

# GROWTH AND POVERTY REDUCTION

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## POLICY IMPLICATIONS FROM QUALITATIVE RESEARCH



**Chronic Poverty**  
Research Centre  
[www.chronicpoverty.org](http://www.chronicpoverty.org)



**Economic and Social  
Research Foundation**  
[www.esrftz.org](http://www.esrftz.org)

# Introduction

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- This policy is based on a research titled “Chronic Poverty and Development Policy in Tanzania: Q<sup>2</sup> Research in Support of the 2010 PRS”
- The research had five themes: (1) Agriculture, (2) Non-farm economy, (3) Gender and intra-household dynamics, (4) Urban-rural linkages, (5) Vulnerability, and (6) Governance
- The research was guided by five questions, viz:
  1. What explains chronic poverty?
  2. What explains sustained mobility out of poverty?
  3. What explains descent into chronic poverty?
  4. Why is it that sustained economic growth in Tz has not led to substantial poverty reduction?
  5. What policy measures could increase mobility out of poverty, and reduce descent into poverty?

# Introduction (Cont'd)

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- Data were collected from Sep to Nov 2009 through key informant interviews, FGDs, and life histories
  - Six papers have been written and presented in three workshops at ESRF, REPOA, and Manchester Univ.
  - The papers are:
    1. Evolution of gender and poverty dynamics in Tz
    2. Escaping poverty in Tanzania: What can we learn from cases of success?
    3. Poverty mobility in Tz in the light of governance
    4. Exploring resilience avenues for managing covariant and idiosyncratic ...shocks...
    5. Agric. growth and poverty reduction in Tz
    6. Hidden hunger: What can qualitative research tell...
- See them at: [www.chronicpoverty.org/publications/details](http://www.chronicpoverty.org/publications/details)

**Wazabanga  
and Ndite**

**Kayumbe  
and Kalesa**



**Nkangala  
and Nchinga**

# **Growth without much poverty reduction**

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- Research results suggest three reasons:
  1. Poor people are weakly protected against risk
  2. Accumulating the assets needed to escape poverty has become more difficult
  3. Agricultural growth has been hesitant and there is an over-supplied labour market

# 1. Protection

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- Vulnerable households, including those who mainly depend on wage labour, should be protected
- The poor should also be protected against many risks, including ill health and bereavement
- Idiosyncratic risks need more consideration from policy makers

## 2. Asset accumulation

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- Assets eroded due to lack of protection
  - Women especially vulnerable
- Basic assets (land and livestock) becoming unaffordable
  - Smallholders losing land to investors
  - Security of tenure not enough to create rental market
- Access to critical post-primary education severely limited for poor households (graph)

# 3. Agricultural growth deficit

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- Smallholders require enhanced assets required to produce significant volumes for markets
- Trading monopolies/oligopolies constrain farmgate prices and some of them deceive farmers
- Little support from extension services
- Women increasingly responsible for farming but not empowered (assets, extension, rights)
- Over-supplied, under-regulated labour markets

# **POLICY IMPLICATIONS**

# Policy Set 1: Assets

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- Link SACCOs with ROSCAs and burial societies, & insure loans
- Programmatic support for small livestock, access to ploughing and equipment, including insurance
- Enhance investment in irrigation
  - Priority accorded in Kilimo Kwanza may not be enough
  - Contributions from local community may be too much
- Review land laws to enable greater security of tenure
  - To support enhanced rental market
  - To prevent vulnerable women losing access to land

# Policy set 2: Agriculture

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- Emphasise asset accumulation and protection as much as they yield security
  - Resource conservation very important for poor smallholders: reduces risk
  - Other risk reducing measures
- Focus on improving output markets, and link inputs supply
  - Extend Warehouse Receipt Scheme to other crops
- Review radical options for extension services
  - Link to specific value chains
  - Stronger access for women e.g. via increased women livestock extension officers

# Policy Set 3: Labour markets

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- Wage labour involved in many exits from poverty
  - Migration
  - Nonfarm labour
  - Skill acquisition
- Big push on diversification & rural urbanisation
  - E.g. agricultural equipment maintenance, processing
  - Skills education
- Education and regulation to address 'labour on credit' or non-payment of wages
- Improve labour conditions wherever possible through standards (e.g. large scale agriculture, rural industry)
- Long term: reduce over-supply through children staying in education longer, anti-child labour regulation, social assistance to elderly and carers

# Policy Set 4: Food security and social protection

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- Continue supportive anti-inflation policy
- Hunger has many causes
  - Insecure labour, shocks, farming risks, knowledge about (child) nutrition
- Social assistance would protect most vulnerable people against loss of assets, lowest wages, loss of social position
  - Design a social assistance programme to reduce depth of poverty, with special focus on most vulnerable

# Policy Set 5: Governance

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- Continue reducing fees and charges
  - Special focus on post-primary education
- Improve access to decision-making and justice
  - More women local officials
  - Education of local adjudicators
- Make resource allocation more transparent
  - Scope to extend O & OD
- Make market interventions more transparent
  - E.g. deductions in WRS

# Does Mkukuta II address these issues?

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- Assets: land emphasised, including women's rights, but specificities missing; financial services emphasised including innovative approaches for women.
- Agriculture: strong on moving away from smallholder agriculture; productivity; irrigation; pilot insurance; resource conservation pushed to long term.
- Labour: recognises need for decent work, labour standards, but least detail.
- Social assistance: a broad social protection agenda is proposed. Ideal to develop one instrument with multiple objectives.
- Governance: strong on women's rights; legal aid for the poor; improving delivery and targeting.

# THANK YOU FOR YOUR ATTENTION



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