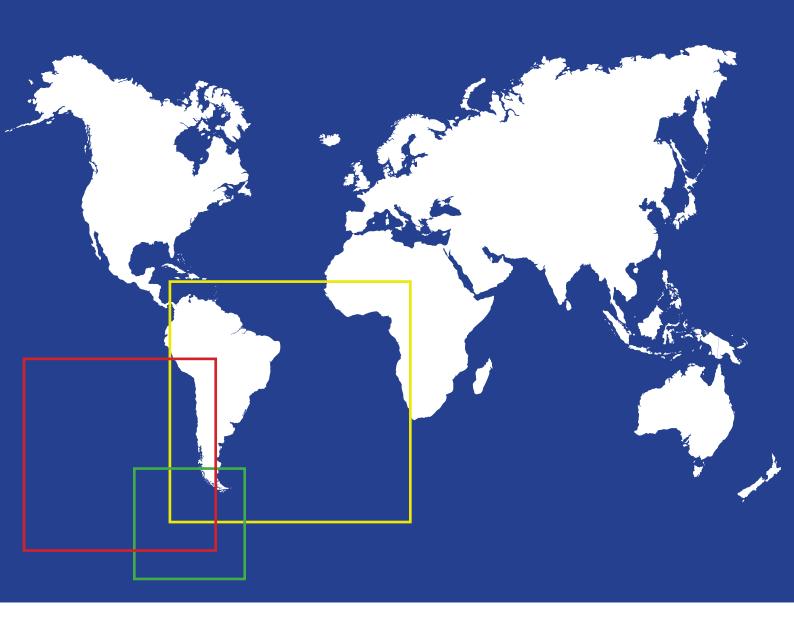


# Decent Work Country Profile TANZANIA (mainland)



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ILO Cataloguing in Publication Data:

Decent work country profile Tanzania (mainland) / International Labour Office. - Dar es Salaam and Geneva: ILO, 2010.

1 v.

ISBN: 978-92-2-122957-5 (print); 978-92-2-122958-2 (web pdf).

International Labour Office

decent work / employment opportunity / working conditions / social security / social dialogue / Tanzania 13.01.1

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## Preface

Work is central to people's lives. Yet often times people work in conditions that compromise their ability to live productive lives. Ninety years ago, the International Labour Organization set out a vision: "Whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperiled; and improvements in those conditions is urgently needed." (*Preamble to the Constitution of the International Labour Organization, 1919*). Today that vision is encompassed in ILO's Decent Work Agenda which "sums up people's aspirations for a full and productive employment that delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men".

Achieving the multifaceted aspirations of working people is a surmountable task that requires careful monitoring and measurement of the different dimensions of decent work in order for Governments, Employers and Workers to be able to make informed decisions on policies affecting the world of work. The ILO has therefore invested a lot in measuring progress towards decent work. It is within this context that the United Republic of Tanzania participated in the initial discussions and later in a piloting exercise on Decent Work Indicators, which consisted of both statistical indicators and the legal and institutional framework describing working conditions.

In this pilot study, which covered only mainland Tanzania and not the island of Zanzibar, the Ministry of Labour, Employment and Youth Development worked in close collaboration with the Association of Tanzania Employers (ATE) and the Trade Union Congress of Tanzania (TUCTA) under the guidance of the National Bureau of Statistics (NBS). A number of tripartite plus meetings preceded the National Stakeholder Consultative meeting on 14-15 September 2009 that reviewed the first Decent Work Country Profile for the United Republic of Tanzania.

As first of its kind, the Tanzania Decent Work Country Profile provides an important milestone in the country toward decent work and clearly outlines the remaining challenges in making employment a development goal in the country. Understandably, a number of challenges were encountered in developing the profile in particular in integrating data sources and ensuring the reliability of available data.

The first Decent Work Country Profile for Tanzania indicates that the country is making good progress; however, a lot more need to be done in terms of developing statistical indicators regarding the informal economy that employs more than eighty percent of people in the country. Generally, the trends show some improvements towards the creation of employment opportunities, although significant deficits remain. These trends, though positive, reveal that there are still not enough employment opportunities being created. The profile shows that real earnings in the non-agricultural sector have increased substantially since the early 1990s, marking significant overall progress towards adequate earnings. Despite this positive development, and despite high employment-to-population ratios, the situation is that earnings

<sup>&</sup>lt;sup>1</sup> The ILO definition of Decent Work can be found in the following link: http://www.ilo.org/global/About\_the\_ILO/Mainpillars/WhatisDecentWork/lang-en/index.htm

are still inadequate for a large proportion of the Tanzanian population, and are insufficient to pull a large number of people out of poverty.

It is hoped that, despite the short-time frame used, this profile provides an overview of progress towards all aspects of decent work in the United Republic of Tanzania.

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## Acknowledgements

The Decent Work Country Profile for Tanzania (mainland) has been compiled by the International Labour Office in collaboration with the Ministry of Labour, Employment and Youth Development, the Association of Tanzania Employers, the Trade Union Congress of Tanzania and the National Bureau of Statistics. The International Labour Office would in particular like to thank the following persons for their contributions:

Tulia Ackson; Mary Aiwinia; Novati Buberwa; Isaiah Jairo; Josephat M. Lugakingira; Baraka H. Luvanda; Margaret Mandago; Erena Materu; James Mbongo; Clara Melchior; Mark Mfunguo; Nicholas Mgaya; Oscar Mkude; Aggrey Mlimuka; Robert Msigwa; Kijakazi Mtengwa; Ayub M. Musa; Godwin Mpelumbe; Edwin Mwakyembe; Pendo Mwandoro; Ernest K. Ndimbo; George Ruigu; Thomas Saguda; Joyce Shaidi; Joseph Shitundu; and Hawa Wenga.

While acknowledging the contributions of all mentioned, any errors or omissions found in the Decent Work Country Profile for Tanzania (mainland) will remain to be the responsibility of the International Labour Office.

## Summary

Over the past decade, Tanzania has made notable progress in improving the social and economic context for decent work. Within a stable macroeconomic environment, the country experienced a period of relatively high growth and low inflation. Social indicators also improved, most notably with respect to school enrolment (see Chapter 11 "Economic and social context for decent work"). These generally favourable developments have translated into progress with respect to a number of important aspects of decent work, such as increased creation of formal employment opportunities and an increase in earnings from non-agricultural self-employment and from paid employment. However, as this report argues, the challenges faced by the country on its path towards achieving decent work for all men and women in Tanzania remain formidable. The Decent Work Country Profile for Tanzania (that discusses developments in the mainland only)1 analyzes progress and challenges across ten different thematic areas, ranging from employment opportunities to social dialogue and workers' and employers' representation. The profile relies on statistical Decent Work Indicators (the great majority of which were produced by Tanzania's National Bureau of Statistics) and information on rights at work and the legal framework for decent work that is presented in the form of Legal Framework Indicators.

With respect to employment opportunities, the decent work country profile shows some progress (see Chapter 1 "Employment opportunities"). The share of the working-age population in employment has grown slightly between 2000/01 and 2006 (the two years with available survey data) and unemployment fell marginally. While these statistics do not reveal much about the quality of jobs, it is encouraging that the share of own-account workers and contributing family workers in total employment (often called 'vulnerable

employment') fell marginally. Likewise, the share of workers who are considered to be in informal employment declined gradually, meaning that a higher proportion of workers benefited from the security and protection that formal employment offers. At the same time it must be stressed that, despite these positive developments, the overwhelming majority of Tanzanian workers (approximately 90 per cent) remain in vulnerable and informal employment. The situation of the youth population, particularly those in urban areas, is critical in terms of unemployment. Lack of sufficient employment opportunities for young women, who have increasingly participated in the labour market, further complicates the situation. The effects of the current global crisis, though not yet showing in the statistics, could create additional challenges, in particular with respect to the tourism industry and export-oriented sectors.

Real earnings in the non-agricultural sector have increased substantially since the early 1990s, marking significant overall progress towards adequate earnings for employees and self-employed workers outside agriculture (see Chapter 2 "Adequate earnings and productive work"). Despite this positive development, and despite high employment-to-population ratios, earnings are still inadequate for a substantial proportion of the Tanzanian population, and are insufficient to pull a large number of people out of poverty. Working poverty remains a significant challenge, with almost one third of workers living in poverty.2 There are continued disparities in the earnings of men and women, and between urban and rural areas. On the positive side, however, there were some signs of a decline in these gender and urban/ rural disparities. The situation is generally better for those predominantly in paid employment, and expanding equitable access to paid employment thus constitutes one of the paths towards decent employment and represents an important policy challenge. The Government has put in place a

Since labour is not a Union matter, the mainland and Zanzibar have separate labour market institutions and separate statistical systems.

<sup>&</sup>lt;sup>2</sup> Based on the Basic Needs Poverty Line.

legislative framework as well as institutions and policies to deal with wage issues, especially in the private sector and with respect to minimum wages. These are relatively recent initiatives and the extent and consequences of their implementation are yet to be determined. The large informal sector and the rural agricultural sector are, however, still outside the purview of these actions.

With respect to decent hours, Tanzania has made no progress over the period from 1991 to 2006 (see Chapter 3 "Decent hours"). While many Tanzanians continue to work excessive hours (i.e. more than 48 hours per week), more and more Tanzanians lack an adequate volume of work and therefore involuntarily work fewer hours than they want to. The proportion of workers with decent hours of work (i.e., who work neither excessive hours and are not underemployed) is thus low and has continued to fall over the past years. The effective implementation of the legal framework for maximum hours of work that has been set up could redress this situation, as it would reduce the numbers having excessive hours and therefore create work for those having few hours. However, in so far as self-employed workers work excessive hours in order to compensate for low hourly earnings, increasing productivity and the returns to work would be another important policy element.

The decent work country profile notices large gender discrepancies with respect to combining work, family and personal life (see Chapter 4 "Combining work, family and personal life"). Time-use statistics show that women shoulder the bulk of unpaid household work (household maintenance and care of children and the sick), and do this in addition to - and to some degree at the expense of – their involvement in economic work. Effective coverage by provisions such as paid maternity leave has remained low, especially since only a small minority of women holds formal jobs. While it is the desired goal of the Government to extend provisions for combining work and family life to workers in the informal economy and to self-employed women workers, this is an uphill task since the majority women are not in standard employment relationships. Particular attention should be paid to efforts at facilitating policies such as the provision of child care services,

social community-based services for the elderly and sick people, with focus on HIV/AIDS-related needs, and other services to workers with family responsibilities.

As concerns work that should be abolished, gradual progress could be noted with respect to child labour (see Chapter 5 "Work that should be abolished"). Child labour remained generally quite common in 2006, when 27.5 per cent of all children in the age group from 5 to 17 years were considered to be in child labour. This is partly a reflection of the role of children in activities generating supplementary incomes at household level in the presence of factors debilitating the adult population including HIV/AIDS. There are considerable differences between urban areas (where the rate was 10.7 per cent) and rural areas (32.3 per cent). Overall, fewer girls than boys are engaged in child labour. The encouraging sign is that from 2000/01 to 2006, the overall rate decreased from 31.3 to 27.5 per cent. According to the Government of Tanzania, the worst forms of child labour are currently concentrated in four major sectors/ areas, namely: commercial agriculture; mining and quarrying; domestic service; and commercial sex.3 Due to the lack of data, no assessment of developments in terms of forced labour was possible. Forced labour is extremely difficult to measure with acceptable precision and is in most cases under-reported. While legal provisions such as the general prohibition of forced labour are in place, the ILO Committee of Experts on the Application of Conventions and Recommendations (Committee of Experts) has voiced concerns over the application in practice.

The general situation with respect to stability and security of work is not encouraging, due to data limitations no firm statement about progress over time can be made (see Chapter 6 "Stability and security of work"). Among those in paid employment, more than half were in precarious work in 2006 (i.e. were contract or casual workers). For self-employed workers outside agriculture, almost one quarter considered their work unreliable. The picture would most likely be even bleaker if self-

<sup>&</sup>lt;sup>3</sup> See United Republic of Tanzania: *National strategy for growth and reduction of poverty* (NSGRP) (Vice President's Office, June 2005), p. 10, http://www.tanzania.go.tz/pdf/nsgrptext.pdf.

employed workers in agriculture – the largest proportion of employed persons – were included. Given the nature of their agricultural activities, it is unlikely that their work could be considered stable and secure. The statistics on informal employment discussed in Chapter 1 capture this overall picture: Some 93.3 per cent of all employed persons were in informal employment in 2006. However, this was a slight improvement over 2000/01, signalling that there was some progress with respect to the creation of formal jobs.

In terms of equal opportunity and treatment in employment, Tanzania has made positive strides in creating an enabling legal framework for promoting equality in employment and occupation with a view to eliminating discrimination on a wide range of grounds (see Chapter 7 "Equal opportunity and treatment in employment"). While the decent work indicators highlight the fact that Tanzania has made some progress in recent years, more needs to be done by way of enforcing the law and effective policy implementation to reduce the gender inequality that still persists. Women still have less access to wage-employment than men, their careers seldom take them into positions of senior management, and they receive far lower earnings than men. Gender segregation seen in the context of the labour market is detrimental to women in terms of the quality of their employment. To some extent, it is predetermined through choices made in the education and training systems. One therefore finds that women are not enjoying equal opportunities and treatment in these areas. Thus, occupational segregation by sex is rife and is detrimental to women in terms of the quality of their employment. Laws, policies and programmes have to address the historically disadvantaged situation of women more effectively to foster an environment that fully guarantees equal opportunity and treatment of women.

A lack of resources and labour inspectors has hampered efforts to address the issue of safe work effectively (see Chapter 8 "Safe work environment"). The occupational health and safety legislation has been reviewed and an agency has been established. However, the shortage of staff and funds hinder its efficient functioning. The confusion and possible conflict of interest in terms

of the roles of the labour officers in the Ministry of Labour has been resolved by the labour law reforms in 2004. Previously, labour officers were required to, on the one hand, conduct labour inspections and investigations and, where necessary, prosecute employers in courts of law and, on the other, to chair conciliation boards and give decisions which were binding on employers. The functions of labour inspectors are now separated from those of the mediators and arbitrators. However, there is still need to do more recruitment of labour inspectors, raise awareness among workers and employers to adhere to legislation. The reporting system used to collect data on injuries, both fatal and non-fatal, cannot show a complete picture of the situation in Tanzania (due to likely under-reporting and the exclusion of agriculture).

The available data show gradual progress with respect to social security (see Chapter 9 "Social security"). Over the past years, social security expenditure increased in relation to GDP, the coverage of the economically active population by contributory social security schemes was expanded slightly (to 3.6 per cent in 2007), and the share of elderly persons who received a pension grew marginally (to 4.2 per cent in 2007). Nonetheless, the indicators on the performance of the social security system in Tanzania suggest that workers in Tanzania have limited and insufficient social protection, and that coverage of contributory social security schemes in practice is largely restricted to formal workers (of whom about half enjoy protection). It is also evident that short-term social risks such as unemployment are not covered in current system. Provisions for long-term benefits such as pension benefits and survivorship are limited to few individuals. In this respect, the system still has a long way to go to deliver effective social protection to all Tanzanian workers.

Only an incomplete assessment could be made with respect to social dialogue and the representation of workers and employers (see Chapter 10 "Social dialogue, workers' and employers' representation"). Tanzanian legislation guarantees employers and employees the right to form and join association. While the number of members in trade unions affiliated to TUCTA (the main trade

union federation) has grown in recent years, the increase in membership has not kept pace with the increase in paid employment. Therefore, the trade union density rate has declined; currently only one in five employees is a member of a trade

union. The Association of Tanzanian Employers (ATE) represents over 800 enterprises that, between them, employ roughly 14 per cent of all paid employees. No data on coverage by collective bargaining agreements was available.

