



THE UNITED REPUBLIC OF TANZANIA

KEY FINDINGS

2011/12 HOUSEHOLD BUDGET SURVEY

TANZANIA MAINLAND



National Bureau of Statistics
Ministry of Finance
Dar es Salaam
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Introduction

This report summarizes the key findings of the 2011/12 Household Budget Survey (HBS), which covered Tanzania Mainland. The analysis focuses on poverty-related indicators, including those defined in the national and international frameworks which include, the Tanzania Development Vision 2025; The Tanzania Five Year Development Plan (FYDP), 2011/12-2015/16; National Strategy for Growth and Reduction of Poverty II (NSGRP II) commonly known as MKUKUTA II, 2011/12-2015/16 and Millennium Development Goals (MDGs). Due to changes in the survey methodology in administering the 2011/12 HBS compared to 2007 HBS and previous HBSs', this Key Findings Report provides information on trends for non-income poverty key indicators only. Many improvements were made to the 2011/12 HBS methodology and comparison of poverty indicators requires rigorous and careful analysis. The detailed information on trend analysis is presented in 2011/12 HBS Main Report.

The 2011/12 HBS contains a wide range of data and several new items were included for the first time. Some questions have been asked identically in both 2011/12 HBS and the 2012 Population and Housing Census (PHC), enabling linkage that will generate even more research and analysis from these crucial datasets.

The survey was carried out by the National Bureau of Statistics (NBS) in collaboration with the Poverty Eradication Division in the Ministry of Finance. Other institutions include; President's Office, Planning Commission (POPC), Ministry of Natural Resources and Tourism (MNRT), Ministry of Labour and Employment (MLE), Ministry of Water, Bank of Tanzania (BOT), Eastern African Statistical Training Centre (EASTC), Research on Poverty Alleviation (REPOA), Economic and Social Research Foundation (ESRF), University of Dar es Salaam (College of Arts and Social Sciences), United Nations Children's Fund (UNICEF), WaterAid, United Nations Fund for Population Activities (UNFPA), Help Age and Canadian International Development Agency (CIDA).

Technical assistance was provided by the World Bank and Department for International Development (DfID).

Funding was provided by the Government of Tanzania, Development Partners through the Tanzania Statistical Master Plan (TSMP) basket funding arrangements and individually by United Nations Development Programme (UNDP), UNFPA, European Union (EU) and DfID.

Additional information on the 2011/12 HBS Key Findings may be obtained from National Bureau of Statistics, Kivukoni Front, P.O. Box 796, Dar es Salaam, Tanzania. Telephone: +255 22 2122722/3; Fax: +255 22 2130852; email: dg@nbs.go.tz.

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Household Budget Surveys are Intended to:

“collect, compile and analyse numerical information on household income, consumption and expenditure. From this information it is possible to assess the impact of various policies on people and consequently identify the most vulnerable groups of the population. Like the previous surveys, 2011/12 HBS aims at producing indicators that will be used to monitor the performance of various sectors within three clusters of MKUKUTA II. ”

Survey Design

The survey was a representative sample for Tanzania Mainland of 400 enumeration areas (120 from Dar es Salaam, 120 from Other Urban and 160 from Rural). A total of 10,400 households were selected for interview and 10,186 households completed the interview. The sample was based on the 2002 Population and Housing Census (PHC) frame. Sampling weights were used to make estimates representative of population. This sample provides estimates for Tanzania Mainland as a whole, Dar es Salaam, Other Urban Areas and Rural Areas.

This brief report outlines the final poverty statistics for 2011/12. *The aspect of comparison of poverty trends with previous HBS's is presented in the Main Report taking into account the improvements that were made to the HBS 2011/12 methodology and comparison requires rigorous and careful analysis.*

Data Collection

The 2011/12 HBS was wider in scope than previous ones and it is a valuable source of data. Four main questionnaires were used, together with a diary recording household purchases and consumption over a 28 days period. Each member of household aged 5 and above was also given a diary to record his/her purchases and consumption. The fieldwork of the Survey was conducted for a year from October 2011 to October 2012.

Data were collected on a wide range of individual and household characteristics, including:

- Household members' education and health status;
- Household expenditures and consumption;
- Ownership of consumer goods and assets;
- Housing structure and building materials;
- Household access to services and facilities;
- Access to water and sanitation;
- Economic activities and employment;
- Tourism;
- Ownership of non-farm businesses; and
- Agricultural activities.

