

Stuck in poverty



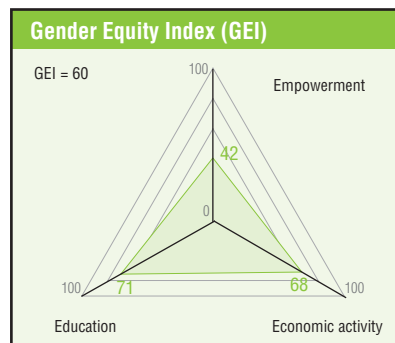
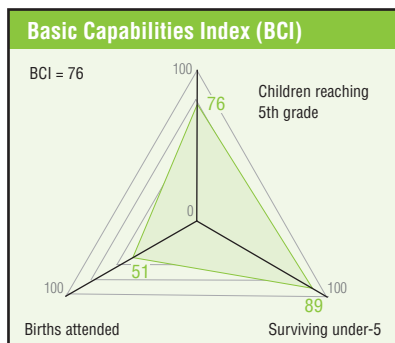
Food insecurity and poverty are the main challenges Tanzania faces today. Environmental issues such as deforestation, desertification, soil erosion and air pollution are not given appropriate attention by the Government, while small farmers continue to be displaced by foreign enterprises and the country's resources are exploited nearly to depletion. Inadequate and unsustainable policies, inappropriate technologies and insufficient rural infrastructure and institutions – combined with factors such as desertification, deforestation and the high incidence of pests and diseases – have led to increasing poverty, food insecurity and stalled development. If the present policies are not corrected, Tanzanians will be doomed to more poverty and hunger.

SAHRiNGON Tanzania
 Armando Swenya
 Martina M. Kabisama
LEDECO
 Clarence Kipobota

The Tanzanian economy depends heavily on agriculture, which employs some 80% of the workforce, contributes more than 40% of gross domestic product (GDP) and provides 85% of exports.¹ In 2010 74% of the population lived in rural areas while 26% were based in urban areas.² However rural-to-urban movement is increasing due mostly to the unequal distribution of social services. Farming and livestock production, which are among the key driving forces for poverty alleviation in the country, are therefore increasingly being jeopardized. The Government is doing very little to address the issues of poverty, food security and development, despite various policies and strategies including the National Strategy for Growth and Reduction of Poverty (better known locally by its Kiswahili acronym MKUKUTA) and the National Development Vision 2025.

Poverty is spreading

Tanzania is among the world's least developed countries, ranking 128th out of a total of 169 countries in the 2010 human development index.³ Real Gross Domestic Product (GDP) grew by 6.0% in 2009 compared to 7.4% in 2008, a slowdown attributed by the Government to the impact of the global financial crisis as well as the 2008–09 drought, which affected agricultural production, hydro power generation and industrial production.⁴ Moreover, although agriculture employs a huge number of people in Tanzania, for at least six years no more than 7% of the entire national budget has been allocated for that purpose. According to the 2007 House Budget Survey, about 33.6% of mainland Tanzanians live below the basic



needs poverty line, while 16.6% live below the food poverty line.⁵ The number of poor people has increased in recent years by 1.3 million,⁶ and the rate of unemployment is rising: about 11.7 million people who are able to work are unemployed.⁷ Moreover, the gap between the poor and the rich is getting wider.⁸

Although Tanzania has legislation on investment issues, there are a number of problems relating to foreign direct investment. This is the case, for example, with the signing of dubious mining contracts (e.g., Buzwagi, Richmond and Dowans, and IPTL) between the Government and foreign investors.⁹ Also, land grabbing by State bodies in favour of foreign investors is on the rise. The open door policy of the Tanzania Investment Centre (TIC), which is committed to attracting foreign investors, has been detrimental to local people. Small and medium-sized enterprises are unable to compete because they do not have enough capital and business expertise, while villagers are forcefully evicted to make room for foreign enterprises.

Environmental and health challenges

Deforestation is one of the main environmental problems that threaten the country. Despite 40% of the territory being preserved in parks, forests are rapidly shrinking in some regions. Overall forest cover fell by 15% between 1990 and 2005, but deforestation rates have increased significantly since 2000.¹⁰ Also, there is concern about soil degradation (as a result of recent droughts), desertification and loss of biodiversity, with 22 of Tanzania's mammal species – along with 30 bird species and 326 plant species – endangered as of 2001.¹¹ Marine habitats are also threatened by damage to coral reefs caused primarily by the use of dynamite for fishing.¹²

Soil erosion and pollution are of particular concern in mining sites. In January 2009, for example, North Mara Gold Mines piled up about 2,000 tonnes of toxic debris without any precaution or assessment of its impact on the surrounding communities. When the rain came, the debris was washed into River Tighite, which serves the villages of Nyakunsuru, Nyamone and Weigita in the Mara Region, causing fish and trees to die.¹³

1 CIA, *The World Factbook, Tanzania*, (May 2011), <www.cia.gov/library/publications/the-world-factbook/geos/tz.html>.

2 Ibid.

3 UNDP, *Human Development Report 2010 – The Real Wealth of Nations: Pathways to Human Development*, (New York: 2010), <hdr.undp.org/en/reports/global/hdr2010/chapters/en>.