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## List of abbreviations

ASDP Agricultural Sector Development Programme

ATE Association of Tanzania Employers

BEST Business Environment Strengthening Programme for Tanzania

CHF Community Health Fund

CMA Commission for Mediation and Arbitration

CWT Tanzanian Union of Teachers

DFID Department for International Development GEPF Government Employees Provident Fund

HIPC Highly Indebted Poor Countries ILFS Integrated Labour Force Survey

IPEC International Programme on the Elimination of Child Labour

LAPF Local Authorities Pension Fund LESCO Labour, Economic and Social Council

LIA Labour Institutions Act

MDG Millennium Development Goal

MKUKUTA National Strategy for Growth and Reduction of Poverty (or NSGRP)

MLEYD Ministry of Labour, Employment and Youth Development

NBS National Bureau of Statistics

NECP National Employment Creation Programme

NEP National Employment Policy

NEPSA National Employment Promotion Service Act

NHIF National Health Insurance Fund

NISCC National Inter-Sectoral Coordination Committee

NSSF National Social Security Fund

NYEAP National Youth Employment Action Plan

OSHA Occupational Safety and Health Act / Occupational Safety and Health Authority

PPF Parastatal Pensions Fund PSPF Public Service Pensions Fund

SB Social Budget

SPER Social Protection Expenditure and Performance Review

SSRA Social Security Regulatory Authority
TANAPA Tanzania National Parks Authority

TASCO Tanzanian Standard Classification of Occupations

TUCTA Trade Union Congress of Tanzania

# **1**Employment opportunities

The Government of the United Republic of Tanzania has embraced the employment and Decent Work Agenda as a social commitment to the development and well-being of the country. The National Strategy for Growth and Reduction of Poverty (NSGRP or MKUKUTA)<sup>1</sup> identifies employment as an important policy and strategic issue in poverty reduction. MKUKUTA seeks to create decent job opportunities for the unemployed by:

- creating jobs that are free from appalling working conditions;
- providing an income that is sufficient to cater for basic social and economic needs;
- balancing the needs and rights of both workers and employers;
- providing commitment to social dialogue.

Tanzania has not ratified the Employment Policy Convention, 1964 (No.122). It has, however, formulated a National Employment Policy (2008) which sets out the national strategy for employment promotion (see also Legal Framework Indicator 1 "Government commitment to full employment"). In the quest to promote decent work, the Government has, with the support of the ILO, developed a Decent Work Country Programme that is aligned to the MKUKUTA and other national development frameworks such as the Tanzania Vision 2025. The Decent Work Country Programme priorities are poverty reduction through creation of decent work with a focus on young men and women, reduction of incidence of child labour and its worst forms, and mitigating the socioeconomic impact of HIV/AIDS.

Some of the progress made in recent years is evident from decent work indicators in Table 1. They are computed using both the national definition and the standard definition of employment. The latter is the international standard definition of employment.<sup>2</sup> The former, the official definition adopted by the National Bureau of Statistics of Tanzania, excludes from employment all selfemployed persons who are temporarily absent from work during the reference period due to economic reasons such as no suitable land for cultivation, off-season and lack of capital. These persons, normally treated as engaged in self-employment activities according to the standard international definition, are considered in the Tanzanian context to be too marginally attached to these activities to be so treated. They are therefore included in the unemployed category since they are not considered to be working, though available for work.

Employment opportunities in Tanzania have improved over the period 1990/91 to 2006, as measured by the employment-to-population ratio in Table 1 (an increase of 3.6 percentage points over this period, using the standard definition). Comparing the increase of 2.7 percentage points (national definition) to that of 1.8 percentage points (standard definition) over the period 2000/01 to 2006, this implies that more of the jobs created were 'actual' jobs, since the self-employed absent from work for economic reasons are excluded from the former. A similar positive outlook is reflected in the changes in the unemployment rates (Table 1). The rates decreased by 1.3 percentage points (national definition) but only

See United Republic of Tanzania, National Strategy for Growth and Reduction of Poverty (NSGRP) (Vice President's Office, June 2005), http://www.tanzania.go.tz/pdf/nsgrptext.pdf.

<sup>&</sup>lt;sup>2</sup> See Resolution concerning statistics of the economically active population, employment, unemployment and underemployment, adopted by the 13<sup>th</sup> International Conference of Labour Statisticians (October 1982), http://www.ilo.org/public/english/bureau/ stat/download/res/ecacpop.pdf.

Table 1. Employment opportunities

Decent Work Indicator	National definition			Standard definition		
	1990/91	2000/01	2006	1990/91	2000/01	2006
Employment-to-population ratio (15-64 years), in $\%^1$		78.0	80.7	83.5	85.3	87.1
Male		80.0	82.0	85.9	86.7	89.1
Female		76.1	79.5	81.2	84.0	85.3
Urban areas		54.6	68.2	71.0	68.7	76.9
Rural areas		85.1	85.9	86.5	90.4	91.3
Unemployment rate, in %²		13.0	11.7	3.4	5.0	4.7
Male		11.6	10.7	2.7	4.2	3.0
Female		14.4	12.6	4.2	5.8	6.2
Urban areas		32.6	22.6	10.2	15.2	12.4
Rural areas		7.9	7.5	2.0	2.4	1.7
Informal employment (proxy), in $\%^3$					95.0	93.3
Male					92.5	90.2
Female					97.3	96.3
Urban areas					82.5	82.1
Rural areas			**		97.8	97.0
Proportion of own-account workers and contributing family						
workers in total employment, in % <sup>4</sup>		90.4	87.7	90.7*	91.2	88.6
Male		86.3	82.1	85.9*	87.3	83.5
Female		94.5	92.9	95.5*	95.0	93.4
Urban areas		62.8	65.3	60.6*	70.4	69.3
Rural areas		95.7	94.7	96.2*	96.0	95.0
Unemployment rate by level of education, in % <sup>5</sup>		13.0	11.7	3.6*	5.0	4.7
None		9.7	9.0	2.2*	3.1	2.1
Primary not completed		11.1	9.0	3.6*	3.7	2.5
Primary completed		14.9	12.9	4.4*	5.9	5.6
Secondary and above		18.3	17.3	6.6*	10.5	11.5
Youth not in education and not in employment (15-24 years), in $\%^6$		17.6	13.4	••	12.1	9.0
Male		14.9	11.5		10.4	6.7
Female		20.1	15.1		13.8	11.1
Urban areas		37.9	25.0		28.5	19.2
Rural areas		10.8	8.6		6.7	4.7
Youth unemployment rate (15-24 years), in $\%^7$		16.5	14.9	7.2	8.9	8.8
Male		14.8	14.3	6.7	8.0	7.4
Female		18.2	15.4	7.5	9.8	10.1
Urban areas		43.1	33.1	25.0	28.1	24.4
Rural areas		9.7	8.2	3.7	4.1	3.2

Notes: The column 'National definition' refers to national definition of unemployment and employment used by the NBS; column 'Standard definition' refers to the international definition of employment and the relaxed international definition of unemployment (without work, available for work).

<sup>&</sup>lt;sup>1</sup> Currently employed population aged 15 to 64 years, as percentage of the total population aged 15 to 64 years.

<sup>&</sup>lt;sup>2</sup> Currently unemployed population aged 15 years and above, as percentage of the total currently economically active (employed and unemployed) population aged 15 years and above.

Proxy operationalization of the job-based concept of informality (ICLS 2003), according to status in employment and national definition of the informal sector. The following were considered to be *informally employed:* contributing family workers (agriculture and non-agriculture); own-account workers on own farm or *shamba* [vegetable garden]; and paid employees and self-employed workers (non-agriculture, with or without employees) in the informal sector or household production units. The following were considered to be *formally employed:* paid employees and self-employed workers (non-agriculture, with or without employees) in the formal sector. When information on record keeping of the employers was missing, cases were coded as informal since cross-checking with the establishment name revealed that these were apparently informal enterprises. Expressed as percentage of the total currently employed population; refers to main activity of population aged 15 years and above.

3

- <sup>4</sup> Own-account workers and contributing family workers correspond to the following categories used by the NBS: self-employed (non-agriculture) without employees; unpaid family helper (non-agriculture); unpaid family helper (agriculture); and work on own farm or *shamba* [vegetable garden]. Expressed as percentage of the total currently employed population; refers to main activity of population aged 15 years and above (2000/01 and 2006) re. population aged 10 and above (1990/91).
- <sup>5</sup> The category 'Primary not completed includes' includes those currently attending primary school; the category 'Secondary and above' includes those currently attending secondary school. Refers to population aged 15 years and above (2000/01 and 2006) and to population aged 10 and above (1990/91). Due to differences in age brackets, the total for 1990/91 in this row (3.6 per cent, age 10 years and above) differs from that of the "Unemployment rate" above (3.4 per cent, age 15 years and above).
- 6 Youth aged 15 to 24 years who are currently not in employment nor in education, as percentage of the total youth population aged 15 to 24 years.
- Currently unemployed population aged 15 to 24 years, as percentage of the total currently economically active (employed and unemployed) population aged 15 to 24 years.
- \* Refers to population aged 10 years and above.

Source: National Bureau of Statistics, ILFS 1990/91, 2000/01 and 2006. Indicators were recalculated on the basis of the micro-data (2000/01 and 2006) and Appendix Table T1, T5 and M4 of the 1990/91 ILFS report.

### Legal Framework Indicator 1. Government commitment to full employment

Law, policy or institutions: The Government has a stated commitment to employment as an important element in its national development strategy, and has taken steps to create the necessary legal and policy mechanisms for effective employment promotion. The National Employment Promotion Service Act (NEPSA), 1999, "[e]stablishes a National Employment Promotion Service which shall provide job placement, vocational guidance, and active labour market intervention." It also "establishes a National Employment Advisory Committee which shall provide advice on the formulation of employment policies, legislation on human resources, and matters regarding the employment of persons with disabilities and persons engaged in the informal sector. Part V governs the registration of private employment agencies. Part VI concerns the employment of foreigners." The NEPSA empowers the Minister of Labour, Employment and Youth Development "to designate certain classes of employment as classes in which foreigners may not be employed, and requires all foreigners who are employed to possess a valid work permit." However, this legislation has been reviewed and the draft of a new National Employment Bill is at an advanced stage, and has already been approved by the Labour, Economic and Social Council (LESCO).

In addition to the NEPSA, the Government has adopted a range of policies to implement the National Employment Plan. First, the National Strategy for Growth and Poverty Reduction (MKUKUTA), which has links with the Poverty Reduction Strategy Papers (PRSP), aims to reduce unemployment from 12.9 per cent in 2001/02 to 6.9 per cent by 2010 and specifically to address underemployment in rural areas. Other initiatives include the Business Environment Strengthening Programme for Tanzania (BEST), the Agricultural Sector Development Programme (ASDP), the National Employment Policy (2008) (NEP), the National Employment Creation Programme (2007) (NECP), the National Youth Employment Action Plan (2007) (NYEAP), as well as a recently established inter-ministerial monitoring mechanism.

**Evidence of implementation effectiveness:** No information located by the ILO; see also statistical Decent Work Indicators in Table 1.

**Ratification of ILO Conventions:** Employment Policy Convention, 1964 (No. 122), has not been ratified by the United Republic of Tanzania.

Source: Natlex database

(http://www.ilo.org/dyn/natlex\_browse.details?p\_lang=en&p\_country=TZA&p\_classification=08&p\_origin=COUNTRY&p\_sortby=SORTBY\_COUNTRY).

slightly changed (0.3 percentage points) using the standard definition. This would suggest that most of the decrease in the unemployment rate is due to fewer persons being absent from self-employment jobs for economic reasons.

With respect to the rural/urban analysis, the trends over time in the employment-to-population ratios and the unemployment rates follow the national pattern in both rural and urban areas (Table 1). However, the urban/rural differentials are quite

stark. The rural employment-to-population ratios were consistently higher than the corresponding urban ratios, whilst the unemployment rate is far higher in urban areas (the urban rates were three times as high in 2006, using the national definition). These differences can be partly explained by the fact that almost all working-age persons in rural areas carry out some form of agriculture, and thus count as employed. This is not the case in urban areas, where agriculture is not a predominant activity. Here, many people face open

unemployment due to the failure of the economy to create many jobs to absorb the new entrants to the labour market, including those who migrate from rural areas. Despite a decline between 2000/01 and 2006, urban unemployment rates are thus still high and, in 2006, stood at 12.4 per cent of the labour force under the standard definition and at 22.6 per cent under the national definition (under which workers with marginal attachment to a self-employment job are counted as unemployed).

The improving national trend for both the employment-to-population ratio and the unemployment rates is - in general terms - evident both for men and for women. However, the differentials in unemployment rates between the sexes show that females are consistently worse off than their male counterparts. Indeed, the female rate in 2006 (using the standard definition) is more than twice that of the males (6.2 per cent compared to 3.0 per cent) and actually rose slightly over the value recorded in 2000/01 (see Table 1). However, using the national definition, a decline can be observed for both sexes. The higher unemployment among women could be explained by the prevailing gender norms that discriminate against women's access to employment.

With the increasing employment and decreasing unemployment trends observed above, it would seem that access to employment is improving at the national level. It must be noted however that the very high value for the employment-to-population ratio (87.1 per cent in 2006) and low unemployment rate (4.7 per cent) do not necessarily imply improvement with respect to decent work. These values may be indicating that increasingly more and more people have to rely on employment of any kind to survive, regardless of their age or location, given the non-existence of formal unemployment assistance (see Legal Framework Indicator 2 "Unemployment insurance"). Indeed, such extreme ratios could be signalling that education options for young persons are very limited and getting more and more so, and thus warrant further investigation (see the analysis further below in this chapter).

In addition, the above indicators are measures related to the volume of employment (availabil-

ity or lack of) and not necessarily to the quality of employment. For the latter, it would be worth looking at other decent work indicators. Two of them are "Informal employment" and the "Proportion of own-account and contributing family workers in total employment". Workers in either situation can be expected to have, on average, jobs of lower quality than, respectively, those with formal jobs or those who are in paid employment (or themselves employers). Persons in these latter jobs are more likely to benefit from written contracts, paid leave, social security benefits, employment protection and a voice at work – all essential elements for decent work.

The informal employment<sup>3</sup> rate, which stood at 95.0 per cent in 2000/01, marginally decreased to 93.3 per cent in 2006 (see Table 1). The persistent predominance of informal employment would suggest that the employment growth has not substantially improved the availability of decent jobs in the economy. This analysis is further confirmed by the very high employment share of ownaccount workers and contributing family workers (88.6 per cent in 2006, down from 91.2 per cent in 2000/01). There is, however, a glimmer of hope ('decent work shoots') in so far as the trends over the period 2000/01 to 2006, although slight, are in the right direction. Looking at it in another way, the share of those in formal employment rose from 5.0 per cent in 2000/01 to 6.7 per cent in 2006; and the share of those who are neither own-account nor contributing family workers rose from 8.8 per cent to 11.4 per cent over the same period.

Female workers and rural workers are worse off with respect to decent jobs than their male and urban counterparts, as measured by the share of informal employment (96.3 per cent for female workers as compared to 90.2 per cent for male workers; and 97.0 per cent for rural workers as compared to 82.1 per cent for urban workers; see Table 1). The same difference is evident from the share of own-account workers and contributing

Please note that, in the case of Tanzania (mainland), all paid employees in the formal sector are assumed to hold formal jobs. However, some of them might in fact hold precarious jobs; the values in Table 1 are in fact lower bounds for the true values. This 'proxy' operationalization was used in order to produce consistent data for 2000/01 and 2006.

1. Employment opportunities

### Legal Framework Indicator 2. Unemployment insurance

Law, policy or institutions: No law or institution providing for unemployment insurance could be located.

Benefits (level and duration): Not applicable.

Coverage of workers in law: None.

Coverage of workers in practice: None.

**Ratification of ILO Conventions:** Social Security (Minimum Standards) Convention, 1952 (No. 102), has not been ratified by the United Republic of Tanzania.

#### Sources:

- Natlex database
   (http://www.ilo.org/dyn/natlex/natlex\_browse.details?p\_lang=en&p\_country=TZA&p\_classification=08&p\_origin=COUNTRY&p\_sortby=SORTBY\_COUNTRY).
- 2. International Social Security Association (ISSA) database (http://www.issa.int/aiss/Observatory/Country-Profiles/Regions/Africa/Tanzania-United-Republic-of).
- 3. National legislation.

family workers in total employment (93.4 per cent for female workers compared to 83.5 per cent for male workers, and 95.0 per cent for rural workers compared to 69.3 per cent for urban workers).

In terms of level of education, unemployment is particularly a problem for those with better education, especially those with secondary education or above. The unemployment rate of 11.5 per cent for this group in 2006 is more than five times the rate of those with no formal education at all (2.1 per cent). Moreover, the trend for those with secondary level and above is bleaker, having increased from 10.5 per cent in 2001 to 11.5 per cent in 2006. This reinforces the picture already drawn that the jobs that have been created over this period are lower quality jobs that require the minimum education levels.