Income Poverty statistics for 2011/12 HBS

The **basic needs** approach is used to measure **absolute poverty** in Tanzania Mainland. It attempts to define the absolute minimum resources necessary for long-term **physical well-being** in terms of **consumption of goods**. Poverty lines are then defined as the amount of **income** required to satisfy those needs.

The **food poverty line** is the level at which households total spending on all items is less than they need to spend to meet their needs for food. It is also often referred to as the extreme poverty line. Individuals who fall below this level are classified as extremely poor.

BOX 1: HOW THE POVERTY LINE IS CREATED

The HBS 2011-12 recorded everything that was purchased and consumed over 28 days in sampled households. This included records on food and non food items that were purchased; it also included food that was grown by the household. It excluded household expenditure that was not for consumption, for example, purchasing inputs for a farm or other businesses operated by the household.

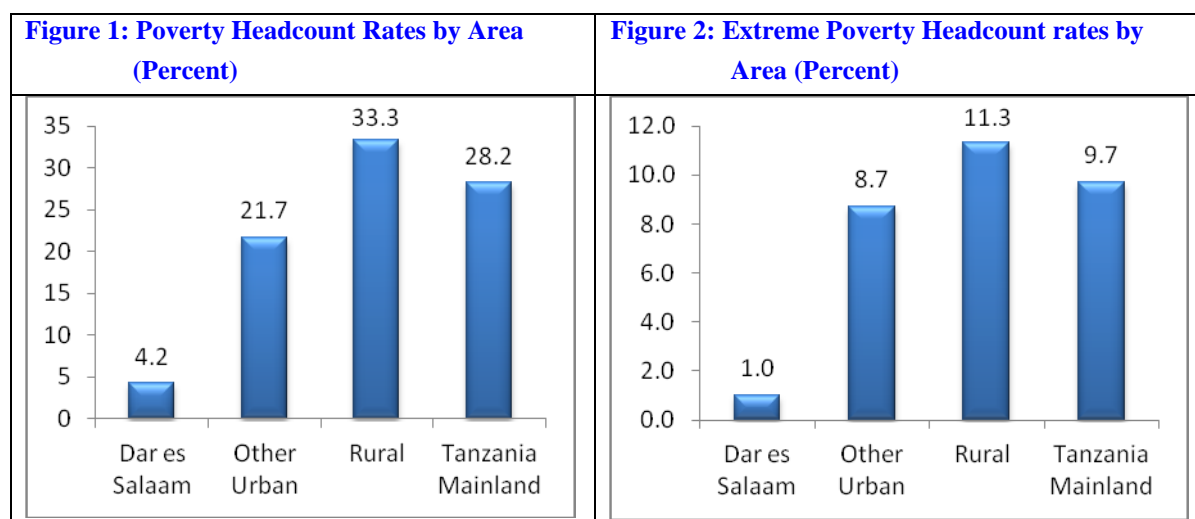
Food poverty line is the monetary value of minimum food bundle or basket of 2,200 kilocalories that are required by a poor adult person per day for one month, based on the food consumed by the poorest 10 to 50 percent of the population. The daily cost of the food poverty line is 858 TShs per adult equivalent. This is based on purchasing the 153 most common food items purchased in Tanzania. A higher, 'basic needs' poverty line includes other essentials such as clothes.

The poverty line for Tanzania Mainland was adjusted for the prices prevailing in different areas and by the time in which the interview was conducted. For example, the price of most foodstuffs is higher in Dar es Salaam than in rural areas, so it costs more to purchase enough food for 2,200 calories in Dar es Salaam.

According to 2011/12 HBS the **basic needs poverty line is 36,482** Tanzanian Shillings per adult equivalent per month and **food poverty line is 26,085** Tanzanian Shillings per adult equivalent per month. Using these two poverty lines, more than a quarter (**28.2 percent**) of the Tanzanian population fall below the **basic needs poverty line** and **9.7** percent falls below the food poverty line.

