ABSTRACT

Economic Policy and Rural Poverty in Tanzania

This study provides some evidence about the effects of the macro-economic reforms that have been going on since 1985 on rural poverty. The aim was to make a quantitative estimate of the extent of poverty, explore factors that are closely associated to poverty, add qualitative elements of poverty and relate these to policies, particularly the constraints to rural markets and infrastructure. The latter are seen as important variables at the meso-level, linking the macro-level (policies) to the micro-one (poverty). A Rural Household Budget Survey (RHBS) was carried out in 1998 to arrive at reliable poverty data, and to highlight policy changes during the last decade as perceived by the rural poor. A total of 649 households were covered, in 13 clusters in three locations, including clusters and households covered by earlier surveys. A small participatory poverty assessment (PPA) complemented the quantitative household survey, capturing people's perceptions on poverty and the impact of policies. Economic characteristics showed a high dominance of agriculture and a mixture of food and cash crops. Social indicators showed that 50 percent of the rural people do not have basic literacy, with some correlation between per capita income (expenditure) per village and literacy levels. Health behaviour depends very much on the access to modern facilities, and access to clean water was limited. On the basis of two adjusted poverty lines, a lower food one (Tshs. 105,000) and upper (basic needs) one of Tshs 139,000, resulted in poverty indices as follows: 46 percent of the rural population was below the food poverty line, 61 percent below the basic needs one. The range of 46 percent (absolute) to 61 percent (relative) of the incidence of poverty compares reasonably well with earlier attempts, and suggests little change over time.