With respect to youth, the unemployment rates in Table 1 have remained virtually stable between 2000/01 and 2006, at just under nine per cent. The rate for youths who are not in education and not in employment, however, fell from 12.1 per cent to 9.0 per cent over this same period. Taken together, this suggests some improvements in enrolment rates and increasing employment-to-population ratios amongst the youth. Although the urban/rural disparities persist with respective youth unemployment rates of 24.4 per cent (urban) and 3.2 per cent (rural) in 2006, the trend for the youths in urban areas shows a decrease of 3.7 percentage points over the period 2001 to 2006. The

pattern for the rates of youth not in education and not in employment is similar: urban/rural differences persist, and a slight improvement is evident in particular for the urban youth population. From Table 1, consistently over the period 2001 to 2006, female youths are exposed to higher unemployment rates than their male counterparts (for example, 10.1 per cent to 7.4 per cent in 2006).

The population most at risk of unemployment is generally the educated youth entering the labour market for the first time (the youth unemployment rate of 8.8 per cent in 2006 is just under twice that of the total labour force, 4.7 per cent). One reason for higher youth unemployment rates is that first-time jobseekers, who mainly are young, face greater difficulty due to lack of work experience and, often, limited access to job vacancy information. Another reason is that younger workers have higher job turnover rates due to lack of skills and training, that they lack credit facilities, and face problems of transition from school to work. At each exit, they risk a new spell of unemployment. Finally, more educated youth, who tend to be concentrated in the urban areas, may also hold out for either better-paying or more secure jobs, as urban areas potentially offer diverse employment opportunities. Even in the rural areas, which offer unique opportunities because youths learn different skills from childhood, employment is limited during the off-farming season because there are not enough off-farm activities to occupy the youths.

Generally, the trends depicted in this chapter show some improvements towards the creation of employment opportunities, although significant deficits remain. The trends, though positive, reveal that there are still not enough employment opportunities being created. There is also a persistent issue of the quality of jobs being created, with most of them in the informal economy and carried out by own-account and contributing family workers. The effects of the current global crisis, though not yet showing in the statistics, could create additional difficulties, in particular with respect to the tourism industry and export-oriented sectors. The situation of the youth, particularly those in urban areas, is critical in terms of unemployment. Lack

of sufficient employment opportunities for young women, who have increasingly participated in the labour market, further complicates the situation. One possibility to respond to this is the extension of employment services beyond Dar es Salaam to the entire country. Further, women's marginalization in the labour market continues (as evident from higher informality and a greater risk of unemployment). It is critically important to address these problems so as to enable youth and female workers to participate in decent jobs. The policies, programmes and legislative framework of the Government aim to do so, but the challenge will be in their implementation.

# Adequate earnings and productive work

The concept of adequate earnings relates to income from employment that is necessary for living. It can be examined in terms of average earnings (an indication of income levels) as well as of lowpay rate and the working poor (the lower tail of the income distribution). The use of earnings is, however, limiting in a context where production for own consumption and other forms of in-kind income are predominant. In particular, it should be remembered that some of the analysis that follows does not include the self-employed in agriculture, which made up 74.6 per cent of the employed population in 2006. Nevertheless, the observed trends indicate the general direction in respect of adequate earnings.

Average monthly income from paid employment and non-agricultural self-employment in Tanzania increased in real terms between 2000/01 and 2006 (see first column of Table 2.1.). Expressed in constant 2000 Tanzanian shillings, they rose from TSh 41,395 (2000/01) to TSh 64,138 (2006). The increase can be observed for both male and female workers, as well as rural and urban areas. However, the average monthly income were relatively higher for male than female workers (with a ratio of 1.67 in 2006), and higher in urban than in rural areas (ratio of 1.56 in 2006). This is mainly because male and urban workers have better access to paid employment (where earnings are generally higher), and due to male-female and urban-rural earnings differences within the categories for those in paid employment and in self-employment. However, the overall the difference in earnings between male and female, as well as between urban and rural areas, declined over the period 2000/01 to 2006. The decline in disparity was more notable for income from non-agricultural self-employment.

For the distributional analysis of earnings, the indicator used is the "Low pay rate" (Table 2.2). The low pay rate measures the proportion of all employed persons whose monthly earnings at all jobs were less than 2/3 of the median monthly earnings. It is thus a definition of low remuneration of work defined relative to the prevailing earnings in any given country; it need not coincide with an absolute definition of low or inadequate earnings (that could, for example, be determined with reference to basic consumption needs). The median monthly earnings rose from TSh 21,428 (2001) to TSh 36,000 (2006) in real terms, and hence the threshold of what is considered to be low-paid rose also increased. This explains why the proportion of low-paid workers decreased only slightly from 37.9 per cent (2001) to 36.7 per cent (2006). Hence, there was little change in the structure of earnings at the lower tail.

Overall, the incidence of low pay is far more common among those who draw their incomes predominantly from self-employment (40.3 per cent in 2006), compared to those with incomes from paid employment (29.5 per cent in 2006). This has not fundamentally changed between 2000/01 and 2006. However, the proportion of self-employed workers with low incomes has decreased slightly (from 42.5 per cent in 2000/01 to 40.3 per cent in 2006). This decline could be observed across the board, regardless of sex and rural/urban location. With respect to income from paid employment, the share of workers with low pay rose in urban and rural areas alike (to 16.5 and 47.1 per cent, respectively). However, since the paid employment shifted to urban areas (where the low pay incidence is lower), the overall share of paid employees with low pay did not change substan-

Table 2.1. Adequate earnings and productive work – Average monthly incomes

Decent Work Indicator	(excl	income sou . self-emplo n agriculture	mployment Income from					ent	
	1990/91	2000/01	2006	1990/91	2000/01	2006	1990/91	2000/01	2006
Average monthly income, in current Tanzanian shillings <sup>1</sup>		42,103	84,600	4,950	51,372	98,454	17,000*	36,630	75,693
Male		53,053	100,736	5,150	55,685	106,272	24,000*	50,020	94,373
Female		26,268	60,170	4,300	40,486	79,032	8,200*	21,601	53,163
Urban areas		59,544	104,472	5,460	69,418	122,297		52,236	89,011
Rural areas		27,151	66,914	4,150	32,208	66,423		24,581	66,068
Average monthly income, in constant 2000 Tanzanian shillings <sup>2</sup>		41,395	64,138	24,752	50,508	74,641	85,009*	36,014	57,385
Male		52,161	76,371	25,753	54,748	80,568	120,012*	49,179	71,547
Female		25,826	45,617	21,502	39,805	59,917	41,004*	21,238	40,305
Male/Female ratio		2.02	1.67	1.20	1.38	1.34	2.93	2.32	1.78
Urban areas		58,542	79,204	27,303	68,250	92,717		51,357	67,482
Rural areas		26,694	50,730	20,752	31,666	50,357		24,167	50,088
Urban/Rural ratio		2.19	1.56	1.32	2.16	1.84		2.13	1.35

#### Notes:

- Average refers to mean. Based on total monthly income from paid employment and net income from non-agricultural self-employment (gross takings less expenses), derived from main activity and all other economic activities. No data on earnings from agriculture are available. Note that some employed persons derive income both from paid employment and non-agricultural self-employment. No conversion into hourly earnings was possible, since recorded working time includes agriculture and earnings do not.
- <sup>2</sup> Fieldwork for the 1990/91 ILFS took place from October 1990 to September 1991 and fieldwork for the 2000/01 ILFS took place from May 2000 to April 2001. Hence, weighted averages of the CPI for the first and the second year of the surveys were used to convert current into constant prices (19.998 for 1990/91 and 101.711 for 2000/01). The 2006 ILFS coincided with the calendar year (CPI 131.903). CPI = 100 in 2000. The values for 2000/01 in the upper-most row are in current 2000/01 shillings, and hence slightly higher than those in constant 2000 shillings.
- \* Income from self-employment is likely to be overstated in 1990/91 (see NBS, 1990/91 ILFS report, page 1-73).

Source: National Bureau of Statistics, ILFS 1990/91 (Tables 9.2.3 and 9.3.1 and appendix table Y2 of the 1990/91 ILFS report), 2000/01 and 2006; recalculated on the basis of the micro-data (2000/01 and 2006); World Bank, World Development Indicators, for CPI.

tially and remained at just under 30 per cent (see Table 2.2).

The inadequacy of the income of the entire employed population can be examined using the concept of the working poor, which is defined as employed persons (15 years and above) living in a household which is estimated to be below the nationally-defined poverty line (expressed as a percentage of the working poor in total employment). Unlike the low pay rate (which is, as outlined above, a relative concept), the working poverty rate is thus defined with reference to an absolute threshold (namely, the national poverty line). Another difference is that, unlike the statistics on earnings and low pay discussed so far, the working poverty rate includes the threequarters of the employed population who hold self-employment jobs in agriculture. Table 2.3 reveals that that the proportion of the employed population living in households below the poverty line is still high, despite declining from 32.5 per cent in 2001 to 30.7 per cent in 2006. This decline is in line with the overall decrease in poverty in mainland Tanzania. Using the basic needs poverty line, the headcount ratio has declined from 38.6 per cent (1991/92) to 35.7 per cent (2000/01) and further to 33.6 per cent (2006/07). Nonetheless, overall poverty headcount ratios remain high, especially in the rural areas (see Table 2.3).

In conclusion, real earnings in the non-agricultural sector have increased substantially since the early 1990s, marking significant overall progress towards adequate earnings. Despite this positive development, and despite high employment-to-population ratios, the situation is that earnings are still inadequate for a large proportion of the Tanzanian population, and are insufficient to pull

Table 2.2. Adequate earnings and productive work – Low pay rate

Decent Work Indicator	All workers			Workers predominantly in paid employment		Workers predominantly in self-employment			
	1990/91	2000/01	2006	1990/91	2000/01	2006	1990/91	2000/01	2006
Low pay rate (proportion of workers with monthly earnings below 2/3 of median monthly earnings, excl. agriculture), in %1		37.9	36.7		29.0	29.5		42.5	40.3
Male		29.1	27.7		24.8	25.2		32.0	29.5
Female		50.6	50.2		39.3	40.3		54.1	53.4
Urban areas		21.9	22.5		14.7	16.5		26.3	26.7
Rural areas		51.5	49.3		44.0	47.1		54.9	50.1

#### Notes:

Source: Calculated from National Bureau of Statistics, Household Budget Survey, 1991, 2001 and 2006/7.

Table 2.3. Adequate earnings and productive work – Incidence of working poverty and poverty

Decent Work Indicator	F	Food Poverty Line			Basic Needs Poverty Line		
	1991/92	2000/01	2007	1991/92	2000/01	20006/7	
Working poverty rate, in % <sup>1</sup>					32.5	30.7	
Dar es Salaam					14.5	13.1	
Other urban areas					22.9	21.2	
Rural areas					35.6	34.7	
Percentage of population below the poverty line (Tanzania mainland), in %	21.6	18.7	16.6	38.6	35.7	33.6	
Dar es Salaam	13.6	7.5	7.4	28.1	17.6	16.4	
Other urban areas	15.0	13.2	12.9	28.7	25.8	24.1	
Rural areas	23.1	20.4	18.4	40.8	38.7	37.6	

#### Notes:

Source: Calculated from National Bureau of Statistics, Household Budget Survey, 1991/92, 2000/01 and 2006/07.

a large number of people out of poverty. There are continued disparities in the earnings of males and females, and of urban and rural areas. These disparities can be explained by the persistence of cultural norms that discriminate against women's work and the compensation they receive from it. On the positive side, however, there were some signs of decline in these gender and urban/rural disparities overall. The situation is generally better for those predominantly in paid employment, and expanding equitable access to paid employment thus constitutes one of the paths towards

decent employment and poses an important policy challenge. The Government has put in place a legislative framework, institutions and policies to deal with wage issues, especially in the private sector, and with respect to minimum wages (see also Legal Framework Indicator 3 "Statutory minimum wage"). These are relatively recent and the extent and consequences of their implementation are yet to be determined. The large informal sector and the rural agricultural sector are, however, still outside the purview of these actions.

Based on total monthly earnings from paid employment and net income from non-agricultural self-employment (gross takings less expenses), derived from main activity and all other economic activities. No data on earnings from agriculture are available. No conversion into hourly earnings was possible, since recorded working includes agriculture and earnings do not.

Number of employed persons (15 years and above) living in a household whose members are estimated to be below the nationally-defined poverty line, in per cent of all employed persons. See also NBS / ILO, Tanzania's Analysis of MDG Employment Indicators (Dar es Salaam and Geneva, forthcoming).

### Legal Framework Indicator 3. Statutory minimum wage

Law, policy or institutions: The Labour Institutions Act, 2004, prescribes minimum wages on sectoral basis. The law makes room for formation of wage boards to advise the Minister who has been given powers to make wage orders. Section 27 of the Employment and Labour Relations Act, 2004, which came into force in December 2006, provides for the modes, formula, and timing of payment of wages. All these are made to protect the workers. In mainland Tanzania, Wage Boards are established under the Labour Institutions Act No. 7 of 2004. Before being appointed by the Minister in respect of a sector or area of employment to be investigated, their worker and employer members are nominated by the tripartite Labour, Economic and Social Council. The Wage Boards make recommendations to the Minister based, among other considerations, on the cost of living, the minimum subsistence level, business sustainability and the desirability of alleviating poverty and creating employment. In 2007, eight sectoral boards for the private sector were established. In the same year, a wage order for civil servants was issued.

**Minimum wage levels:** The wage boards set new minimum wage rates for the mainland in 2008, raising them from previously TSh 35,000 (rural) and TSh 48,000 (urban) to between TSh 65,000 (agriculture) and TSh 350,000 (mining). Many regarded the new rates as too high. The employers requested the intervention of the Minister, who appointed a team to probe their claims that the wage rates were damaging to employment. An impact assessment study has been compiled by the Economic Research Bureau and has been discussed by the Wage Boards who made recommendations to the Minister. The Minister's announcement of a new or amended wage order is awaited.

**Evidence of implementation effectiveness:** No precise information located, but the large informal economy means many workers are not covered.

**Coverage of workers in law:** The legislation covers all workers in the private sector. For the mainland, the schedule to the Act covers eight sectors.

**Coverage of workers in practice:** Coverage is in practice limited to workers in the formal sector. The Government has stated that statistics are difficult to gather given the large number of workers in the informal economy (see also Table 1).

Ratification of ILO Conventions: Minimum Wage Fixing Convention, 1970 (No. 131), was ratified by the United Republic of Tanzania in 1983.

#### Sources:

- 1. ILO Governing Body Discussion Paper GB.304/ESP/3 (point 19) (http://www.ilo.org/wcmsp5/groups/public/---ed\_norm/---relconf/documents/meetingdocument/wcms\_101713.pdf).
- 2. Committee of Experts comments under Convention No. 131 were also consulted. (http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displayAllComments.cfm?hdroff=1&ctry=2870&conv=C131&Lang=EN).

# 3 Decent hours

Decent hours, as a concept, relates to the extremes of the working time distribution. Excessive working hours (the upper tail) are considered undesirable, no matter the circumstances, as such practices could be damaging to the physiological, psychological and social well-being of the worker. Those who voluntarily choose to work few hours (i.e. are in the lower tail) are not treated as having hours that are not decent. On the other hand, it is also considered undesirable to have persons who do so involuntarily for economic reasons (sometimes referred to as time-related under-employment). For this impacts negatively on their income and survival prospects and is an indication of inefficiency in the labour market. Although there are international standards for measuring working time,1 and Tanzania has been doing so for some time, it should be noted that its measurement is difficult in a context of large self-employment and informal sector activities, which exist in Tanzania. A further complication is the inter-twinning of the care economy and paid work, with the former including a large element of unpaid work (which is not included in the measurement of working time).

The decent work indicator relating to excessive hours is defined as the proportion of workers who are working more than 48 hours a week. The proposed threshold for determining "excessive" hours is based on ILO Conventions Nos. 1 and 30, which stipulate 48 hours per week as the maximum limit for normal hours of work. The international cut-off is used for ease of comparison, although the Employment and Labour Relations Act of 2004 prescribes a maximum of 45 work-

ing hours per week in Tanzania (see Legal Framework Indicator 4 "Maximum hours of work"). More Tanzanians worked excessive hours in 2006 (54.3 per cent) than at any time since 1990 (40.3 per cent). The trend is consistently upward over this period (see Table 3). One possible reason for this could be the weakness in the mechanism for implementation of the 45 hours provided for in the law (especially since it only applies to employees, who are a minority of all workers). The other plausible reason is that, as seen from the previous chapter, wages – though rising – are still inadequate for workers to meet their needs. Thus they have to work long hours through either paid overtime or additional jobs in order to augment their income.