Table 1: Poverty Headcount Rates by Area (Percent), Tanzania Mainland, 2011/12

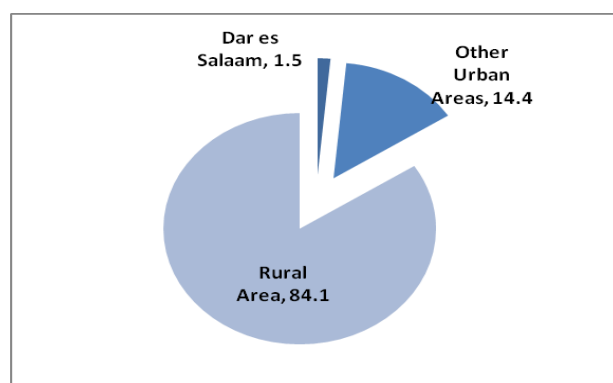
	Dar es Salaam	Other Urban Areas	Rural Area	Tanzania Mainland
Basic Needs Poverty	4.2	21.7	33.3	28.2
Food Poverty (extreme poverty)	1.0	8.7	11.3	9.7



Where are the Poor People?

The poverty headcount rate describes the percentage of poor in the population. We can also examine the distribution of poor population (living below the basic needs poverty line) within Tanzania Mainland. The poverty difference is significant between **urban** and **rural population**. At one extreme, Dar es Salaam is substantially better off than the rest of the country; at the other, rural households are much poorer than those in urban areas. Less than two (1.5) percent of the poor population live in Dar es Salaam, 14.4 percent live in Other Urban Areas and over three quarter of the poor population (84.1 percent) live in Rural Areas.

Figure 3: Percentage Distribution of Poor Population by Area, Tanzania Mainland, 2011/12



Trends in Poverty 2007 to 2011-12

The poverty headcount rate for the 2011/12 HBS is 28.2 percent while in the 2007 HBS it was 33.6 percent. This could be interpreted that poverty has fallen over the five year period. However it is very important to note that due to improvements in the methodologies used in the 2011/12 HBS the income poverty statistics are not strictly comparable. The methodology employed in estimating poverty rates in 2007 is being revised to match the methodological improvements implemented during the 2011/12 HBS. The detailed trend of income poverty indicators will be presented in the 2011/12 HBS Main Report.

The Depth of Poverty in 2011/12

In addition to examining the income poverty (poverty headcount rate), it is useful to examine the **poverty gap**. Poverty gap is the average shortfall of per capita consumption in the population relative to the poverty line, which helps to identify the **depth** of poverty. The deeper in poverty someone is, the larger the poverty gap index. Data from 2011/12 HBS shows the overall poverty gap index for Tanzanian Mainland population is 6.7 percent, while the gap for population living in Dar es Salaam is 0.8 percent. The gap in rural areas is 7.9 percent meaning that the population living in rural areas are deeper in poverty (they are further away from the poverty line).

Table 2: Poverty Gap Index by Area (Percent), Tanzania Mainland, 2011/12

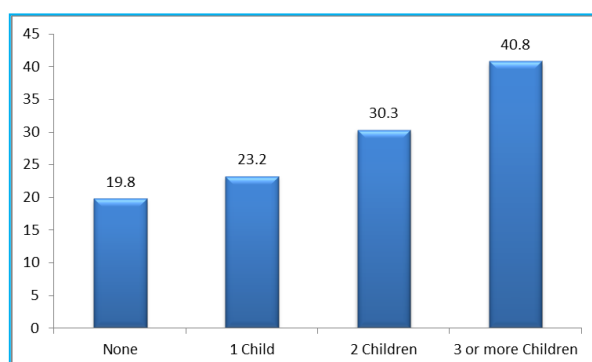
	Dar es Salaam	Other Urban Areas	Rural Area	Tanzania Mainland
Poverty Gap Index	0.8	5.5	7.9	6.7

The poverty gap can allow quantification of the absolute minimum in terms of how much money (transfer) would be needed to bring the poor population up to the poverty line. The amount of transfer is obtained by multiplying the poverty gap for Tanzania Mainland (0.067) by the total population living in private households (42.3 million) and multiply by the basic needs poverty line value (36,482 TShs). This results in **TShs 103.3 billion per month** (approximately **US\$64.6 million per month**) needed to bring the total poor population of Tanzania Mainland up to the basic needs poverty line.

Poverty by Household Composition

Several surveys have shown an association between the number of children and the incidence of poverty. The 2011/12 HBS results show a similar pattern, whereby the incidence of poverty increases with the number of young children in the household (Figure 4).

Figure 4: Poverty Headcount Rates (Percent) by Number of Children (0-6 Years), Tanzania Mainland, 2011/12



The poverty rate increases with household size. Over three-fifths (61.9 percent) of Tanzania's Mainland poor people are living in households with 7 or more household members, Table 4.