4 Ministry of Finance and Economic Affairs, *The Economic Survey 2009*, (Dar es Salaam: June 2010), <www.tanzania.go.tz/economicsurvey1/2009/THE%20ECONOMIC%20SURVEY%202009.pdf>.

5 Legal and Human Rights Centre (LHRC), *Tanzania Human Rights Report 2009*, (Dar es Salaam: 2009), <www.humanrights.org.tz/wp-content/uploads/2010/10/Tanzania-Human-Rights-Report-2009.pdf>.

6 World Bank, *Tanzania: Country Brief*, <go.worldbank.org/7SUHE823VO>.

7 Jamhuri ya Muungano wa Tanzania: Maoni ya Watananzia Kuhusu Ukuaji wa Uchumi na upunguzaji Umaskini na Kipato, Hali yao ya Maisha na Ustawi wa jamii na Utawala Bora na Uwajibikaji, (2007).

8 Trading Economics, *Gini Index in Tanzania*, <www.tradingeconomics.com/tanzania/gini-index-wb-data.html>.

9 The Parliament of the United Republic of Tanzania's Hansard of the 44th meeting, (14 August 2007), <www.ere-to-npp.org/.../Walsh_2007_Pastoralism_and_Policy_Processes_in_Tanzania.pdf>.

10 Mongabay.com, *Tanzania*, <rainforests.mongabay.com/20tanzania.htm>.

11 Encyclopedia of the Nations, *Tanzania – Environment*, <www.nationsencyclopedia.com/Africa/Tanzania-ENVIRONMENT.html>.

12 Ibid.

13 LHRC, op. cit., pp. 134–35.

Agriculture and food security

Challenges in the agricultural sector include a lack of appropriate agricultural policies and practices and the lack of funds in – and poor utilization of – the agriculture budget. In addition, the agricultural field technicians are unmotivated and inexperienced.

Dependence on development partners is another obstacle to the sustainability of agriculture, since most of the budget for development comes from donors. In fact, for the 2010 budget, all the funds that were to be allocated came from development partners.¹⁴ With this poor limited budget farmers and livestock keepers are unable to fight food insecurity, while their very low incomes do not meet even the minimum standard of life.

The country has a number of policies and laws focused on food security. The Food Security Act of 1991, for example, established a Food Security Department to oversee the establishment and management of a strategic grain reserve. Other institutional mechanisms in this regard are the National Food Reserve Agency (NFRA) and the National Food Security Division. The aim of the former is to maintain an optimum national level of food reserves to address local food shortages and respond to emergency food requirements as well as to guarantee national food security by procuring and reserving food stocks in an efficient and cost-effective manner.

However despite all these efforts the challenge is still looming. For instance, in June 2009 the Ministry of Agriculture announced a severe lack of food in the Chamwino district in Dodoma region, with a total of 17,080 households being unable to afford daily food. In order for the district to satisfy its basic needs 63,501,000 kg of food are required, while the realized production for 2008/09 was only 12,178,000 kg.¹⁵

Partly this is due to the inadequate measures undertaken by all the institutions set up under the food Security Act, together with the use of inappropriate technologies, desertification, deforestation and the incidence of pests and diseases together with inadequate rural infrastructure, as well as weak and underfunded rural institutions.

Sustainability challenges

Since 1990, Tanzania has been implementing a sustainable development strategy that pays special attention to environmental issues. A National Environmental Action Plan was established in 1994, leading to the adoption of the 1997 National Environmental Policy and to the drafting of the National Strategy for Sustainable Development in 2000.¹⁶

Nevertheless, despite this policy framework, the country has not succeeded in coping with environmental challenges. This is due mostly to insufficient institutional frameworks for coordination, limited government capacity for environmental management,

and insufficient involvement of local authorities and communities in environmental management and conservation. Poverty is also a key factor: it adds to environmental degradation, through for example, the use of wood as a source of energy, which contributes to deforestation and soil erosion, while environmental degradation contributes to the intensification and perpetuation of poverty. Throughout the country, energy utilization is characterized by a high consumption of traditional energy sources such as wood for cooking and kerosene for light. In addition, high prices for petroleum products (especially kerosene) and increasing electricity prices could turn urban and rural energy demand back to traditional fuels.¹⁷

Conclusion

To achieve sustainable economic development, the Government needs to focus on issues such as rural development, agricultural improvement and economic empowerment of the rural population. It also needs to increase transparency in contracts with foreign investors and at the same time give legal and economic empowerment to local producers and traders. Problems such as unemployment and the widening gap between the poor and the rich also need to be tackled. While issues such as the budget allocation for agriculture and food security remain only partially addressed, Tanzanians will continue to suffer from hunger and poverty. ■

14 Policy Forum, *The Citizens' Budget: A Simplified Version of the National Budget 2010/11*, (Dar es Salaam: 2010), <www.policyforum-tz.org/files/CBenglish2010.pdf>.

15 LHRC, op. cit., p. 121.

16 B. Makiya Lyimo, *Energy and Sustainable Development in Tanzania*, (Helio International/ Sustainable Energy Watch, 2006), <www.helio-international.org/uploads/Tanzania-EN.pdf>.

17 Ibid.