Results from the Integrated labour Force Survey show that substantially more males (59.9 per cent) work excessively than females (48.9 per cent), according to the information in Table 3. The gender difference could be explained by the fact that most females are also engaged in household chores which are considered as non-economic activities and so not included in measurements of working time. Working excessive hours is more pronounced in urban areas (62.2 per cent). This could be due to measurement difficulties of working time in rural areas. The use of actual hours instead of usual hours of work could lower values in rural areas due to the seasonality of agriculture relative to the timing of data collection. Also the large number of own-account workers and contributing family workers in rural areas could lead to underreporting of time spent at work. According to Integrated Labour Force Survey (2006), most paid employees and self-employed persons spend more than 40 hours working per week, while unpaid family helpers and those who work on their own farm or shamba (vegetable garden) tend to spend less than

See e.g. Resolution concerning the measurement of working time, adopted by the 18th International Conference of Labour Statisticians (2008), reproduced in the Report of the Conference, p. 41ff., http://www2.ilo.org/wcmsp5/groups/public/-dgreports/-integration/-stat/documents/meetingdocument/wcms\_101467.pdf.

Table 3. Decent hours

Decent Work Indicator	1990/91	2000/01	2006
Excessive hours (workers with more than 48 hours per week), in $\%^1$	40.3*	45.0	54.3
Male	48.4*	52.0	59.9
Female	32.1*	38.2	48.9
Urban areas	55.6*	57.3	62.2
Rural areas	37.5*	42.2	51.6
Time-related underemployment rate, in $\%^2$	4.4	12.4	13.1
Male	4.5	12.9	14.0
Female	4.2	11.9	12.1
Urban areas	6.2	14.8	11.6
Rural areas	4.0	11.8	13.6
Rate of workers with decent hours, in %³	55.3*	42.6	32.6
Male	47.1*	35.1	26.1
Female	63.7*	49.9	39.0
Urban areas	38.2*	27.9	26.2
Rural areas	58.5*	46.0	34.8

#### Notes

- <sup>1</sup> Employed population aged 15 years and above working more than 48 hours per week (usual hours), as share of total employed population aged 15 years and above. Employment defined according to the international definition (referred to as 'standard definition' by the NBS.
- <sup>2</sup> Currently underemployed population aged 15 and above, as percentage of currently employed population aged 15 and above. Under the definition used by the NBS, employed persons were considered to be in current time-related underemployed if he/she (a) worked less than 40 hours in all activities during the week preceding the interview; (b) the reason for working less than 40 hours was not illness, disability or age; school or training; leave, holiday or family obligations (funeral, sick child, etc.; did not want to work more hours; or housework duties; and (c) stated he/she was available to work more hours in the previous week. Employment defined according the international definition of employment; corresponds to the 'standard definition' used by the NBS).
- <sup>3</sup> Employed population who are neither working excessive hours nor underemployed, as a percentage of total employed population.
- \* In 1990/91, the indicator refers to employed population aged 10 years and above working more than 49 hours per week (usual hours), as share of the total employed population aged 10 years and above.

Source: National Bureau of Statistics, ILFS 1990/91, 2000/01 and 2006. Indicators were recalculated on the basis of the micro-data (2000/01 and 2006) and Appendix Tables T1 and M18 of the 1990/91 ILFS report.

#### Legal Framework Indicator 4. Maximum hours of work

**Law, policy or institutions:** The Employment and Labour Relations Act of 2004 (ELRA), which came into force in December 2006.

**Number of hours allowed:** The Act makes provision for the maximum working hours of 45 hours per week with a daily limit of 9 hours. The Act makes provision for overtime hours and rest periods.

**Evidence of implementation effectiveness:** See below. The large informal economy reduces implementation effectiveness.

**Coverage of workers in law:** In mainland Tanzania, the ELRA applies to all employees, including those in the public service of the Government of Tanzania in mainland Tanzania. However, it does not apply to persons employed by the Tanzania Peoples' Defence Force, the Police Force, the Prisons Service, or the National Service.

**Coverage of workers in practice:** The Government has recognized that a large number of workers are employed in the informal economy, and are not, therefore, covered by the provisions of the ELRA.

**Ratification of ILO Conventions:** Hours of Work (Industry) ConventionW, 1919 (No. 1), and the Hours of Work (Commerce and Offices) Convention, 1930 (No. 30), have not been ratified by the United Republic of Tanzania.

Source: Natlex database

 $(http://www.ilo.org/dyn/natlex_browse.details?p\_lang=en\&p\_country=TZA\&p\_classification=08\&p\_origin=COUNTRY\&p\_sortby=SORTBY\_COUNTRY).$ 

3. Decent hours 13

### Legal Framework Indicator 5. Paid annual leave

**Law, policy or institutions:** The Employment and Labour Relations Act of 2004 (ELRA), which came into force in December 2006.

**Levels of leave:** Workers are entitled to 28 days paid annual leave.

**Evidence of implementation effectiveness:** No information located by the ILO. See below as to the extent of the informal economy. In Direct Requests from 2005 and 2008 on Convention No. 101, the Committee of Experts requested information on the administration of the law in agriculture, to which the Government has not yet replied.

**Coverage of workers in law:** In mainland Tanzania, the ELRA applies to all employees including those in the public service of the Government of Tanzania in mainland Tanzania. However, it does not apply to persons employed by the Tanzania Peoples' Defence Force, the Police Force, the Prisons Service, or the National Service.

**Coverage of workers in practice:** The Government has recognized that a large number of workers are employed in the informal economy, and are not, therefore, covered by the provisions of the ELRA.

**Ratification of ILO Conventions:** The Holidays with Pay (Agriculture) Convention, 1952 (No. 101), was ratified in 1962 for Tanganyika alone (the mainland). The Holidays with Pay Convention, 1936 (No. 52), and the Holidays with Pay Convention (Revised), 1970 (No. 132), have not been ratified by the United Republic of Tanzania.

Source: Natlex database

(http://www.ilo.org/dyn/natlex\_browse.details?p\_lang=en&p\_country=TZA&p\_classification=08&p\_origin=COUNTRY&p\_sortby=SORTBY\_COUNTRY).

40 hours in terms of current hours, but not in terms of usual hours for those working in agriculture.

The time-related underemployment indicator measures those workers who work less than 40 hours, would like to work more hours, but cannot find work for the additional hours they still have available, expressed as the proportion of total employment. From Table 3, the deteriorating situation with respect to decent hours observed above is also reflected at the lower end of the working time distribution. The phenomenon of under-employment has been increasing since 1990 for all sub-groups, with the exception of urban workers, and is estimated at 13.1 per cent in 2006. Although female underemployment rates are lower than those of their male counterparts, the deductions from this should be treated with caution. The social norms, particularly in relation to women's re-productive roles, disadvantage women in terms of time that they can allocate to productive work and thus severely restrict women economic options. Women's reproductive and care giving roles are not captured.

Tanzania also has a sizeable proportion of people working in the informal economy. More than ninety per cent of the employed population actually hold informal jobs; and just under ninety per cent are own-account workers or contributing family workers (see Table 1 in Chapter 1 "Employment opportunities"). The informal economy is by its very nature unregulated in law or in practice. This also makes it difficult to give a precise indication of the extent of law enforcement or compliance.

In spite of all the measurement limitations discussed above, it is clear that there has been no progress with respect to this element of decent work in Tanzania over the period from 1991 to 2006. The proportion of workers with decent hours of work (that is not excessive and not underemployment) is low and continuing to shrink at an increasing rate (Table 3). It fell by 12.7 percentage points in ten years (from 55.3 per cent in 1991 to 42.6 per cent in 2001) and then by 10 percentage points in five years (from 42.6 per cent in 2001 to 32.6 per cent in 2006). Thus, while many Tanzanians continue to work excessive hours, more and more also involuntarily work fewer hours than they want to. The effective implementation of the legal framework for maximum hours of work that has been set up could redress this situation, as it would reduce the numbers having excessive hours and so create work for those having few hours. However, in so far as self-employed workers put in excessive hours to compensate for low hourly earnings, increasing productivity and the returns to work would be another important policy element.

# Combining work, family and personal life

This is a key dimension in measuring decent work as it reflects the balance that workers are able to bring between their working and personal lives. One of the key instruments at the international level relating to this dimension is the Workers with Family Responsibilities Convention, 1981 (No. 156), and its corresponding Recommendation (No. 165). Although Tanzania has not ratified this Convention, it has enacted the Employment and Labour Relations Act (ELRA) and the Labour Institutions Act (LIA), both of 2004, which considers the intersection of work, family and personal life. This is reflected in various forms of leave such as annual and compassionate leave (see Legal Framework Indicator 5 "Paid annual leave" in Chapter 3); maternity leave, maternity benefits and paternity leave (Legal Framework Indicators 6 "Maternity leave" and 7 "Parental leave"); as well as through regulation of working hours (see previous chapter). In examining progress in this dimension, this chapter looks at the time households spend on various activities, both economic and non-economic, as well as the extent of maternity protection and other family-related leave policies.

The National Bureau of Statistics (NBS) included a time-use module in the Integrated Labour Force Survey (ILFS) of 2006. The results in Table 4 show the imbalance between males and females in terms of time spent on economic work (i.e. employment), unpaid household work, leisure and human capital development. Although males spent 71 minutes more per day on economic work than females, when unpaid household work is included the situation is reversed – with females spending 69 minutes more per day. It is worth noting that on unpaid household work alone, females spent 140 inutes more per day than males. Con-

sequently, females have less time to spend on leisure activities and on activities such as learning and media use. Thus women are disadvantaged in their ability to combine work, family and personal life due largely to their unpaid household work.<sup>1</sup>

Using the time-use module, a time-use study conducted in 2009 provides useful data on the amount of time an average Tanzanian used on different activities.2 This study, however, went further to analyze not only trends in these broad categories of unpaid care work, but also to break it down into child care, caring for adults, and the sick, water and fuel collection and travel. With respect to child care, it was found that, overall, 26 per cent of men aged between 15 and 49 years reported participation in child care. Among men from high-income households (with incomes of more than TSh 200,000 per month), only 17 per cent participated in child care. While this might indicate the availability of hired child care, through domestic workers for example, it could also mean that wealthier households have less kids and hence less child care needs. It could also be that women in wealthier households spend less time in paid work so they can devote more time in child care.

One of the findings of the study was that women aged 18 to 49 years spend more than 4 hours on unpaid care work each day, compared to about an hour spent by men of the same age, regardless of their employment status (TGNP, 2009). It also found that both men and women, of all ages, on average spend at least one hour a day in caring

<sup>&</sup>lt;sup>1</sup> C. Lardechi: Sustaining job creation and improving the quality of jobs in Tanzania, World Bank Policy Note (Washington D.C, World Bank, 2009).

<sup>&</sup>lt;sup>2</sup> TGNP: Who cares for us? Time use study of unpaid care work in Tanzania (TGNP, 2009).

Table 4. Combining work, family and personal life – Time-use statistics (2006)

Activities	Time spent per day, in minutes		Male-female difference, in
	Males (A)	Females (B)	minutes (A - B)
Employment for establishment	90	35	55
Primary production	180	163	17
Services for income	6	7	-1
Sub-total 'economic' work	276	205	71
Household maintenance	52	170	-118
Care of children, sick	11	35	-24
Community services	9	7	2
Sub-total unpaid 'household' work	72	212	-140
Learning	87	75	12
Mass media use	18	8	10
Sub-total human capital development	105	83	22
Social and cultural	130	95	35
Personal care/maintenance	858	846	12
Total	1441	1441	0

Note: Due to rounding errors, the total does not add up to 1440 minutes (or 24 hours)

Source: Analytical Report for ILFS 2006 (p.91).

### **Legal Framework Indicator 6. Maternity leave**

**Law, policy or institutions:** The Employment and Labour Relations Act of 2004 (ELRA), which came into force in December 2006, provides for maternity leave. The maternity leave benefits under the National Social Security Fund Act (No. 28) started to be implemented in 2005. Maternity benefits are provided for by National Social Security Fund (NSSF) Act, 1997, and the Local Authority Pensions Fund (LAPF) Act, 2006, as well as National Social Security Policy, 2003.

**Benefits (level and duration):** The benefit is equal to 100 per cent of the insured woman's average daily wage in the 6 months before the 20th week of pregnancy. The benefit is paid for 12 weeks in one or two instalments: 4 weeks before and 8 weeks after childbirth (4 weeks after childbirth for a stillborn child).

**Evidence of implementation effectiveness:** Maternity benefits are being provided for the formal sector. Collective bargaining agreements also contain provisions for maternity benefits.

**Coverage of workers in law:** Maternity leave provisions under the ELRA apply to all employees in Mainland Tanzania, including those in the public service of the Government, with the exception of the Tanzania Peoples' Defence Forces; the Police Force, the Prisons Service and the National Service. In mainland Tanzania, the National Social Security Fund Act covers employees in the private sector, organized groups (such as cooperative members) in the formal sector, and public employees and self-employed persons (as long as they are not already covered under the parastatal special system). Workers who are not registered with the NSSF are excluded from coverage.

**Coverage of workers in practice:** The Government has recognized that a large number of workers are employed in the informal economy, and are not, therefore, covered by the provisions of the ELRA. Social Security coverage is less than 3 per cent of the female economically active population (see statistical indicator in Table 9).

**Ratification of ILO Conventions:** Maternity Protection Convention, 2000 (No. 183), and Part VIII (on maternity benefits) of the Social Security (Minimum Standards) Convention, 1952 (No. 102), have not been ratified by the United Republic of Tanzania.

#### Sources:

- 1. National legislation.
- $2. \ ISSA \ database \ (http://www.issa.int/aiss/Observatory/Country-Profiles/Regions/Africa/Tanzania-United-Republic-of).$

### **Legal Framework Indicator 7. Parental leave**

Law, policy or institutions: The Employment and Labour Relations Act of 2004 (ELRA), which came into force in December 2006.

**Benefits (level and duration):** The ELRA provides in section 34 that an employee is entitled to at least three days' paid paternity leave if the leave is taken within seven days of the birth of the child and the employee is the father of the child. At least four days' paid leave is accorded in the case of sickness or death of the employee's child, as in the case of the death of the employee's spouse, parent, grandparent, grandchild or sibling.

Evidence of implementation effectiveness: Collective bargaining agreements contain provisions for paternity benefits.

**Coverage of workers in law:** The ELRA applies to all employees in Mainland Tanzania, including those in the public service of the Government, with the exception of the Tanzania People's Defence Force, the Police Force, the Prisons Service, and the National Service.

**Coverage of workers in practice:** As with other legal framework indicators, account should be taken of the very large informal economy.

**Ratification of ILO Conventions:** The Workers with Family Responsibilities Convention, 1981 (No.156), was not ratified by the United Republic of Tanzania.

Source: NATLEX database

(http://www.ilo.org/dyn/natlex\_browse.details?p\_lang=en&p\_country=TZA&p\_classification=16&p\_origin=COUNTRY&p\_sortby=SORTBY\_COUNTRY)

for an elderly or sick person. The study reports that 8 per cent of rural households and 3 per cent of urban households take two or more hours per day to fetch water.<sup>3</sup> Similarly, rural households, in particular women, spend at least an hour per day collecting firewood.

Such time-use patterns have to be examined in the context of their impact on working women and men. Working women, who are left with the responsibility of meeting these needs, require flexible working time arrangements if they are to reconcile paid work with family responsibilities. However, the lack of flexible work arrangements in the formal sector is pushing women into the informal economy, where they can more easily adjust the need for paid work with their family responsibilities. At the same time, it should be mentioned that while the informal economy offers enough flexibility, in terms of working time and geographical location, those largely self-employed jobs are usually low-quality, unprotected and unskilled. Thus, in order to fulfil their societal obligations, working women have to balance time spent on productive and reproductive responsibilities. When examining the reconciliation of work and family responsibilities, it is important to take such responsibilities into consideration.

Tanzania has not ratified the Maternity Protection Convention, 2000 (No. 183), or Part VIII (on maternity benefits) of the Social Security (Minimum Standards) Convention, 1952 (No. 102) (see Legal Framework Indicator 6 "Maternity leave"). However, Tanzania has incorporated provisions for balancing work, family and personal life and maternity protection through its Employment and Labour Relations Act of 2004 (ELRA). Under this law, employees are entitled, within any leave cycle, to at least 84 days maternity leave and benefits equal to 100 per cent of previous earnings. This period is extended to 100 days paid maternity leave if the employees give birth to more than one child at once. If the child dies within a year of the birth, an employee is entitled to an additional 84 days paid maternity leave within the leave cycle. To have access to maternity protection, the employee must have worked for the same employer for a minimum of six months and the employee must not have taken a similar leave for three years. The provisions of the ELRA apply to all employees in mainland Tanzania, including those in public service of the Government of Tanzania in mainland Tanzania, except per-

<sup>&</sup>lt;sup>3</sup> Where water collection is concerned, there has been a debate on the extent to which the ILFS question has captured the amount of time used for water collection taking into account the walking distance to the water sources.

sons employed by the Tanzania People's Defence Force, the Police Force, the Prisons Service and the National Service. However, self-employed women (i.e. the large majority of women workers) are not covered by this arrangement.