Table 3: Poverty by Household Composition (Percent), 2011/12

Number	Poverty headcount rate	Distribution of poor Population
Children aged 0 to 6		
None	19.8	17.2
1 child	23.2	22.6
2 children	30.3	27.2
3 + children	40.8	32.9
Total	28.2	100.0
Household size		
1	2.1	0.1
2	9.1	1.3
3	12.9	4.1
4	16.4	7.2
5	23.1	11.5
6	28.0	13.8
7 +	38.9	61.9
Total	28.2	100.0

Inequality Levels

Income inequality refers to the extent to which income is distributed in an uneven manner among the population. Consumption per adult equivalent can be used to examine inequality of income. **Gini coefficients and quantile ratios** are the most common indices used to measure inequality. The Gini coefficient ranges from 0 (every person has the same consumption) to 1 (one person has all of the consumption in the country). The Gini coefficient stands at 0.34 in the 2011/12. There is more inequality among the individuals in Other Urban Areas compared to that of Dar es Salaam and Rural Areas. The quantile ratio, which is a ratio of consumption of the richest 90 percent to consumption of the poorest 10 percent, also shows that Other Urban Areas have more inequality.

Table 4: Gini Coefficient and Quantile Ratio by Area, Tanzania Mainland, 2011/12

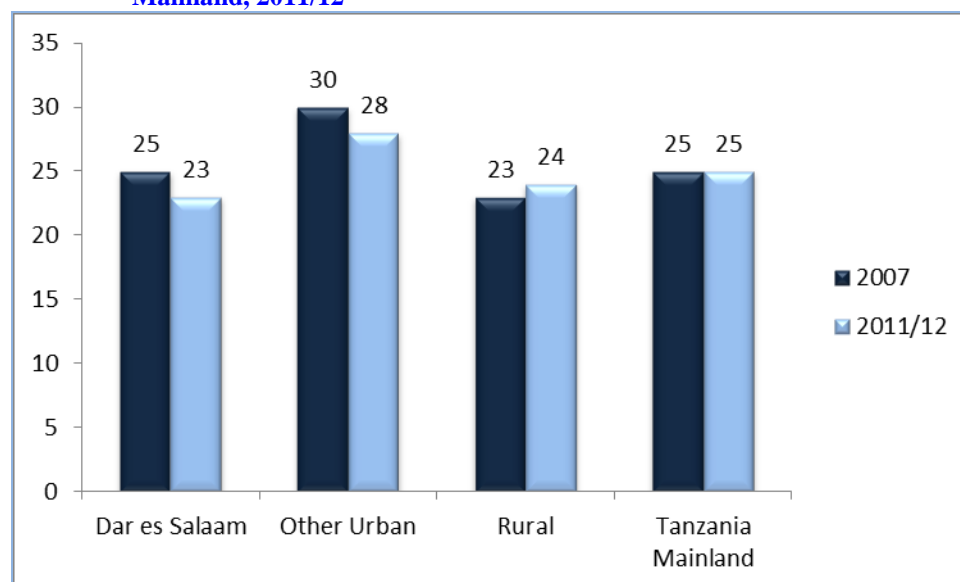
Item	Dar es Salaam	Other urban Areas	Rural Area	Tanzania Mainland
Gini Coefficient	0.35	0.37	0.29	0.34
Quantile ratio	4.1	4.7	3.5	4.1

Non- Income Poverty Indicators

Households Profile

The 2011/12 HBS shows that Tanzania Mainland households consist of an average of five people. Nearly half (48 percent) of household members are dependants (children under age 15 and elders aged 65 or more years). About a quarter (24.7 percent) of Tanzanian Mainland households are headed by females. This shows that, generally there is no change in the proportion of women headed households between 2007 HBS and 2011/12 HBS. While this proportion has decreased in Dar es Salaam and Other Urban Areas, it has increased slightly in Rural Areas. Also, Other Urban Areas continued to have the largest proportion of female headed households.

