



Progress in poverty reduction in Tanzania 2000/01-2007

Main findings of the HBS 2007

Presentation for the Editors-HakiElimu

05 June 2009



HBS provides unique opportunity

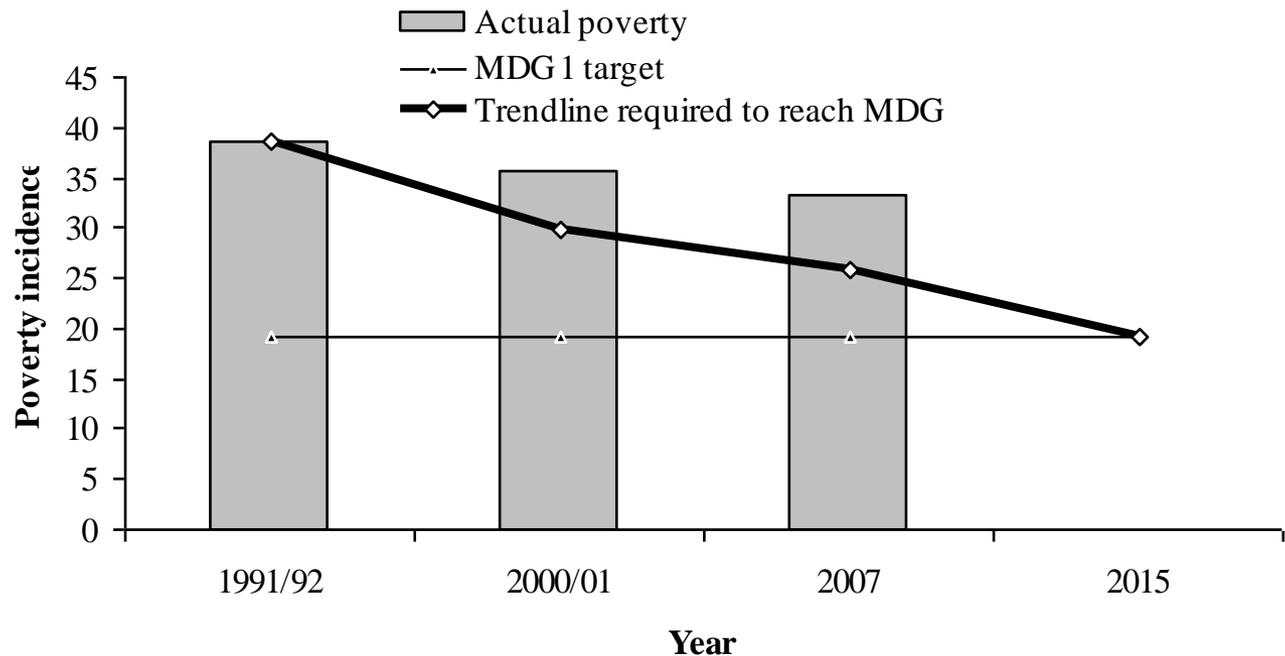
- Assess the Level of Poverty
- Opportunities for further analysis and dialogue
- Policy implications and next generation MKUKUTA/MKUZA
- The role of the media



What do the data say?