Other aspects of maternity protection provided for in the ELRA 2004 include maternity benefits, health protection, issues of anti-discrimination, paternity and compassionate leave, two hours for breast feeding the child during the working hours, and the prohibition of night work for pregnant employees. Notably, the enforcement of these provisions is dependent upon agreements entered between the employers and employees to allow for some form of flexibility.4 For example, long distances between the workplaces and residences and lack of reliable transport to and from work would make the right to two hours break impractical, so employees may opt to come to work early and leave work early so as to accommodate breastfeeding for more hours than allocated by the law. Apart from maternity protection, other familyrelated leaves are also provided: three days paid paternity leave (see Legal Framework Indicator 7 "Parental leave") and four days compassionate leave in the event of sickness or death.

There has been progress in the legal provisions with evidence of an increasing trend towards implementation of the law. However, there is still a lack of social care services, both public and private, to support the combination of work and family responsibilities. It can also be concluded that despite women's increased participation in employment their share of family responsibilities, as determined by the gender division of labour, has not diminished.

There is a need for the Government to extend provisions for combining work and family life to workers in the informal economy and to selfemployed women workers, taking into account that the large majority of women workers in Tanzania are not covered by the current arrangements. It is well known that working conditions in the informal economy are poor, especially in terms of earnings, social protection and labour rights, but women opt to work in it - or do so for lack of choice – as the flexibility of time enables them to combine work and family responsibilities.<sup>5</sup> Particular attention should be paid to efforts at facilitating policies such as the provision of child care services, social community-based services for the elderly and sick people, with focus on HIV/AIDSrelated needs, and other services to workers with family responsibilities.

<sup>&</sup>lt;sup>4</sup> T. Ackson: A Review of the legal framework on working conditions in Tanzania, A report submitted to ILO Dar es Salaam, 2008.

<sup>&</sup>lt;sup>5</sup> C. Lardechi: Sustaining job creation and improving the quality of jobs in Tanzania, World Bank Policy Note (Washington D.C, World Bank, 2009).

# Work that should be abolished

International Conventions require that certain types of work should be abolished at all cost. These are child labour and forced labour. Tanzania has ratified several pertinent ILO Conventions in these two areas, including the Minimum Age Convention, 1973 (No. 138), the Worst Forms of Child Labour Convention, 1999 (No. 182), the Forced Labour Convention, 1930 (No. 29), and the Abolition of Forced Labour Convention, 1957 (No. 105). In terms of the legal framework, the Government has incorporated new legislation (the Employment and Labour Relations Act of 2004) which prohibits child labour and forced labour. It outlaws the employment of children under the age of fourteen, forbids the employment of children in any situation that is injurious to health, dangerous, or otherwise unsuitable and repealed the Employment Ordinance under which compulsory labour could be imposed for public purposes (see Legal Framework Indicators 8 "Child labour" and 9 "Forced labour"). Tanzania adheres to the international definition of a child as being anyone under the age of 18 years. Necessary amendment of domestic legislation has been undertaken to bring the country into conformity with the international Conventions. The Government has also recently passed the Anti-Trafficking of Persons Act (June 2008).1

The ILO has provided assistance to the Government and other social partners in Tanzania to eliminate child labour since 1994 through its International Programme on the Elimination of Child Labour (IPEC). In 2001, the Tanzanian Government has started the implementation of a national Time-Bound Programme, with a set of integrated and coordinated policies and programmes, to pre-

See http://parliament.go.tz/Polis/PAMS/Docs/6-2008.pdf.

vent and eliminate the worst forms of child labour within a defined period of time. One of the main achievements has been that child labour has been included as one of the indicators in Tanzania's Poverty Reduction Strategy paper (MKUKUTA). Budget resources have been made available at national and district levels for interventions to combat child labour. In 2009, a National Action Plan for the elimination of child labour has been developed and adopted in Tanzania mainland, and the list of hazardous child labour activities has been updated to provide for a wider coverage of sectors and activities as well as to make it more consistent with the new labour legislation. The Child Development Policy of 1996 has been revised to take on board emerging issues of HIV/AIDS, the protection of children from the worst forms of child labour, non-discrimination of children and the protection of the most vulnerable children.

The Ministry of Labour, Employment and Youth Development has undertaken the role of national co-ordination of child labour interventions as well as resource centre for general policy information and guidance. Institutions have been strengthened or established, such as the Child Labour Unit at the Ministry of Labour, Employment and Youth Development, the National Inter-Sectoral Coordination Committee (NISCC) and District Child Labour Committees. A number of models have been developed, pilot projects tested and replicated, such as a district model to strengthen local capacity and the work of local child labour committees linked to child labour monitoring; and a referral model for identifying children and linking them with providers of education and vocational training. However, despite advances achieved, challenges remain and the number of children in child labour remains high.

Table 5. Work that should be abolished

Decent Work Indicator	1990/91	2000/01	2006
Child labour (5-17 years), in % <sup>1</sup>		31.3	27.5
Male		32.8	30.8
Female		29.7	24.0
Urban areas		12.0	10.7
Rural areas		36.4	32.3

Source: ILO Statistical Information and Monitoring Programme on Child Labour (SIMPOC), based on National Bureau of Statistics, ILFS 2000/01 and 2006.

In order to assess the level and trends of child labour, the National Bureau of Statistics (NBS) included a module on child labour in the Integrated Labour Force Survey (ILFS) 2000/01 and 2006.<sup>2</sup> Child labour remained generally quite common in 2006, when 27.5 per cent of all children in the age group from 5 to 17 years were considered to be in child labour (see Table 5).3 This is partly a reflection of the role of children in activities generating supplementary incomes at household level in the presence of factors debilitating the adult population including HIV/AIDS. There are considerable differences between urban areas, where the rate was 10.7 per cent, and rural areas, where it was 32.3 per cent. Overall, fewer girls (24.0 per cent) than boys (30.8 per cent) are engaged in child labour. The encouraging sign is that from 2000/01 to 2006, the overall rate decreased from 31.3 to 27.5 per cent. The decrease was more marked for girls (5.7 percentage points) and in the rural areas

(4.1 percentage points), although rates for boys and urban areas also declined.

What does not come out clearly in the data is the negative effects on girls of certain cultural norms and practices, taking account of the nature of patriarchy in the country. This may result in the situation of girls in relation to child labour and hazardous work being overlooked, particularly in the area of domestic work. The situation of girls being at higher risk of becoming domestic workers and exposed to abuse, including rape and other forms of sexual abuse, and cruelty may also not be adequately reflected. Not much is known about the effects of gender discrimination and the dynamics that brought them into this type of employment, and consequently what specific interventions to put into place that take account of their situation.

Also, one area of negative effect is the inter-play between common law, international Conventions and customary law, for instance as regards to the age of marriage. Statutory law provides 18 as the legal age of marriage. However, customary law permits marriage for girls as young as 15 years. These child brides will be treated as married women and will rarely be captured in child labour statistics, even though their situation may be properly classified as one of child labour. In addition, HIV/AIDS is causing the death of parents, and there is now a trend towards young girls becoming heads of household. This and other gender issues may not be properly reflected, but would have a bearing in terms of the extent of child labour for girls.

According to the definition used by ILO-SIMPOC for producing Global Estimates. The data may differ from previously published results that drew on a different methodology.

The child labour module targeted all children aged 5-17 years living in private households. The module adopted a broad definition of work that included both economic work that results in a person being classified as employed in terms of labour force statistics, as well as non-economic work such as unpaid housework in ones own home and caring for children, the elderly, ill and disabled. The module was able to provide insight into issues such as; children engaged in work activities; children engaged in economic work; perceptions of children and parents or guardians; children engaged in housekeeping work; health and safety of children engaged in work activities; work and school attendance; children living away from home; child labour and time use.

The calculations reproduced are based on the ILO's definition developed for the purpose of global estimates. These may differ from earlier calculations published by the NBS that used a different methodology. The new figures are in line with the *Resolution concerning statistics of child labour* that was adopted by the 18th International Conference of Labour Statisticians, see: http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/---stat/documents/normativeinstrument/wcms\_112458.pdf

### **Legal Framework Indicator 8. Child labour**

Law, policy or institutions: The relevant legislation for mainland Tanzania is the Employment and Labour Relations Act of 2004 (ELRA), which came into force in December 2006, Part II of which contains provisions on child labour. However, the Committee of Experts found in 2007 that the ELRA does not adequately provide for the prohibition of child labour, as it only covers work under an employment contract. The Committee has therefore requested confirmation that the prohibition on child labour under section 86 of the Child Development Policy 1996 relates to all economic activities performed by children younger than 14 years of age, irrespective of employment status. The Committee of Experts also noted the Government of Tanzania's indication that a regulation listing hazardous types of work is being prepared by the Minister. The Ministry of Community Development, Gender and Children is in the process of reviewing the Child Development Policy to incorporate concerns on child labour and its worst forms. The Ministry of Labour, Employment and Youth Development (MLEYD) remains responsible for enforcement of labour laws, together with the Commission for Mediation and Arbitration and the labour court. The Ministry has continued conducting seminars on child labour in different parts of the country, and, like several other government ministries, it has a special child labour unit.

**Evidence of implementation effectiveness:** The 2000-01 Integrated Labour Force and Child Labour Survey found that 1,271,813 children aged 5 to 9, and 2,204,687 children aged 10 to 14 were economically active. At least 1.2 million children were involved in the worst forms of child labour, and only 26 per cent of children aged 5 to 9 and 56 per cent of children aged 10 to 14 were attending school. Further, very few labour inspections have been carried out with a view to enforce the ban on child labour and compulsory education laws due to a lack of resources. Moreover, the Ministry's 2004 National Child Labour Elimination Strategy (NCLES) notes that commercial sexual exploitation is on the rise, and that the working conditions of girls between the age of 9 and 15 working in domestic service can be both exploitative and abusive. It is estimated that children in this sector work between 12 and 18 hours per day. The Committee of Experts concluded in 2006 that, while there is a legislative framework in place for the elimination of child labour, there are many problems in its practical application. However, ILO/IPEC is active in Tanzania, which is one of the first countries to participate in the ILO/IPEC Time-Bound Programme (TBP) on the worst forms of child labour. As a result, there are numerous action programmes and projects related to child labour and its worst forms, including initiatives targeting sectors with hazardous work (such as the mining and agricultural sectors) and the sexual exploitation of children, as well as measures aimed at preventing the worst forms of child labour through education and training.

A list of hazardous occupations was submitted to the Labour, Economic and Social Council (LESCO) for discussion and adoption, prior to endorsement by the Minister. The Ministry of Labour, Employment and Youth Development was expected to issue a regulation during 2009 on the list of hazardous occupations as part of the new labour legislation, to be published in the Official Gazette.

Implementation of policies and programmes against child labour has been undertaken through the Time Bound Programme (TBP). The programme includes support measures aimed at addressing the problem of child labour in Tanzania, such as poverty reduction, promotion of access to basic education, enactment and enforcement of child labour legislation as well as the withdrawal and rehabilitation of children involved in the Worst Forms of Child Labour (WFCL).

**Ratification of ILO Conventions:** The Minimum Age Convention, 1973 (No. 138), and the Worst Forms of Child Labour Convention, 1999 (No. 182), were ratified by the United Republic of Tanzania in 1998 and 2001, respectively.

### Sources:

- 1. Committee of Experts Individual Direct Request concerning Convention No. 138, submitted in 2008 (http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displayAllComments.cfm?hdroff=1&ctry=2870&conv=C138&Lang=EN).
- Committee of Experts Individual Direct Request concerning Convention No. 182, submitted in 2008
   (http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displayAllComments.cfm?hdroff=1&ctry=2870&conv=C182&Lang=EN).
- 3. "Child Labour in Tanzania", Country Report, Integrated Labour Force and Child Labour Survey, 2000-01 (ILO/IPEC) (www.ilo.org/ipecinfo/product/download.do?type=document&id=5107).

Thus, despite the existence of deterrence in these new labour laws as mentioned above, there are still various forms of child labour reported.<sup>4</sup> According to the Government of Tanzania, the worst forms

of child labour are currently concentrated in four major sectors/areas, namely commercial agriculture; mining and quarrying; domestic service; and commercial sex.<sup>5</sup> The objective that was set out in

<sup>&</sup>lt;sup>4</sup> G. Kahyarara, G. and L. Rutasitara: A report on working conditions survey in Tanzania (Geneva, ILO, forthcoming).

See United Republic of Tanzania, National strategy for growth and reduction of poverty (NSGRP) (Vice President's Office, June 2005), p. 10, http://www.tanzania.go.tz/pdf/nsgrptext.pdf.

### **Legal Framework Indicator 9. Forced labour**

Law, policy or institutions: The Employment and Labour Relations Act of 2004 (ELRA), which came into force in December 2006, repealed the Employment Ordinance, under which compulsory labour could be imposed for public purposes. The Committee of Experts noted in 2008, however, that the problem remained in practice at the local level due to the application of by-laws and directives issued by local authorities imposing compulsory labour on the population. To counteract this problem, the government Task Force on Labour Law Reform has recommended that the corresponding authorities make appropriate amendments to these laws. Further, the Anti-trafficking in Persons Act covering trafficking for sexual and labour exploitation was passed on 22 January 2008. Notwithstanding, national legislation remains inadequate as not all forms of trafficking in persons are prohibited. The establishment by national laws (the Penal Code, the Newspaper Act, the Merchant Shipping Act and the Local Government [District Authorities] Act) of compulsory labour as a punishment for expressing political views, for failure to engage in socially useful work and for various breaches of labour discipline is incompatible with Convention No. 105.

**Evidence of implementation effectiveness:** The Government has reported that it actively investigates cases of trafficking via mechanisms established by existing laws. For example, the Anti-Human Trafficking Unit was reported to have investigated all trafficking leads reported to police by the public or other law enforcement authorities. However, there have been no known prosecutions or convictions. Further, the Committee of Experts has asked for clarification on the UN finding that armed opposition groups have been recruiting children from refugee camps in western Tanzania.

**Ratification of ILO Conventions:** The Forced Labour Convention, 1930 (No. 29), the Abolition of Forced Labour Convention, 1957 (No. 105), and the Worst Forms of Child Labour Convention, 1999 (No. 182), were ratified by the United Republic of Tanzania in 1962 (in the case of the first two conventions) and 2001.

### Sources

- Committee of Experts Individual Direct Request concerning Convention No 182, submitted in 2008. (http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displayAllComments.cfm?hdroff=1&ctry=2870&conv=C182&Lang=EN)
- Other comments of the Committee of Experts on Conventions No. 29
   (http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displayAllComments.cfm?hdroff=1&ctry=2870&conv=C029&Lang=EN)
   No. 105 (http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displayAllComments.cfm?hdroff=1&ctry=2870&conv=C105&Lang=EN)
   and No. 182 (http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displayAllComments.cfm?hdroff=1&ctry=2870&conv=C182&Lang=EN)
   were also consulted.

MKUKUTA was to reduce the proportion of children involved in child labour from 25 per cent to less than 10 per cent by 2010, and to make available to these children alternative opportunities in respect of education and vocational training<sup>6</sup>. This still remains a big challenge given the very high proportion of child labour in 2006. Nevertheless, the trend is in the right direction and so some progress has been made from 2001 towards the abolition of child labour.

Forced labour is extremely difficult to measure with acceptable precision and is in most cases under-reported. In the case of Tanzania, no statistical data was available for the indicator. While legal provisions such as the general prohibition of forced labour in Section 6 of the Employment and

Labour Relations Act of 2004 exist,<sup>7</sup> the Committee of Experts has voiced concerns over its application in practice (see Legal Framework Indicator 9 "Forced labour").

<sup>6</sup> Loc. cit., p. 48.

# 6 Stability and security of work

The extent to which workers, whether in paid employment or self-employment, have security and stability in their jobs is important in assessing progress on decent work in Tanzania. In examining this, it is useful to look at jobs which by their characteristics cannot be stable or secure as well as to canvass the views of workers themselves on these aspects of their jobs. To do this, this chapter analyzes the proportion of paid employees with precarious jobs, such as casual, seasonal and temporary jobs; the proportion of the ownaccount and contributing family workers in nonagriculture who consider their work unreliable (in terms of availability and adequate hours); as well as the proportion of workers in informal employment, which by its nature is mostly unstable and insecure.