Figure 5: Percentage of Households Headed by Women and by Area, Tanzania Mainland, 2011/12

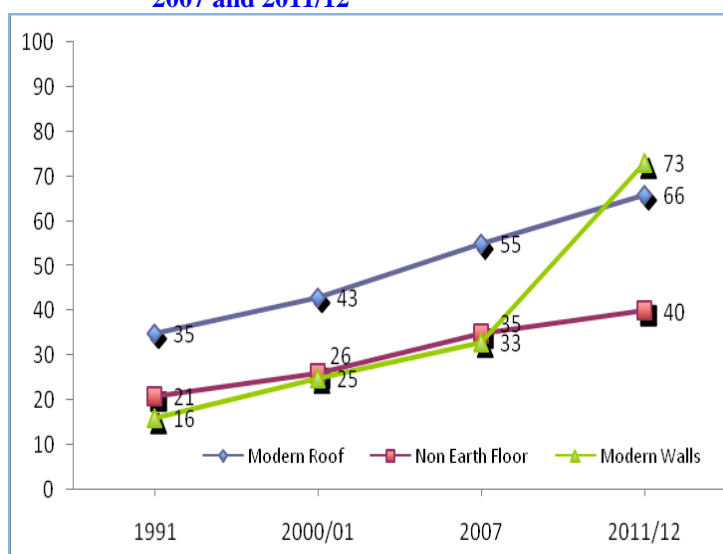


Housing Conditions

There has been a continuous rise in the proportion of households living in dwellings built with modern materials. Nearly 66 percent of households in 2011/12 live in houses with a modern roof compared to 55 percent of households in 2007. Similarly, 73 percent of households live in houses with modern walls in 2011/12 HBS compared to 33 percent in 2007 HBS. Modern walls are those built with stones; cement bricks, sundried & baked bricks while modern roofs are those built by iron sheet or metal.



Figure 6: Percentage of Households with Dwellings Made of Modern Materials, Tanzania Mainland, 1991, 2000/1, 2007 and 2011/12



Overall, 18 percent of Tanzania Mainland households live in houses that are connected to the national electricity grid in 2011/12 HBS. This is an increase of 6 percent compared to results of 2007 HBS. Coverage of the grid connectivity is more extensive in urban areas than rural areas. About 68 percent of households in Dar es Salaam, 36 percent in Other Urban Areas and 4 percent of Rural households are connected to the grid.

Energy Use

The 2011/12 HBS results show that kerosene/paraffin is widely used for lighting in Tanzania (61 percent). Use of kerosene/paraffin in Rural Areas is highest (70 percent) compared to Other Urban Areas (55 percent) and Dar es Salaam (23 percent).

The use of electricity for cooking is generally less common (less than 1 percent). About 66 percent of households use firewood as their main source of energy for cooking. Use of firewood for cooking is more extensive in Rural than Urban Areas. About 89 percent of households in Rural Areas, 30 percent in Other Urban Areas and 3 percent of Dar es Salaam households use firewood as the main source of energy for cooking.

Ownership of Dwellings

Overall 76 percent of households own the house they live in. This proportion is highest in Rural Areas where 89 percent of households own their dwellings. Ownership of dwellings is 58 percent in Other Urban Areas and 37 percent in Dar es Salaam.

Ownership of Transport and Communication Facilities

There is a positive trend (Table 6) of ownership of assets for transport and communication. The ownership of motorcycles reached 4 percent, radios (55 percent) and 57 percent of households have at least one member owning a mobile phone. Ownership of mobile phones

differs significantly among the three strata. While about 78 percent and 88 percent of households in Other Urban Areas and Dar es Salaam respectively own at least one mobile phone, 45 percent of Rural households have mobile phones.

Education and Health

About 20 percent of Tanzania Mainland adults had no education in 2011/12 while in 2007, about 19 percent of adults had no education. Disaggregation by sex shows that men were more likely to have some education (87 percent) than women (76 percent).

Overall, about 78 percent of children aged between 7 to 13 years are enrolled in primary schools; this is a decline from 84 percent in 2007. Primary enrollments ratio were higher in Other Urban Areas than in Rural Areas. Again, as in 2007, the proportion of girls (77 percent) attending primary school in Rural Area was higher than that of the boys (71 percent).



The results of 2011/12 HBS show that there was an increase of ill or injured persons who consulted any health provider compared to 2007. Seventy-one percent of ill or injured persons consulted a health provider four weeks before the survey compared to 69 percent in 2007.



Water and Sanitation

About 69 percent and 61 percent of household use protected water source during rainy and dry season respectively. The 2011/12 HBS also shows that about 84 percent of the households are within a kilometer of drinking water during the rainy season, and 71 percent in the dry season. The HBS 2007 did not distinguish between the two different seasons and thus the indicator cannot be compared directly.



