

Poverty & Equity Brief

Sub-Saharan Africa

Tanzania

April 2019

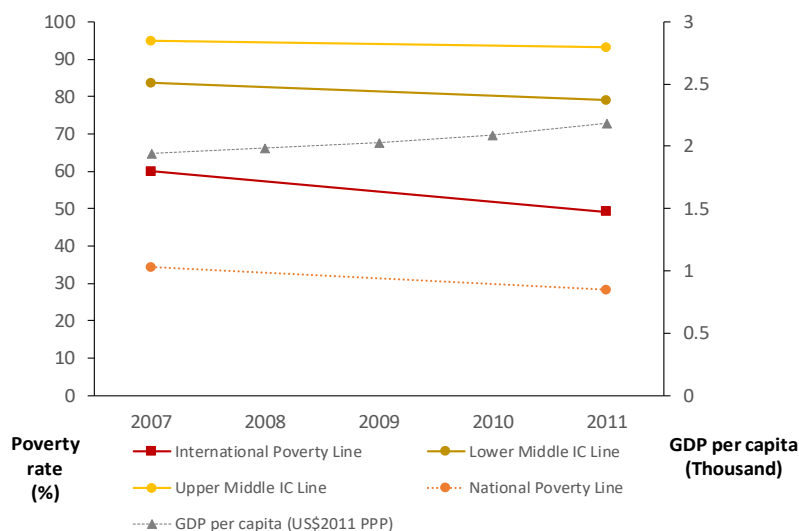
Tanzania's impressive growth has been pro-poor and poverty reducing. After a period of stagnation prior to 2007, headcount poverty based on the national poverty line declined from 34.4 percent in 2007 to 28.2 percent in **2011–12** in Tanzania (Mainland). More than 1 million Tanzanians, largely rural residents, were lifted out of poverty. Similarly, Zanzibar saw a reduction in poverty from 34.9 percent in **2009–10** to 30.4 percent in **2014–15**. The incidence of poverty fell faster in urban areas than in rural areas, thereby widening the pre-existing urban-rural gap. Among the factors driving the reduction in poverty were the growth in the percentage of households engaged in commercial agriculture and nonfarm activities in Mainland, and the growing returns to both the education and the economic activity of the poor in urban Zanzibar.

The last decade saw a reduction in overall inequality. Both Mainland and Zanzibar made some progress in reducing inequality though the reductions were more modest in Zanzibar. Consumption levels improved for all but the top 15 percent of the population in Mainland and for all population groups except the top 10 percent in Zanzibar. Improvements in consumption of the bottom 40 percent were however tempered by the very low initial levels. Improvements in the distribution of consumption appear to be driven by the increase in consumption share accruing to the bottom segments of the population.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	11.9	28.2	2011
International Poverty Line 1249.6 in Tanzania shilling (2011) or US\$1.90 (2011 PPP) per day per capita	20.7	49.1	2011
Lower Middle Income Class Poverty Line 2104.5 in Tanzania shilling (2011) or US\$3.20 (2011 PPP) per day per capita	33.4	79.0	2011
Upper Middle Income Class Poverty Line 3617.1 in Tanzania shilling (2011) or US\$5.50 (2011 PPP) per day per capita	39.4	93.1	2011
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		5.35	2007-2011
INEQUALITY			
Gini Index		37.8	2011
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		1.98	2007-2011
GROWTH			
Annualized GDP per capita growth		3.0	2007-2011
Annualized Consumption Growth per capita from Household Survey		3.37	2007-2011

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of March 2019, and Global Monitoring Database for the rest.

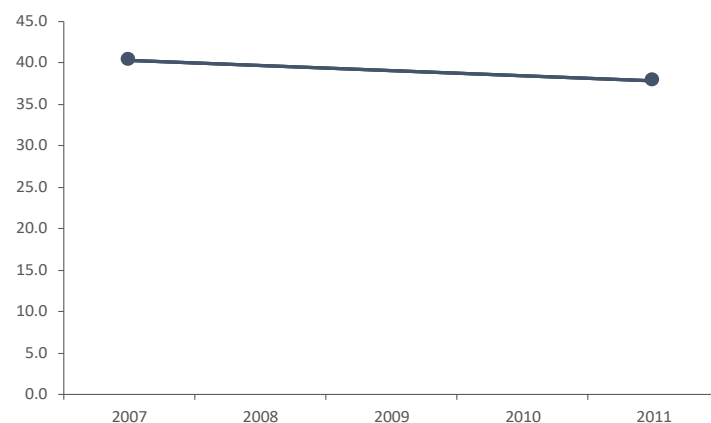
POVERTY HEADCOUNT RATE, 2007-2011



Source: World Bank using HBS/SSAPOV/GMD

INEQUALITY TRENDS, 2007-2011

Gini Index



Source: World Bank using HBS/SSAPOV/GMD

KEY INDICATORS (distribution among groups)

	International Poverty Line (%)		Relative Group (%)		Year
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	76	24	18	82	2011
Rural population	41	59	49	51	2011
Males	51	49	40	60	2011
Females	51	49	40	60	2011
0 to 14 years old	44	56	47	53	2011
15 to 64 years old	57	43	34	66	2011
65 and older	53	47	39	61	2011
Without education (age 16 and older)	42	58	49	51	2011
Primary education (age 16 and older)	55	45	35	65	2011
Secondary education (age 16 and older)	75	25	18	82	2011
Tertiary/post-secondary education (age 16 and older)	95	5	3	97	2011

Source: World Bank using Global Monitoring Database

POVERTY DATA AND METHODOLOGY

Official poverty estimates in Tanzania are based on the Household Budget Survey (HBS) and use aggregate household consumption as the key welfare indicator. To make meaningful international comparisons, poverty rates are calculated using three international poverty lines in 2011 PPP terms: \$1.90 a day, \$3.20 a day, and \$5.50 a day. For national poverty rates, the HBS 2011–12 (Mainland) uses a basic needs poverty line and food poverty line of TZS 36,482 and TZS 26,085.5 per adult per month respectively. The HBS 2014–15 (Zanzibar) basic needs poverty line and food poverty line is TZS 53,377.3 and TZS 38,070.6 per adult per month.

Tanzania has carried out Household Budget Surveys in 1990, 2000–01, 2007, and 2011–12. The most recent HBS was implemented 2017–18 and data validation is underway. The National Panel Survey (NPS) has been conducted in 2008–09, 2010–11, 2012–13, and 2014–15. Despite the frequency of data collection, Tanzania still has massive needs for quality data that allows for comparability over time and between surveys. For instance, the HBS and the NPS give different poverty levels and trends.

HARMONIZATION

The numbers presented in this brief are based on the SSAPOV database. SSAPOV is a database of harmonized nationally representative household surveys managed by Sub-Saharan Team for Statistical Development. It contains more than 100 surveys covering 44 out of the 48 countries in the SSA region. The four countries not covered in the database are Eritrea, Equatorial Guinea, Somalia and Zimbabwe. Terms of use of the data adhere to agreements with the original data producers.