Data for the proportion of paid employees in precarious types of work in Tanzania are available only for 2006. According to Table 6 a very high percentage (more than half) of paid employees are in one or the other type of precarious work, irrespective of sex or area. Slightly more paid male employees (58.4 per cent) are in precarious work than paid female employees (56.5 per cent). This is possibly due to the fact that, compared to their male counterparts, fewer female employees work in those industries, such as construction (only 3.2 per cent are female), in which these types of precarious work (casual and temporary) predominate. The proportion of paid employees in precarious work is significantly higher in rural areas (64.4 per cent) compared to urban areas (54.7 per cent). In rural areas, both public employers (central and local government, parastatals and NGOs) and private employers are more likely to hire casual employees than in urban areas. Even without a trend analysis, one can conclude that the situation of paid employees in Tanzania (just under 10 per cent of total employment) with respect to this element of decent work is not healthy.

With respect to own-account workers and contributing family workers outside agriculture, the Integrated Labour Force Survey (ILFS) included two different questions in the most recent survey years. In 2000/1 respondents were asked "Is your work reliable as regard to availability and adequate in terms of hours?", while in 2006 they were asked "Is your work reliable as regard to availability?". Therefore, in 2000/01 more respondents were likely to deny the question than in 2006 (i.e. those with work that is not adequate in terms of hours). As a result, no direct comparisons can be made between the two surveys and the decline in the proportion of self-employed workers who reported unreliable work can be seen as a consequence of the change in the questionnaire (rather than providing evidence for progress; see Table 6).

In 2000/01, some 42.4 per cent of all self-employed workers outside agriculture reported that their work was either unreliable as regard to availability or inadequate in terms of hours. This was in particular the case for women workers (47.4 per cent) and in urban areas (46.3 per cent), while slightly lower proportions reported inadequate work among male workers (36.8 per cent) and in rural areas (35.6 per cent). Interestingly, the gender and location disparities are driven by the fact that a majority of women in urban areas report unreliable work (53.0 per cent); only about 36 per cent of women in rural areas and men in urban or rural areas, respectively, reported unreliable work (not tabulated). Urban women were thus particularly exposed to inadequate self-employment.

Table 6. Stability and security of work

Decent Work Indicator	1990/91	2000/01	2006
Proportion of paid employees in precarious types of work (casual, seasonal and temporary workers), in % of all paid employees <sup>1</sup>			57.8
Male			58.4
Female			56.5
Urban areas			54.7
Rural areas			64.4
Proportion of self-employed workers (non-agriculture) with unreliable work, in % of all self amployed workers <sup>2</sup>		42.4	23.7*
in % of all self-employed workers <sup>2</sup>		42.4	
Male		36.8	26.3*
Female		47.4	21.4*
Urban areas		46.3	24.7*
Rural areas		35.6	21.9*

- <sup>1</sup> Paid employees with casual contract (written or oral) and temporary employees (on contract), as percentage of all employees. Refers to main activity of currently employed population aged 15 years and above. Employment defined according the international definition of employment; corresponds to the 'standard definition' used by the NBS.
- <sup>2</sup> Self-employed workers without employees (i.e. own account workers) and contributing family workers in the non-agricultural sector who stated that their work was not reliable (excludes employers). Refers to main activity of currently employed population aged 15 years and above. Employment defined according the international definition of employment; corresponds to the 'standard definition' used by the NBS).
- \* Note that answers from 2000/01 and 2006 are not strictly comparable as the question was changed from "Is your work reliable as regard to availability and adequate in terms of hours?" (2000/01) to "Is your work reliable as regard to availability?" (2006).

Source: National Bureau of Statistics, ILFS 2000/01 and 2006. Indicators were recalculated on the basis of the micro-data.

In 2006, only 23.7 per cent of self-employed workers reported work that was unreliable in terms of availability. A higher proportion of selfemployed men (26.3 per cent) were in unreliable work than this was the case among their female counterparts (21.4 per cent), reversing the situation that existed in 2000/01. As before, unreliable work was more prevalent in urban areas (24.7 per cent) than in rural areas (21.9 per cent). The previous finding that urban women are particularly vulnerable to unreliable work was not replicated in 2006; they reported an about average share of unreliable work (22.3 per cent). Again, this might be driven by the change in methodology, since inadequacy in terms of hours (that was only included in 2000/01) could play a particular role for urban women.

The above categories – paid employees and selfemployed workers outside agriculture –represent only about a quarter of all employed persons. To get an idea of the situation with respect to the remainder, we should recall the discussion about informal employment in Chapter 1. Employees in informal employment jobs are often without written contract and lack employment protection. Also it is well-known that many informal sector enterprises are unstable in terms of their duration, and that their owners cannot therefore be considered as having stable and secure jobs. Even more importantly in the Tanzanian context, self-employed workers in agriculture lack income security and social protection that are associated with formal wage employment. Unless they run a registered, large-scale commercial farm, they are thus considered to be in informal employment.<sup>1</sup>

Thus with the very high percentage of informal employment (93.3 per cent in 2006) in Tanzania, it would seem that in general there is a low level of secure and stable jobs. Clearly, permanent employees in the formal sector have recourse available through their trade unions, if retrenched, and they can take their complaints to the Commis-

See R. Hussmanns: Measuring the informal economy: From employment in the informal sector to informal employment, Integration Working Paper No. 53 (Geneva, ILO, 2004).

### **Legal Framework Indicator 10. Termination of employment**

Law, policy or institutions: The Employment and Labour Relations Act of 2004 (ELRA), which came into force in December 2006, states in section 37 that it is unlawful for an employer to terminate the employment of an employee unfairly. Termination of employment is unfair if the employer fails to prove that the reason for the termination is valid, that the reason is fair and that the employment was terminated in accordance with fair procedure. A 'fair' reason is one that is related to the employee's conduct, capacity or compatibility, or that is based on the operational requirements of the employer. The ELRA repealed previous legislation that allowed summary dismissal.

**Notice periods:** Notice periods vary from 7 to 28 days, depending on the type of contract and length of service. The Act defines 'severance pay' as an amount equal to seven days' basic wage for each completed year of continuous service with that employer up to a maximum of ten years (Sec. 42.1, ELRA). An employer is required to pay severance on termination of employment if the employee has completed twelve months of continuous service with an employer and the employer terminates the employment (Sec. 42.2, ELRA). Severance is not required to be paid if the termination is fair on grounds of misconduct, or to an employee who is terminated on grounds of capacity, compatibility or operational requirements, and who unreasonably refuses to accept alternative employment with that or any other employer.

**Evidence of implementation effectiveness:** No information has been located by the ILO. As in the case of other legal framework indicators, the large informal economy should be kept in mind when evaluating the impact of this legislation.

**Coverage of workers in law:** Section 2 of the ELRA excludes from coverage members of the armed forces, the police, the prison service and the civil service. Section 35 of the ELRA states that Sub-Part E, containing regulations related to Unfair Termination of Employment, does not apply to an employee with less than six months of employment with the same employer, whether under one or more contracts.

Coverage of workers in practice: No information located by the ILO.

**Ratification of ILO Conventions:** The Termination of Employment Convention, 1982 (No. 158), has not been ratified by the United Republic of Tanzania.

Source: ILO profile of corresponding national legislation (http://www.ilo.org/public/english/dialogue/ifpdial/info/termination/countries/tanzania.htm).

sion of Mediation and Arbitration. They therefore enjoy some measure of protection which translates into secure and stable jobs. However, the extent of unionization in the working population is low and so most workers do not benefit from the same protection (see Chapter 10 "Social dialogue, workers' and employers' representation"). For example, employees without contracts, who in most cases are not members of unions, cannot use the mediation and arbitration mechanism and simply agree to retrenchment.

In conclusion, the picture on stability and security of work with respect to paid employment in Tanzania is not encouraging; too large a percentage of employees (57.8 per cent) were in precarious work in 2006. For self-employed workers in nonagriculture, 23.7 per cent considered their work unreliable. In addition, the economic reforms

have entailed some shedding of jobs through retrenchment as well as flexibility of the labour market, which reduced stability and security of work. It could be that this situation is due to the absence of implementation of the Employment and Labour Relations Act of 2004 for employees in informal sector enterprises. The picture is even bleaker when self-employed workers in agriculture – the largest proportion of employed persons – are included. Given the nature of their agricultural activities, it is unlikely that their work could be considered stable and secure. The statistics on informal employment discussed in Chapter 1 capture this overall picture, under which 93.3 per cent of all employed persons were in informal employment. However, this was a slight improvement over 2000/01, signalling that there was some progress with respect to the creation of formal jobs.

### Equal opportunity and treatment in employment

Tanzania has ratified the relevant Conventions in equal opportunity and treatment in employment, i.e. the Equal Remuneration Convention, 1951 (No. 100), and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111). In addition, the National Employment Policy 2008 "pledges the provision of fair and equal treatment for both men and women on recognition that women are disadvantaged in the world of work because of their multiple roles as producers, reproducers and providers of family care."1 Sections seven and eight of the Employment and Labour Relations Act of 2004 prohibit discrimination in the workplace and in trade unions and employer associations, respectively (for grounds covered, see Legal Framework Indicator 11 "Equal opportunity and treatment"). Thus some progress has been made in establishing the legal and policy framework for this element of decent work as far as it concerns gender equity.

Progress in the implementation of the legal framework needs to be established in terms of the realities that are faced in particular by women in the world of work. Disadvantageous occupational segregation and the extent to which women are in 'top' positions are two areas in which to carry out this examination. Another is the financial returns women have in relation to their male counterparts in their employment activities.

The sex distribution of total employment has shifted slightly over the period with women having a slightly higher share in 2006 as compared to 1991. For both sexes, the bulk of their employment is in the agricultural and fishery workers group (69 per cent for men and 77 per cent for women; not tabulated). From Table 7.1, it can be observed that in 1991 men were in the minority only in one of the major occupational groups under Tanzanian Standard Classification of Occupations (TASCO), in 2006 men held less than 50 per cent in three of the major occupational groups. Moreover, the male shares in those groups in which they were dominant in 1991 have decreased in 2006, indicating a movement, albeit slight, to less occupational segregation at this 1-digit level over time. However, an examination of the situation in 2006 shows that the male domination continued for certain occupational groups that are supposed to have the 'good' occupations, whilst women were overrepresented in the elementary occupations, clerical jobs and, particularly, among skilled agricultural and fishery workers. Jobs in these female majority groups tend to have lower pay, lower status and fewer possibilities for advancement as compared to those in the other groups with male dominance (notably professionals and associate professionals). The situation with respect to the occupational group of legislators, administrators and managers is difficult to assess due to the coding differences between the years. Nevertheless, with a male share of almost 84 per cent of employment in this category in 2006, it is clear that females were disadvantaged with respect to their employment in this highest level occupational group.

The female share of employment in high-status occupations substantiates this finding (see Table 7.2). The indicator is more narrowly defined as legislators and administrators (TASCO sub-major group 11) and company directors and corporate managers (sub-major group 12), hence excluding TASCO sub-major group 13 (Small Business Managers and Managing Supervisors),

<sup>&</sup>lt;sup>1</sup> National Employment Policy, 2008, para 3.24.

<b>Table 7.1. E</b>	qual opportunity	and treatment in employr	ment - Occupational segregation by	sex
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Decent Work Indicator	1990	)/91**	200	0/01	20	106
	Male	Female	Male	Female	Male	Female
Occupational segregation by sex (distribution of employment within TASCO major groups), in $\%^{\rm I}$						
Total employment	50.1	49.9	49.0	51.0	48.9	51.1
1 Legislators, administrators and managers	79.0*	21.0*	50.8*	49.2*	83.5	16.5
2 Professionals	89.8	10.2	73.6	26.4	65.0	35.0
3 Technicians and associate professionals	69.9	30.1	67.6	32.4	60.9	39.1
4 Clerks	53.2	46.8	47.0	53.0	49.3	50.7
5 Service workers and shop sales workers	55.5	44.5	49.0	51.0	52.3	47.7
6 Skilled agricultural and fishery workers	46.2	53.8	46.6	53.4	46.2	53.8
7 Craft and related workers	90.1	9.9	81.3	18.7	77.0	23.0
8 Plant and machine operators and assemblers	89.2	11.8	91.7	8.3	87.1	12.9
9 Elementary occupations	57.5	42.5	52.2	47.8	41.5	58.5

- <sup>1</sup> Male and female share in Tanzania Standard Classification of Occupations (TASCO) major groups, in %; refers to main activity of population currently employed under the standard definition and aged 15 years and above. Figures for different years are not strictly comparable due to differences in coding of questionnaire responses. Subsistence farmers are included in major group 6.
- \* Note that an unusually large number of respondents were coded in this category in 1990/91 and 2000/01 (2.0 per cent and 2.5 per cent of the total employed population, respectively), compared to 0.17 % of the total employed population in 2006. This was due to the inclusion of owner-operators of small businesses in 1990/91 and 2000/01.

Source: National Bureau of Statistics, ILFS 1990/91 2000/01 and 2006. Indicators were recalculated on the basis table 3.3 of the 1990/91 ILFS report and the micro-data for 2000/01 and 2006.

in order to improve comparability between survey years. Though the share rose from a low of 7.2 per cent in 1991 to 17.4 per cent in 2006, is still far below women's share in total employment (51.1 per cent; Table 7.2). This further confirms the analysis in the previous paragraph of under-representation of women with respect to 'good' jobs. Looking at the female shares in employment by sector, it can be seen that they constitute only just over a quarter of employment in industry, even though the trend is increasing. They are in the majority in agriculture and are approaching parity in services. Their low participation in industry could be an indication of continued stereotyping due to the prevailing gender norms which tend to discriminate against women and limit their occupational choices and career advancement.

The gender wage gap measures the extent to which the wages of women differ from those of men. Expressed as a proportion of men's wages, a value of 0 means equality of wages; positive values will reflect the extent to which women's wages fall short of those received by men (with a theo-

retical maximum of 100 per cent) and negative values reflect the extent to which women's wages are higher than men's wages. At 40.3 per cent, the total gender wage gap remained high in 2006. In other words, women earned about 40 per cent less than men. Nonetheless, this was an improvement relative to 2000/01, when the gender wage gap 50.5 per cent (i.e. women earned only about half as much as men in that year). The gap is slightly higher when only earnings from non-agriculture self-employment are considered (43.7 per cent), but again this was an improvement on the 56.8 per cent gap in 2000/01 and the gap of 65.8 per cent recorded in 1990/91. Compared to this, the situation in paid employment is better, where the gap declined from 27.3 per cent in 2001 to 25.6 per cent in 2006. However, the data indicate that the wage gap in paid employment had been lower in 1990/91 (16.5 per cent).

Women's share in wage employment remains low at 29.5 per cent with little or no movement since 2000/01 (though this represents an improvement over 1990/91). By contrast, the share of women in wage employment in the non-agricultural sec-

<sup>\*\*</sup> Refers to currently employed population aged 10 years and above.

### Legal Framework Indicator 11. Equal opportunity and treatment

Law, policy or institutions: The relevant legislation for mainland Tanzania is the Employment and Labour Relations Act of 2004 (ELRA), which entered into force in December 2006, and the Employment and Labour Relations (Code of Good Practice) Rules, 2007, which were made under section 99(1) of the Act. The Committee of Experts has noted that section 7 of the ELRA provides protection against direct and indirect discrimination in employment policies or practices on all grounds set forth in Article 1(1)(a) of Convention No. 111, and that it requires employers to promote equal employment opportunities. The ELRA also includes additional grounds of discrimination, not specifically enumerated in Article 1(1)(a), including nationality, tribe or place of origin; marital status or family responsibility; disability; HIV/AIDS status; age; and station in life, which the Government has indicated that it considers to be covered by the Convention, pursuant to Article 1(1)(b). The responsible body is the Labour Commissioner's Office, which has regulatory and inspectorate powers. The Committee of Experts has noted that in mainland Tanzania employers are required to register plans to promote equal opportunity and to eliminate discrimination in the workplace with the Labour Commissioner and that affirmative action measures are permitted. In the public service, the Public Service Management and Employment Policy prohibits overt or unintended discrimination against women, persons with disabilities and other vulnerable groups in recruitment processes.

The HIV/AIDS (Prevention and Control) Act, No. 28 of 4 April 2008 provides in section 9 that employers should establish and coordinate a workplace programme in consultation with the Ministry of Health. Section 30(d) of the Act provides that HIV status, either real, perceived or suspected, should not result in the denial of access to employment, while Part V of the Act (sections 13 to 18) provides that HIV testing should be voluntary and carried out only with informed consent. It further provides that all HIV-related information is to be kept confidential.