A large proportion of Tanzanian households reported having a toilet facility though there was a decrease from 93 percent in 2007 to 88 percent in 2011/12. The decline is only in Rural Areas (dropping from 91 percent to 83 percent). In other areas the percentage of households with toilet facilities increased slightly between the two periods.



Economic Activities, Land and Agricultural Implements

Mainland Tanzanians are still depending on agriculture as their main occupation and about three quarters (74 percent) of them are employed in household farming activities. The main occupation in rural and other urban areas is farming, of which about 89 percent are in rural areas and 44 percent in other urban areas. However, the main occupation of Dar es Salaam residents is self-employment or employment in non- agriculture activities (38 percent). This information cannot be compared directly with 2007 HBS due to improvements in economic activity questions.



Table 5: Percentage Distribution of Currently Employed Population by Main Occupation and Geographical Areas, 2011/12

Occupation	Geographical Area			
	Dar es Salaam	Other Urban	Rural	Tanzania Mainland
Legislators, administrators and managers	1.7	0.8	0.1	0.4
Professionals	5	2.1	0.3	1
Technicians and associate professionals	4.6	3.3	0.9	1.6
Clerks	2.6	0.7	0.1	0.4
Service workers and shop sales workers	15.7	5.6	0.9	3
Skilled agricultural and fishery workers	0.7	0.6	0.7	0.7
Craft and related workers	8.1	2.8	0.5	1.6
Plant and machine operators and assemblers	8.8	2.8	0.3	1.4
Elementary occupations	5.1	2.7	0.7	1.5
Household farming	4	43.9	88.5	73.6
Self-employer or employee non agriculture	37.8	28.3	5.7	12.3
Unpaid household helper	5.7	6.4	1.3	2.5
Total	100	100	100	100

Note: This information is for individuals' age d 15 years and above

With respect to land ownership, the mean area owned by Tanzanians households increased from 5 in 2007 to 6 acres in 2011/12. Rural households own more land area than other areas with an average of 7 acres. Dar es Salaam and other urban areas own an average of 6 and 5 acres respectively.

The 2011/12 HBS collected information on household ownership of productive assets, particularly items related to agricultural production and on the ownership of animals and land. The proportion of households owning specialized or mechanized agricultural equipment such as tractors and tractor ploughs is still very limited. However, almost all rural households (96.5 percent) own a hand hoe. This has increased from 87.6 percent in the 2007 HBS.

Table 6: Summary of Key Indicators from the Household Budget Surveys (1991/92 to 2011/12)

Indicator	1991/92	2000/01	2007	2011/12
Household and Housing				
Average household size	5.7	4.9	4.8	5
Mean percentage of dependants	40	42	43	48
Percentage of female-headed households	18	23	25	25
Percentage of households with a modern roof	36	43	55	68
Percentage of households with modern walls	16	25	35	46
Average number of persons per room for sleeping	2.6	2.4	2.2	2.7
Percentage of households with electricity	9	12	13	18
Ownership of Transport and Communication Facilities				
Percentage of households owning a radio	37	52	66	55
Percentage of households owning a television	-	-	-	16
Percentage of households owning a motorcycle	0.7	0.9	1.5	4
Percentage of households owning a landline telephone	1	1	1.1	1
Percentage of households owning a mobile phone	-	-	-	57
Education, Health, Water and Sanitation				
Percentage of adult men with any education	83	83	83	87
Percentage of adult women with any education	68	67	71	76
Primary net enrolment ratio	-	59	84	78
Percentage of children age 7-13 years currently studying	57	61	86	82
Secondary net enrolment ratio (forms I-IV)	-	5	15	29
Percentage of ill individuals who consulted any health provider	-	69	69	71
Proportion of households using protected water source in the rainy season	-	-	-	69
*Proportion of households using protected water source in the dry season	46	55	52	61
Household within a kilometer to a source of drinking water in rainy season	-	-	-	84
Household within a kilometer to a source of drinking water in dry season	-	-	-	71
Proportion of households with any toilet facility	93	93	93	88**
Economic Activities, Land and Farm Implements				
Percentage of adult person (15 years and above) with household farming as their main occupation	-	-	-	74
Mean area of land owned by rural households (Acres)	-	6	5	7

*Previous HBS's did not distinguish between dry and rainy seasons.

** HBS 2011/12 Introduced the use of a show card to demonstrate different types of toilets. This may explain the different result.



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