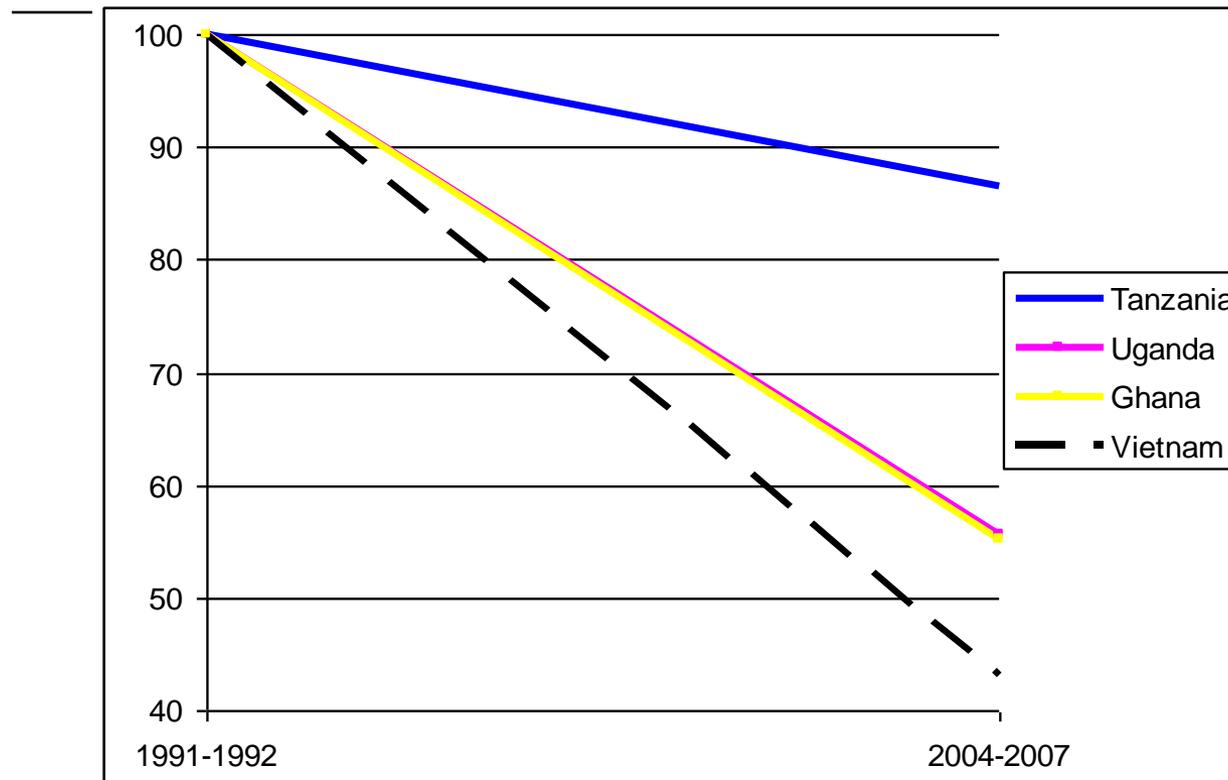
- Improvement in basic-needs income poverty has been disappointing
- Significant improvement in consumer durables ownership
- Ownership of productive assets in agriculture has gone down
- Access to social service has been mixed (health and education: positive; water and electricity: negative)