**Evidence of implementation effectiveness:** In 2008, the Committee of Experts noted the Government's indication that it was carrying out sensitization activities to raise knowledge among workers and employers of the new labour legislation and that the process of developing equality plans was ongoing. Statistical and other practical information has been requested.

Affirmative action and equal opportunities programmes exist with the specific aim of economically empowering women and girls in the lines of developing skill acquisition and training; enhancing the demand for female labour; improving women's awareness of employment opportunities; promoting enterprise development and tackling feminization of poverty.

**Coverage of workers in law:** The ELRA covers employees in the private sector and 'employees [...] in the public service of the Government of Tanzania' in mainland Tanzania. Further, the Public Service Act states that "Servants in the Executive Agencies and Government Institutions shall be governed by provisions of the Laws establishing the respective executive agency or institutions."

**Ratification of ILO Conventions:** The Equal Remuneration Convention, 1951 (No. 100), and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), were both ratified by the United Republic of Tanzania in 2002.

### Sources

- 1. Committee of Experts Individual Direct Request concerning Convention No. 111, submitted in 2006. (http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displayAllComments.cfm?hdroff=1&ctry=2870&conv=C111&Lang=EN).
- 2. Committee of Experts Individual Observation concerning Convention No. 111, submitted in 2009.
- 3. Committee of Experts Individual Direct Request concerning Convention No. 111, submitted in 2009.
- 4. Government reports on the application of Convention No. 111 were also consulted.

tor has decreased slightly from 31.7 per cent in 2000/01 to 30.5 per cent in 2006. Given that jobs in wage employment in the non-agricultural sector are usually expected to be of relatively higher quality than other jobs, this would signal a deteriorating situation. In fact, the share of women in wage employment in the non-agricultural sector is used to monitor progress on Millennium Develop-

ment Goal (MDG) 3 "Promote Gender Equality and Empower Women".<sup>2</sup>

<sup>&</sup>lt;sup>2</sup> See Millennium Project, http://www.unmillenniumproject.org/goals/gti.htm. Note that previously published value of 29.3 % for 2000/01 referred to the share of women in total paid employment (incl. agriculture), where the total employed population aged 10 years and above was considered (rather than the employed population of working-age).

Table 7.2. Equal opportunity and treatment in employment – Gender differences

Decent Work Indicator	1990/91*	2000/01	2006
Female share of employment in high-status occupations, in %1	7.2	11.7	17.4
Female share of employment, in %	49.9	51.0	51.1
Agriculture	53.6	52.6	53.3
Industry	17.3	23.1	28.5
Services	34.8	47.6	48.3
Share of women in wage employment in the non-agricultural sector, in %2		31.7	30.5
Share of women in wage employment, in %³	24.7	29.0	29.5
Gender pay gap (Total monthly earnings from paid employment and non-agricultural self-employment), in %4		50.5	40.3
Monthly earnings from paid employment	16.5	27.3	25.6
Monthly earnings from non-agricultural self-employment	65.8	56.8	43.7

- Refers to TASCO sub-major groups 11 (Legislators and administrators) and 12 (Company directors and corporate managers). To improve comparability between years, TASCO sub-major group 13 (Small business managers and managing supervisors) was excluded since a large number of employed persons was coded in this category in 1990/91 and 2000/01 (174,136 and 346,207, respectively), but not in 2006 (43,796). This was caused by the different treatment of owner-operators in the different years. Based on main activity of currently employed population aged 15 years and above.
- Indicator of MDG target 3.A. Share of women in wage employment in the non-agricultural sector, in %. Refers to currently employed population according the international definition of employment aged 15 years an above; corresponds to the 'standard definition' used by the NBS. Calculated as (women in wage employment in the non-agricultural sector / total employed population in wage employment in the non-agricultural sector \* 100%). Wage employment refers to paid employees as defined under ICSE-93; the non-agricultural sector comprises all economic activities other than agriculture, forestry and fishing (ISIC Rev. 4, section A). The previously published value of 29.3 % for 2000/01 was computed as (women in paid employment / total paid employment) \* 100 %, where employment referred to the employed population aged 10 years and above. To achieve comparability between the data for 2000/01 and 2006, the definition outlined above was applied to both years.
- <sup>3</sup> Refers to currently employed population according the international definition of employment, aged 15 years an above; corresponds to the 'standard definition' used by the NBS.
- <sup>4</sup> Gender pay gap calculated as GPG = (Em Ef) / Em \* 100 %, where Em are average monthly earnings of men and Ef are average monthly earnings of women. The overall gender pay gap refers to total income from paid employment and net income from non-agricultural self-employment from all economic activities (main and other activity; not available in 1990/91). The two following lines separate by source of income. Refers to currently employed population aged 15 years and above.
- \* Refers to currently employed population aged 10 years and above.

Source: National Bureau of Statistics, Integrated Labour Force Survey 1990/91, 2000/01 and 2006. Indicators were recalculated on the basis of the micro-data (2000/01 and 2006) and Appendix Table T7, Y6 and M6 of the 1990/91 ILFS report.

The conclusion to be drawn in terms of equal opportunity and treatment is that Tanzania has made positive strides in creating an enabling legal framework for promoting equality in employment and occupation with a view to eliminating discrimination on a wide range of grounds. While the indicators highlight the fact that Tanzania has made some progress in recent years, more needs to be done by way of enforcing the law and effective policy implementation to reduce the gender inequality that still persists. Women still have less access to wage-employment than men, they seldom make a career that leads them into posi-

tions of senior management, and they receive far lower earnings than men. Gender segregation seen in the context of the labour market is detrimental to women in terms of the quality of their employment. To some extent, it is predetermined through choices made in the education and training systems. One therefore finds that women are not enjoying equal opportunities and treatment in these areas. Laws, policies and programmes have to address the historically disadvantaged situation of women more effectively to foster an environment that fully guarantees equal opportunity and treatment of women.

### Legal Framework Indicator 12. Equal remuneration of men and women for work of equal value

Law, policy or institutions: The relevant legislation for mainland Tanzania is the Employment and Labour Relations Act of 2004 (ELRA), which entered into force in December 2006, and the Employment and Labour Relations (Code of Good Practice) Rules, 2007, which were made under section 99(1) of the Act. The Committee of Experts has noted that section 7 of the ELRA provides protection against direct and indirect discrimination in employment policies or practices on all grounds set forth in Article 1(1)(a) of Convention No. 111, and that it requires employers to promote equal employment opportunities. The Act also prohibits discrimination based on gender, pregnancy, marital status and family responsibilities, which are closely related to sex discrimination. The ELRA prohibits discrimination based on sex with respect to remuneration and requires employers to take positive steps to guarantee equal remuneration for men and women performing work of equal value. The body responsible for ensuring equal opportunity and treatment of male and female workers is the Labour Commissioner's Office, which has regulatory and inspectorate powers. The Labour Institutions Act, 2004, created Wage Boards which are charged, amongst other things, with the specific responsibility regarding minimum remuneration. The Committee of Experts has noted that in mainland Tanzania employers are required to register plans to promote equal opportunity and to eliminate discrimination in the workplace with the Labour Commissioner and that affirmative action measures are permitted. In the public service, the Public Service Management and Employment Policy prohibits overt or discrimination against women, persons with disabilities and other vulnerable groups in recruitment processes.

**Evidence of implementation effectiveness:** In 2006, the Committee of Experts asked the Government to provide updated statistical information, disaggregated by sex, on the income levels of men and women in the various sectors and occupational groups. The Committee had noted significant discrepancies between figures provided by National Employment Policy and those provided by the National Bureau of Statistics on describing men and women in different types of employment and their respective access to jobs.

In terms of implementation effectiveness, this seems to be a major challenge for the government and the trend revealed by data gives a mixed picture in terms of achieving equal opportunity and treatment particularly for women. A gender disparity in equal access to opportunities and treatment persists. For instance, despite the acknowledgement that Tanzania's economic growth and poverty reduction can be boosted by enabling women to contribute more fully to the goals of the country's National Strategy for Growth and Reduction of Poverty (MKUKUTA) and that it identifies gender as a cross cutting issue, it does not provide or identify specific measures to address gender-based obstacles to growth and poverty reduction.

**Coverage of workers in law:** The ELRA covers employees in the private sector and 'employees [...] in the public service of the Government of Tanzania' in mainland Tanzania. Further, the Public Service Act states that 'Servants in the Executive Agencies and Government Institutions shall be governed by provisions of the Laws establishing the respective executive agency or institutions.'

**Ratification of ILO Conventions:** Equal Remuneration Convention, 1951 (No. 100), and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), were both ratified by the United Republic of Tanzania in 2002.

### Sources:

- 1. Committee of Experts Individual Direct Request concerning Convention No. 111, submitted in 2006 (http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displayAllComments.cfm?hdroff=1&ctry=2870&conv=C111&Lang=EN).
- 2. Committee of Experts Individual Direct Request concerning Convention No. 100, submitted in 2007 (http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displayAllComments.cfm?hdroff=1&ctry=2870&conv=C100&Lang=EN).
- 4. Government reports on the conventions concerned and the Natlex database were also consulted (http://www.ilo.org/dyn/natlex/natlex\_browse.details?p\_lang=en&p\_country=TZA&p\_classification=05&p\_origin=COUNTRY&p\_sortby=SORTBY\_COUNTRY).

## Safe work environment

Tanzania has ratified both the Labour Inspection Convention, 1947 (No. 81), and the Protocol No. 81 of 1995 to the Labour Inspection Convention, and other relevant instruments (see Legal Framework Indicator 14 "Labour Inspection"). The existing legal framework is composed of the Occupational Health and Safety Act of 2003 and the Workers' Compensation Act of 2008. Again, the existence of this framework and these actions taken by the Government indicate some progress in this dimension. In order to examine the extent of actual implementation, this chapter uses both an output indicator (occupational injury rate) and an input indicator (labour inspection rate). Overall they give measures or proxies for the level of workplace safety.

Injuries sustained at work can be reported through an administrative notification system at an area labour office of or through an insurance scheme. In either case, reporting is limited to the workers covered by the system. Table 8 below reveals that there is a general upward trend in the reported number of occupational injuries, although with annual fluctuations. There are also large variations of reported occupational injuries across different branches of the Tanzanian economy. In industry, the number of occupational injuries increased steadily from 90 in 1999 to 309 in 2008, going from the one with the least to the one with the most injuries amongst the three sectors considered. In contrast, the commerce sector, and in particular the services sector, exhibit a decreasing trend across the years, albeit with annual fluctuations. The large majority of reported injuries are nonfatal, and there is no discernable pattern across the years with respect to fatal occupational injuries (that averaged at about 22 per year, again with annual fluctuations). Consistently over the years,

industry had the highest number of reported fatal injuries, with an average of 12 per year. An analysis of rates of injuries, although more appropriate, would not change these conclusions as employment in the services sector grew faster than that of industry.

The data do not show the number of occupational injuries in the agricultural sector that employs the highest proportion of the working population. Given that this sector is known to have high injury rates, their inclusion would have yielded higher numbers of injuries. The notification system used to generate the statistics would not cover most of the employment in this sector as well as in the informal sector. So the above analysis does not tell the whole story, and the reported numbers should be interpreted with caution.

The number of labour inspectors is an indication of the Government's capacity to enforce safe work principles, laws and regulations. The Occupational Safety and Health Authority (OSHA), under the Ministry of Labour Employment and Youth Development, conducts its own factory inspections; however the information on the number of inspectors employed by OSHA was not available. Table 8 reveals that labour inspectors, excluding those employed by OSHA, remained at the same low number (approximately 70) in Tanzania over the period from 2005 to 2009. Likewise, if set in relation to employment, the density of labour inspectors is very low (and declining): Tanzania (mainland) had only 0.33 labour inspectors for every 10,000 paid employees, or 0.04 labour inspector for every 10,000 employed persons. This implies that labour inspection is still very inadequate in Tanzania. This creates room for many injuries or other unsafe working conditions to occur without

Table 8. Safe work environment – Reported occupational injuries and labour inspectors

Decent Work Indicator	1999	2000	2001	2004	2005	2006	2007	2008	2009
Reported occupational injuries									
(fatal and non-fatal), total number	552	552	479	558	603	582	743	478	
Industry	90	157	159	227	293	385	456	309	
Services	310	253	204	202	218	135	65	128	
Commerce	152	142	116	129	92	62	222	41	
Reported occupational injuries		••••				•	•		
(non-fatal), total number	535	524	454	542	581	564	720	454	
Industry	80	144	143	217	281	375	444	295	
Services	306	247	197	198	209	131	60	121	
Commerce	149	133	114	127	91	58	216	38	
Reported occupational injuries		••••			•	•	•		
(fatal), total number	17	28	25	16	22	18	23	24	
Industry	10	13	16	10	12	10	12	14	
Services	4	6	7	4	9	4	5	7	
Commerce	3	9	2	2	1	4	6	3	
Number of labour inspectors <sup>1</sup>					ca. 70				
per 10,000 paid employees					0.43*	0.40	0.37*	0.35*	0.33*
per 10,000 employed persons					0.04*	0.04	0.04*	0.04*	0.04*

Source: Ministry of Labour, Employment and Youth Development, June 2009.

### Legal Framework Indicator 13. Employment injury benefits

**Law, policy or institutions:** National Social Security Fund Act (No. 28 of 1997), implemented in 2002; Workers' Compensation Act of 2008; and Public Service Compensation Scheme.

**Benefits (level and duration):** *Temporary disability benefit:* The benefit is equal to 50 per cent of the insured's average daily wage and is paid for up to 26 weeks. The average daily wage is based on the insured's earnings in the 6 months before the month the disability began.

Permanent disability benefit: If the insured is assessed as totally disabled, the benefit is equal to 60 per cent of the insured person's average monthly earnings and is paid for a maximum of 7 years.

Partial disability: If the assessed degree of disability is less than 30 per cent, a lump sum is paid. The maximum partial disability benefit is equal to 84 times the insured's average monthly earnings, according to the assessed degree of disability.

Constant-attendance allowance: Equal to 25 per cent of the permanent disability benefit.

**Evidence of implementation effectiveness:** No information located by the ILO.

**Coverage of workers in law:** Employees in the private sector (except in private companies covered by the parastatal special system), organized groups (such as cooperative members) in the formal sector, and public employees and self-employed persons not covered under the parastatal special system. Exclusions: Domestic workers. Special system for certain employees.

**Coverage of workers in practice:** Social Security coverage is less than 4 per cent of the economically active population (see statistical indicator in Table 9).

**Ratification of ILO Conventions:** The Social Security (Minimum Standards) Convention, 1952 (No. 102), and the Employment Injury Benefits Convention, 1964 (No. 121), have not been ratified by the United Republic of Tanzania.

Source: ISSA database (http://www.issa.int/aiss/Observatory/Country-Profiles/Regions/Africa/Tanzania.-United-Republic-of).

<sup>&</sup>lt;sup>1</sup> For 2005, the number of paid employees / employed persons is based on interpolation between the 2000/01 and 2006 ILFS; for 2007 to 2009 on an extrapolation of the previous trend. The Ministry of Labour, Employment and Youth Development, reported that there are on average 1260 inspections per year.

<sup>\*</sup> Denominator based on interpolation / extrapolation (see above)

### **Legal Framework Indicator 14. Labour inspection**

Law, policy or institutions: The labour inspectorate in Tanzania is governed by the Labour Institutions Act of 2004 (LIA), and, as concerns safety and health, by the Occupational Safety and Health Act of 2003 (OSHA). Neither law states explicitly that it applies only to the mainland, and the Government stated in its 2006 report to the Committee of Experts that the labour inspectorate covers the whole country, but implementation information is more limited. A labour inspectorate is appointed under sections 43 to 49 of the LIA to administer the labour laws of the country, in terms that correspond closely to Convention No. 81. The OSHA indicates that the inspection functions under it apply to any "factory or workplace". The Committee of Experts has raised questions on the meaning in practice of the powers attributed to labour officers (who also serve as labour inspectors). The existing legal framework includes the Workers' Compensation Act 2008

**Evidence of implementation effectiveness:** In 2007, the Committee of Experts noted under Convention No. 81 the Government's information that the number of labour officers had risen from 74 in 2006 to 87 in 2007, that they cover the whole country and that they act as labour inspectors. It also noted that the LIA provides that "There shall be as many labour officers as are necessary to administer and enforce the labour laws" (section 43(4)). The Committee came to no conclusion as to whether this is an adequate number of inspectors, but it did note that the Government has failed to publish an annual report on the functioning of the labour inspectorate as required by the Convention, which "should make it possible to gain a general understanding of how the system works, to analyse obstacles and constraints, to identify priority needs and to determine the budgetary allocations needed to meet them." It offered technical assistance to do this.

