

INTEGRATED LABOUR FORCE SURVEY 2000/2001

FACT SHEET

The Integrated Labour Force Survey (ILFS), undertaken in 2000/01 by the National Bureau of Statistics (NBS) on behalf of the Ministry of Labour, Youth Development and Sports, is a large scale national survey covering more than 11,000 households; 8,000 of these are in the rural areas and the remaining are in the urban areas. It is another milestone by the Ministry in its priority endeavours to study and crack down the unemployment problem, after the formulation of the National Employment Policy (NEP) in 1997.

Today the Ministry of Labour, Youth Development and Sports has announced the results of the survey covering three important areas, namely; (i) labour force characteristics; employment, unemployment and underemployment, (ii) informal sector and (iii) child labour. The results have been analysed with both international perspective and national perspective.

Scope and Coverage

The survey was targeted to all individuals aged 5 years and above living in private households in Tanzania Mainland. A total of 11,660 households were interviewed, comprising of 80 households from each of the 100 rural villages and approximately 30 households each from 122 urban enumeration areas drawn from the standardized sampling frame- the National Master Sample.

The survey excluded individuals living in institutions such as army barracks, prisons, hospitals, etc. Households of diplomatic personnel accredited to Tanzania were also excluded.

The fieldwork was between April 2000 and March 2001

Type of information collected

The ILFS questionnaire was designed to collect a selected range of information on individuals and households covering the following main areas:-

- Household economic activities
- Individuals' economic and non-economic activities in the past 12 months and in the last 7 days
- Employment, Unemployment and Under-employment
- Informal sector activities
- Activities undertaken by children (age 5-17 years)
- Gender, age, education and skill training characteristics of household members

What are the emerging trends since the last survey, 1990/91

The ILFS 2000/01 used the same questions for measuring employment, unemployment and underemployment as in the last labour force survey conducted in

1990/91. However, additional questions were introduced for the first time to look at these measures with national perspective. Also a new set of questions for measuring child labour was attached as a separate module. It is therefore possible from these two surveys to come out with trend analysis of the key labour market indicators besides offering a lot more interesting information when the same data is looked at in a different way. About 12 indicators have been analysed to provide an indication of the capacity of the economy in absorbing the available human resources.

Key Labour Market Indicators (KLMI): Main results

The ILFS 2000/01 shows that the share of two important sectors, namely agriculture and public sector to total employment is declining while those of private formal sector and informal sector are rising. However, agriculture is still a predominant sector.

There is a decline of more than half in employment of public enterprises over the 10 year period. Drop in the public sector employment has caused a drift of labour to private sector including informal sector. Private formal sector employment more than doubled over the period. Likewise, informal sector employment increased by more than half, indicating in every three households there is an informal sector activity.

The results also show that unemployment rate is on the rise especially in urban areas. The increase in the overall unemployment rate is mostly due to the increase in urban unemployment.

The problem of unemployment between men and women continue to show notable differences in urban areas with women experiencing higher rate of unemployment than men.

Individual indicators

Labour force participation rate. There is a moderate increase in the participation rate from 72 in 1990/91 to 80 in 2000/01. As an indicator of the level of labour market activity in the country, this indicates that a greater part of the population of working age (10 years and above) is taking part in economic activities than it was in the past 10 years. However, much of the increase is due to the inclusion of fetching water and firewood collection as economic activities in the current survey than in the real increase in the economic participation by the working age population.

There is an increasing gap between participation rate of men and women. The male participation rate of 81 is 8 points higher than that of women compared to only 1 point in 1990/91 when male participation rate was 73.

Participation rates also show notable gaps between rural and urban populations. The gap seems to have doubled over the period with rural participation rate standing at 83; - 15 points higher than urban participation rate, as compared to 7 points gap in 1990/91 when rural participation rate was 74.

Employment to population ratio. This is a measure of the extent to which the available labour is actually utilised/employed, expressed as a percentage of the working age population. Current survey results show there has been an increase in the rate of utilisation of labour from 70 percent in 1990/91 to 76 percent in 2000/01. The increase is due solely to rural population as the urban employment to population ratio declined from 59.5 in 1990/91 to 58 in 2000/01. Rural employment to population ratio increased from 72 to 81 in the same period. As in the case of labour force participation rates, much of the increase is due to the addition of fetching water and firewood collection to the list of economic activities for the first time. Mainly rural population undertakes the two activities.