Little progress towards income poverty MDG



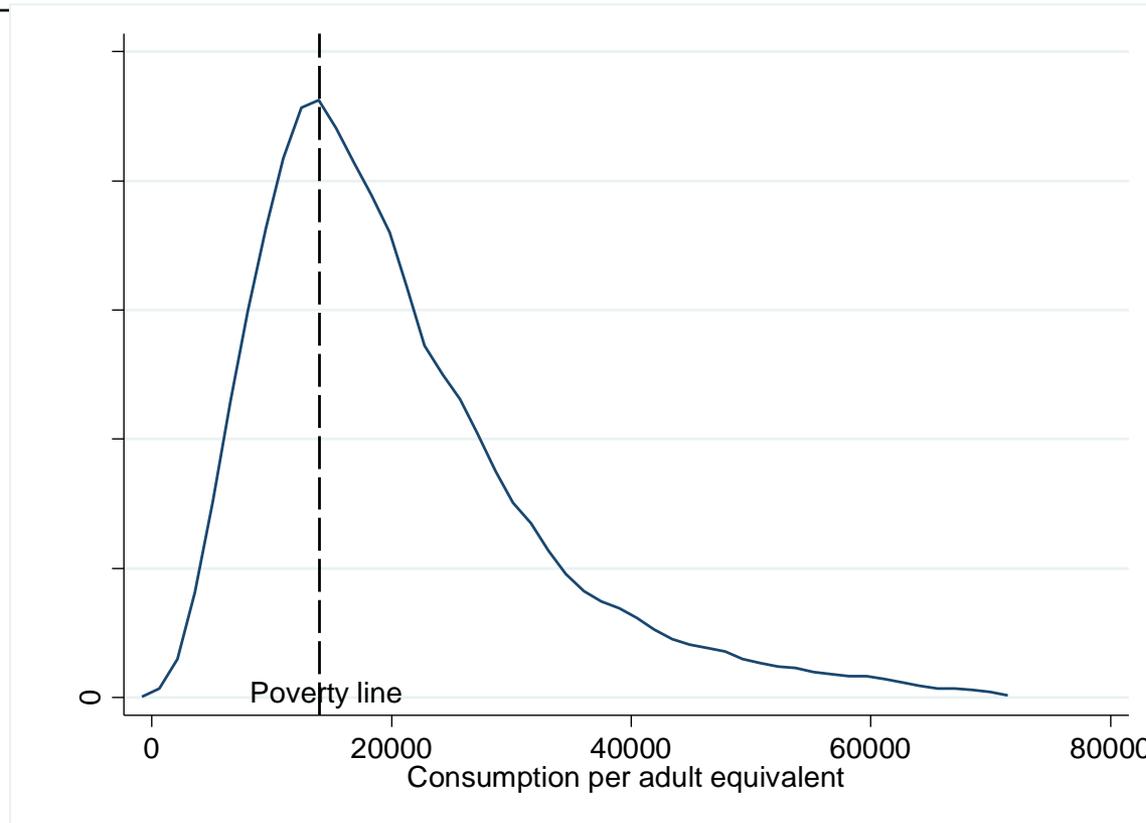
Small decline in poverty incidence, but Tanzania is even more off-track to achieving the income poverty MDG in 2007 than it was in 2000/01. (N.B: Mkukuta target = MDG target, but for 2010)

Little progress towards income poverty MDG: Other countries have done much better



The percentage of people living below the poverty line slightly decreased in Tanzania, but between 2000/01 and 2007 the absolute number of poor in increased by 1.3 million.

Still, income poverty MDG can be achieved!



... if consumption growth is 3.2 percent per capita per year.

Other measures of welfare...

