb all the new entrants into the labour market. Some of the sub sectors which seem to attract youths because of their easy entry requirements e.g retail stores seem to reach saturation point.

While demand factors are the short to medium term determinants of the employment level, supply factors are important in the long run in determining the level of employment. Supply side factors include the size of the labour force, its skill level, and the mobility of the labour force. In the long run, the population will determine the size of the labour force. Hence, ensuring that the population grows at a rate which is related to the rate of growth of the economy will help in reducing unemployment in the long run. In this respect, the implementation of the national employment policy will be the first step.

Another important supply factor in the medium to long term is the skill level of the labour force. Providing better quality basic education as base would be useful in building up the labour force. Because of the limited demand in the labour market for well educated youths, youths could be prepared for self employment. These would entail providing skill and entrepreneurial training, and business management training. To facilitate the provision of such training, the curricula of skill training institutions would have to be changed to accommodate the new demands.

It is also an acknowledged fact the problem of unemployment in Dar es salaam and other towns is due to rapid urbanization, caused by rural - urban migration. Hence, improving employment creation prospects in towns alone will not solve the problem of un employment in urban areas. It may as well make it worse by attracting more people to them. A long term solution (though difficult) is to dissuade drifts into urban centers by making rural areas more attractive. This can be achieved by creating the demand for labour in the rural areas, hence eliminating the need for youths to move to urban centers. But, the creation of alternative employment opportunities in the rural areas would be possible only if deliberate rural development policies and programmes are undertaken.