Status in employment. Changes in the four categories of employed population namely: wage and salary workers, employers and persons working on own account (excluding own account in agriculture), own account farm workers and unpaid family workers show there has been a decrease in the share of paid employment and own account farm workers categories. Paid employment decreased by 2 percent from 9.0 in 1990/91 and own account farm workers dropped by 3 percent from 84 in the same period. The category of non-farm own account workers (including informal sector) and unpaid family workers increased and thus offsetting the decrease in other categories.

Sector employment. The public sector employment has shrunk by half in the ten year period. Employment in Government decreased from 3 to 2 percent and employment in public enterprises from 2 to 0.5 percent. The share of agricultural sector also decreased from 84 percent in 1990/91 to 81 percent in 2000/01. Employment growth (or sources of jobs) has thus shifted away from these sectors to private non agriculture sectors – the formal and informal sectors. The share of these sectors increased from 2.8 to 4.5 and 8.5 to 8.8 percent respectively.

Informal sector employment. Employment in the informal sector has been growing over the years. It is estimated in every three households now there is an informal sector activity, compared to one activity in every four households in 1990/91. The number of households involved in this sector has increased in both urban and rural areas, though more rapidly in urban. About 61 percent of urban and over one quarter of the rural households operate informal sector activities compared to 42 and 21 percent respectively in 1990/91.

The characteristics which identify these activities include; they are not separate legal entities, do not keep a complete set of accounts, can be carried out inside and outside the owners home, and at least some of the output should be for sale.

Unemployment rate. Unemployment rate measured using labour force framework imbedded in the ILO definition, is 5.1 percent compared to 3.6 percent ten years ago. Most of the increase is due to inadequate job/employment opportunities for the growing urban population, given an increase of less than 1 percent in rural rate of unemployment. Unemployment rate in urban areas increased from 10.6 to 14.8, five times the rural one.

ILO definition is known to apply best in situations where the dominant type of employment is **regular full-time paid employment**. Since this is not the situation

in Tanzania where paid employment is only 7 percent of the total, the remaining lot being self employment either in subsistence agriculture or informal sector, the categorization of the working age population into employed, unemployed and inactive using the standard set of rules in the labour force framework becomes somewhat illusive. It is from this experience that a national definition was formulated for the first time to take into account the economic realities experienced by the population in question.

Going by national definition, total unemployment is 12.9. Urban unemployment is 32.0, with rural at 8.4. Further gaps of unemployment are also observed within the urban sector where population living in the city of Dar es Salaam experiences unemployment rates as high as 46 percent compared to 26 percent for the population living in other urban areas.

Results show that men and women living in rural areas experience almost the same rate of unemployment but they differ significantly in urban areas, women being more vulnerable than men.

Youth unemployment. Youths aged between 10 and 34 years continue to face more serious problem of unemployment compared to other groups because a majority of them enter the labour market for the first time without any work experience or skills. About 73 percent of the unemployed persons are youths. ILFS 2000/01 shows youth unemployment rate is about four times (350%) the adult unemployment rate and is growing at a rate twice as much.

Youths living in urban areas are more vulnerable than those living in rural areas. Unemployment rates for urban youths by their age groups range between 28.4 and 47.7 as compared to 8.4 and 11.9 for the rural youth.

Unemployment by educational attainment. 47.8 percent of the unemployed persons are primary school completers. The rate of unemployment differs by education level. Those with secondary education have an employment rate between 16 and 26 percent compared with a rate of 14 percent for primary school completers and 12 percent for the rest of the unemployed. 91 percent of the unemployed persons have no any training.

Visible underemployment. Based on ILO definition which was also used in 1990/91 labour force survey, the number of persons who work less than normal working hours per week due to economic reasons or could not find full-time work and are available for more work (visible under-employment) is increasing. The current underemployment rate is 11.2, higher by 6.9 percent over 1990/91 level. Over this period the number of underemployed persons has risen faster in rural than in urban areas, almost closing the gap that existed in 1990/91. Under-employment among women living in urban areas is higher than among men though the gap is now much reduced. The situation is the other way round in rural.

By national definition which measures underemployment among persons with stable employment, total under-employment is 5.3 and is higher among men (6.0%) than among women (4.7%).

Inactivity rate.

Inactive population of economic concern is a group of persons aged 25 to 59 years neither working or seeking work. This age group has generally finished school, but has not entered retirement age. The 2000/01 ILFS results show there are 402,000 out of 9.6 million persons (or 4.2%) inactive in this age group. Among these, 366,000 out of 9.0 million are in the 25 to 54 age bracket (or 4.1%), compared to 360,000 out of 6.4 million (5.6%) in 1990/91. This slight improvement in the absorption of this group into the labour force or economy is mainly due to the inclusion of collection of firewood and fetching water in the list of economic activities for the first time in the current survey.