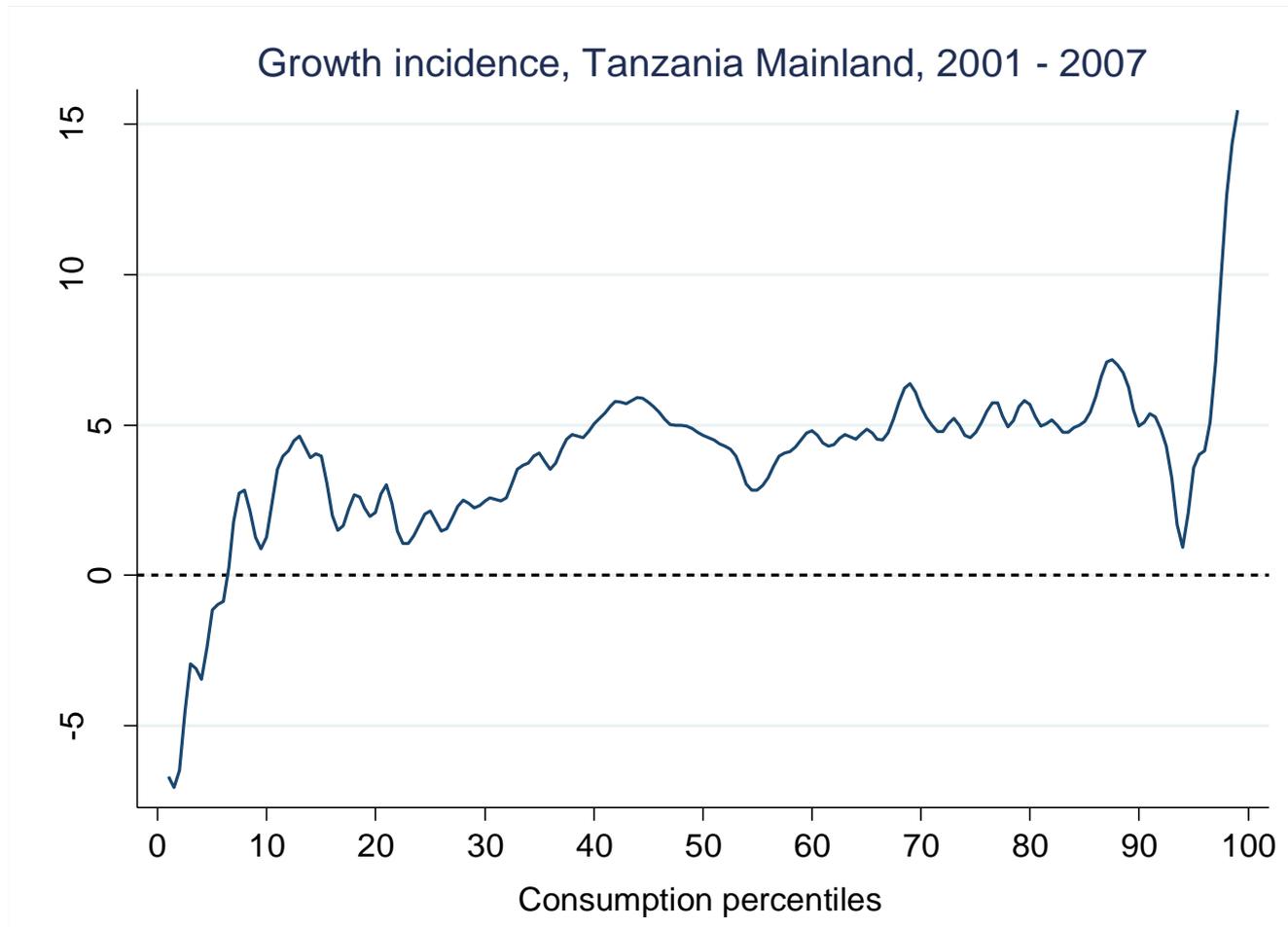
- Ownership of consumer durables
- Ownership of non-agricultural productive assets
- Housing conditions
- Net enrollment in primary education (59% to 84%)
- Health care (less costly)
- Food share

- Ownership of productive agricultural assets
- Access to clean water
- Inflation (10.6% instead of 5.9%)
- Nutrition: composition of diet of the poor

- Access to health services stable
- Value of assets



No change in inequality! But!



The way forward

A multidimensional growth challenge, including questions like:

- In rural areas, how to achieve income growth?
 - How to make agriculture more profitable?
 - make it attractive to invest in productive assets instead of consumer durables.
 - How do regulatory and institutional constraints affect agriculture?
- Need to re-energize policies for a good investment climate?
 - Infrastructure related, incl. port
 - Regulation, unpredictable policy moves (e.g. maize export ban), the land issues, etc.
- Macro-economic stability needs to be re-emphasized
 - 10.6% inflation per year is too high for comfort.
 - How to ensure that high levels of public spending are possible without causing inflation provided (improve supply response).

Looking ahead ...

- Recent results on income poverty are disappointing and speed of income poverty reduction needs to improve.
- Without a change of policy direction and increased pace, MKUKUTA objectives and MDGs will be at risk.
- More analysis is required to inform and address more effectively the challenges highlighted by the recent data.
- What is the role of media in this debate?
- What are the implications for new laws, next Mkukuta, the budget?