The Tanzanian Government has established the Occupational Safety and Health Authority (OSHA) under the Ministry of Labour Employment and Youth Development. The authority carries out inspections of the health and safety at workplaces, sensitizes employers and workers on the importance of safe working environment, and trains employees on the use of protective gear in dangerous occupations.

**Coverage of workers in law:** The coverage of the legislation concerning labour inspection can be judged to be comprehensive, bearing in mind the above comments.

**Coverage of workers in practice:** Exact figures are not available, but there is a large informal workforce in the country that will in practice not be liable to inspection.

Ratification of ILO Conventions: The Labour Inspection Convention, 1947 (No. 81), and the Protocol (No. 81) of 1995 to the Labour Inspection Convention were ratified as concerns Tanganyika alone in 1962 and 1999, respectively; the Labour Inspection (Agriculture) Convention, 1969 (No. 129), has not been ratified. The United Republic of Tanzania has also ratified the Underground Work (Women) Convention, 1935 (No. 45), the Working Environment Convention, 1977 (No. 148), and the Chemicals Conventions, 1990 (No. 170).

### Sources:

- 1. Committee of Experts Individual Observation concerning Convention No. 81, submitted in 2008
- Other comments of the Committee of Experts and national legislation found in NATLEX database were also consulted (http://www.ilo.org/dyn/natlex/natlex\_browse.details?p\_lang=en&p\_country=TZA&p\_classification=07.01&p\_origin=COUNTRY&p\_sortby=SORTBY\_COUNTRY).

being reported so that proper actions could be taken to enhance decent work environment.

Despite the Occupational Safety and Health Act of 2003 (OSHA) and the creation of an Occupational Safety and Health Agency, the issue of safe work is not being adequately, addressed as evidenced by too few labour inspectors and lack of resources. The reporting system used to collect data on injuries, both fatal and non-fatal, cannot show a complete picture of the situation in Tanzania. Other data sources should be explored, such as household surveys. The confusion and possible conflict

of interest in terms of the roles of the labour officers in the Ministry of Labour has been resolved by the labour law reforms in 2004. Previously, labour officers were required to, on the one hand, conduct labour inspections and investigations and, where necessary, prosecute employers in courts of law and, n the other, to chair conciliation boards and give decisions which were binding on employers. The functions of labour inspectors are now separated from those of the mediators and arbitrators. There is need to do more recruitment of labour inspectors, raise awareness among workers and employers to adhere to legislation.

## Social security

Tanzania has not ratified the Social Security (Minimum Standards) Convention, 1952 (No. 102). However, the existing social security acts do take into account the major provisions of the convention. This chapter examines the reality in the place of work of progress in the broad decent work element of social security using two output indicators (share of economically active population covered by social security schemes; and share of population aged 60 years and above benefiting from a pension) and one input indicator, namely public social security expenditure as a percentage of GDP. It also briefly discusses the provision of health-care.

Tanzania (mainland) has several different social security schemes, most notably the National Social Security Fund (NSSF), the Parastatal Pensions Fund (PPF), the Public Service Pensions Fund (PSPF), the Government Employees Provident Fund (GEPF), the Local Authorities Pension Fund (LAPF) and the National Health Insurance Fund (NHIF). The Social Security (Regulatory Authority) Act of 2008 is an overriding law and, through regulations, shall provide for a minimum benefit package. At present, the various social security schemes provide a different short-term benefits such as health care, maternity benefits, employment injury and funeral grants, as well as long-term benefits such as retirement pension, survivors' pension and invalidity pensions (see the overview in Annex 3 and the Legal Framework Indicators 15 "Pension", 16 "Incapacity for work due to sickness / Sick leave", 17 "Incapacity for work due to invalidity" in this chapter, as well as Indicators 6 "Maternity Leave" in Chapter 4 and Indicator 13 "Employment injury benefits" in Chapter 8).1

Two different sources are available to estimate the share of the economically active population that is covered by the different social security schemes, and both produce very similar results: According to an estimate by the ILO's Social Security Inquiry on the basis of administrative data sources, some 672,700 persons contributed to one of the schemes in 2006. According to the Integrated Labour Force Survey of 2006, some 675,200 persons were covered by a social security scheme. In either case, this amounts to only 3.6 per cent of the mainland's economically active population (see Table 9). Overall social security coverage is thus extremely low.

Coverage is particularly low among women workers (2.0 per cent) and those in the rural areas (1.4 per cent), and higher among male workers (5.3 per cent) and in urban areas (9.5 per cent). However, the biggest difference exists between selfemployed workers and unemployed workers (with virtually no coverage) and those in paid employed, among whom some 36.8 per cent contribute to a social security scheme (not tabulated). Likewise, informal workers have virtually no social security coverage, while more than half (51.4 per cent) of those classified as formal workers under the proxy definition used in Chapter 1 have social security coverage.<sup>2</sup> The gradual expansion of overall social security coverage between 2001 (3.0 per cent) and 2006 (3.6 per cent) could therefore be linked to the increase in formal employment over the past years. At the same time, the large proportion of informal workers (93.3 per cent in 2006) and the fact that the informal economy is effectively not covered by the social insurance system remains the single most important reason why coverage

As far as compensation is concerned, workers' compensation covers workers injured or fatal cases at all registered work places irrespective of bondage to any social security scheme (but excludes the Tanzania Peoples' Defence Force).

Note that, under the proxy operationalization of informal employment used in this decent work country profile, social security coverage was not used as a criterion to define informal employment.

Table 9. Social security

Decent Work Indicator	2001	2002	2003	2004	2005	2006	2007	2008
Total public social security expenditure, in % of GDP¹				2.8	3.9	4.6	5.1	
Public health-care expenditure, in % of GDP				2.0	2.9	3.2	3.4	
Other public social security expenditure, in % of GDP				0.8	1.0	1.4	1.7	
Share of population aged 60 years and above benefiting from a pension (ILO estimate), in % <sup>2</sup>					3.0	4.0	4.2	
Thereof: Direct government pensions					2.2	3.0	3.0	3.1
Thereof: Old age pensions from contributory social security schemes					0.8	1.0	1.1	
Economically active population covered by a social security scheme (ILO estimate, based on administrative data sources), in % <sup>3</sup>	3.0	2.9	2.9	3.2	3.1	3.6	3.6	
Economically active population covered by a social security scheme (ILFS data), in %4			**			3.6		••
Male						5.3		
Female						2.0		
Urban areas						9.5		
Rural areas						1.4		

- <sup>1</sup> Includes benefits paid by pension funds, government pensions, public health-care expenditure and social welfare assistance from government; excludes education, social protection provided by NGOs and change in reserves. Based on ILO (2008), Tanzania Mainland Social Protection Expenditure and Performance Review and Social Budget, Geneva, page 100f. Refers to fiscal years, e.g. data in column 2004 are for fiscal 2003/2004.
- <sup>2</sup> Based on administrative data compiled by the ILO Social Security Inquiry. Contributory social security schemes refer to NSSF, PPF, PSPF, LAPF and GEPF; the total also includes direct government pensions. May include some beneficiaries in early retirement aged 55 to 59 years. Population aged 60 years and above from UN Population Prospects.
- <sup>3</sup> Based on administrative data compiled by the ILO Social Security Inquiry. Covers active contributors to NSSF, PPF, PSPF, LAPF and GEPF; excludes non-contributory pension schemes (e.g. entitlements to direct government pension). Expressed as a percentage of the economically active population (employed and unemployed, under standard definition used by NBS) aged 15 years and above from ILFS 2000/01 and 2006 and interpolation / extrapolation for remaining years.
- <sup>4</sup> Based on ILFS 2006, question: "Are you covered with any social security scheme, e.g. NSSF, LAPF, ZSSF, FETC?". Economically active population refers to labour force (employed and unemployed, under standard definition used by NBS) aged 15 years and above. Question not available in previous ILFS rounds.

Source: National Bureau of Statistics, Integrated Labour Force Survey 2000/01 and 2006; ILO Social Security Inquiry and data provided by NSSF, PPF, PSPF, LAPF and GEPF; Tanzania's Accountant General's office; UN Population Prospects.

has remained low in Tanzania, and the need to include the informal economy is thus evident.

A similar picture emerges for pension coverage for the population aged 60 and above. According to an estimate by the ILO's Social Security Inquiry on the basis of administrative data sources, the number of old-age pensioners has risen from 53,900 (2005) to 79,200 persons (2007) in recent years. This corresponds to 3.0 per cent (2005) and 4.2 percent (2007) of the population above 60 years (see Table 9). Direct government pensions are the single largest component; the number of recipients rose from 40,100 (2005) to 57,700 persons (2007) and further to 61,200 persons in

2008.<sup>3</sup> This development explains much of the overall increase in the share of the elderly population in receipt of a pension that remains, however, very low.

One structural reason for low pension coverage is that most workers tend to take their terminal withdrawal benefits at the end of employment contracts, due to the fact that there is no unemployment insurance which could cover them at the time they are looking for another job. However, this tendency has a long-term implication on the amount or qualification for pension benefits for the mem-

Information obtained from the Office of Tanzania's Accountant General, June 2009.

### **Legal Framework Indicator 15. Pension**

**Law, policy or institutions:** The National Social Security Fund Act (No. 28 of 1997), National Social Security Policy, 2003, Parastatal Pension Fund Act, 1978, Public Service Pension Fund Act, 1999, Local Authority Pensions Fund, 2006, Social Security (Regulatory Authority) Act, 2008, and National Health Insurance Fund Act, 1999.

**Benefits (level and duration):** The normal pensionable age is 60, with some exceptions in particular circumstances. As regards benefit levels, the benchmark is that the pension is equal to 30 per cent of the insured person's average monthly earnings in the best five of the last ten years before retirement, plus 1.5 per cent of average monthly earnings for each twelve-month period of coverage exceeding 180 months. Benefits are reviewed periodically by the Board of the National Social Security Fund and adjusted in line with the actuarial valuation of the fund and changes in the legal minimum wage. For scheme details, see Annex 3.

Evidence of implementation effectiveness: Coverage of pension is very low (see statistical indicator in Table 9).

**Coverage of workers in law:** Employees in the private sector (except in private companies covered by the parastatal special system), organized groups (such as cooperative members) in the formal sector, and public employees and self-employed persons not covered under the parastatal special system. Voluntary coverage is possible. Exclusions: Domestic workers.

Special contributory systems for employees of parastatal organizations, including private companies in which the government owns shares and parastatal organizations that have been restructured or sold; self-employed persons, including informal-sector workers; workers who start new employment when aged 46 or older; expatriates contributing to an equivalent program in their home country; persons with seasonal income; and local authority employees. Special noncontributory systems for armed forces personnel and political leaders.

**Coverage of workers in practice:** About 4 per cent of the population aged 60 years and above receive a pension; less than 4 per cent of the economically active population contribute towards a social security scheme (see statistical indicators in Table 9).

**Ratification of ILO Conventions:** The Social Security (Minimum Standards) Convention, 1952 (No. 102), has not been ratified by the United Republic of Tanzania.

### Sources:

- 1. ISSA database (http://www.issa.int/aiss/Observatory/Country-Profiles/Regions/Africa/Tanzania-United-Republic-of).
- Natlex database
   (http://www.ilo.org/dyn/natlex/natlex\_browse.details?p\_lang=en&p\_country=TZA&p\_classification=15.02&p\_origin=COUNTRY&p\_sortby=SORTBY\_COUNTRY).

### Legal Framework Indicator 16. Incapacity for work due to sickness / sick leave

Law, policy or institutions: National Social Security Fund Act (No. 28 of 1997), implemented in 2005.

**Benefits (level and duration):** No statutory cash benefits are provided, but benefits include inpatient and outpatient health care services. Medical benefits are provided by accredited hospitals under agreement with the National Social Security Fund.

**Evidence of implementation effectiveness:** No information located by the ILO.

**Coverage of workers in law:** Employees in the private sector, organized groups (such as cooperative members) in the formal sector, and public employees and self-employed persons not covered under the parastatal special system. Voluntary coverage is possible. Exclusions: Domestic workers.

**Coverage in practice:** Social Security coverage is less than 4 per cent of the economically active population (see statistical indicator in Table 9).

**Ratification of ILO Conventions:** The Social Security (Minimum Standards) Convention, 1952 (No. 102), and the Medical Care and Sickness Benefits Convention, 1969 (No. 130), have not been ratified by the United Republic of Tanzania.

### Sources:

- 1. National legislation.
- 2. ISSA database (http://www.issa.int/aiss/Observatory/Country-Profiles/Regions/Africa/Tanzania-United-Republic-of).

### Legal Framework Indicator 17. Incapacity for work due to invalidity

**Law, policy or institutions:** The relevant laws are the National Social Security Fund Act (No. 28 of 1997), National Social Security Policy, 2003 and the Workers' Compensation Act, 2008. Civil servants and armed forces are covered under government orders.

**Benefits (level and duration):** As regards the criteria for covered workers to qualify for a disability pension, the insured must be assessed with a loss of at least 2/3 of earning capacity and have at least 180 months of contributions or 36 months of contributions including 12 months in the 36 months immediately before the disability began. The disability is assessed by a medical board comprising doctors appointed by the Ministry of Health, and the insured may be required to undergo a medical examination by the medical board. As concerns benefit levels, the disability pension is equal to 30 per cent of the insured's average monthly earnings in the best 5 of the last 10 years before the disability began, plus 1 per cent of average monthly earnings for each 12-month period of coverage exceeding 180 months. The insured receives a lump sum equal to 24 times the monthly pension in the first month and thereafter a monthly pension. The minimum pension is equal to 80 per cent of the legal minimum wage. The maximum pension is equal to 67.5 per cent of average monthly covered earnings. The disability pension may be replaced by an old-age pension at age 60 if the value of the old-age pension is at least equal to that of the disability pension. Finally, benefits are reviewed periodically by the Board of the National Social Security Fund and adjusted in line with the actuarial valuation of the fund and changes in the legal minimum wage. For scheme details, see Annex 3.

**Evidence of implementation effectiveness:** Social Security coverage is less than 4 per cent of the economically active population (see statistical indicator in Table 9). Almost the entire informal sector is not covered by any form of social security scheme (other than limited access to certain public health services).

**Coverage of workers in law:** Employees in the private sector (except in private companies covered by the parastatal special system), organized groups (such as cooperative members) in the formal sector, and public employees and self-employed persons not covered under the parastatal special system. Voluntary coverage is possible. Exclusions: Domestic workers.

Special contributory systems for employees of parastatal organizations, including private companies in which the government owns shares and parastatal organizations that have been restructured or sold; self-employed persons, including informal-sector workers; workers who start new employment when aged 46 or older; expatriates contributing to an equivalent program in their home country; persons with seasonal income; and local authority employees. Special noncontributory systems for armed forces personnel and political leaders.

**Coverage of workers in practice:** Social Security coverage is less than 4 per cent of the economically active population (see statistical indicator in Table 9).

**Ratification of ILO Conventions:** The Social Security (Minimum Standards) Convention, 1952 (No. 102), has not been ratified by the United Republic of Tanzania.

### Sources

- 1. ISSA database (http://www.issa.int/aiss/Observatory/Country-Profiles/Regions/Africa/Tanzania-United-Republic-of).
- 2. Tanzania Mainland. Social Protection Expenditure and Performance Review and Social Budget. (Geneva: ILO, 2008) (http://www.ilo.org/gimi/gess/RessFileDownload.do?ressourceId=7452&ressFilename=7452.pdf&sizeKb=2238488&longTitle=Tanzania+Mainland%3A+Social+Protection+Expenditure+and+Performance+Review+and+Social+Budget+%28Report%29&author=Social+Securi ty+Department%2C+ILO&ressYear=2008).
- Natlex database
   (http://www.ilo.org/dyn/natlex/natlex\_browse.details?p\_lang=en&p\_country=TZA&p\_classification=15.02&p\_origin=COUNTRY&p\_sortby=SORTBY\_COUNTRY).

bers who constantly have been withdrawing at the end of the employment contract, thus increasing the risk of old-age poverty or vulnerability.

The existing non-contributory programmes are designed to provide assistance to a wide range of poor and vulnerable groups: the disabled, children and the elderly. Social assistance funding from the Government is 0.5 per cent GDP and NGOs

account for a further 0.5 per cent GDP. All programmes suffer from limited financial and human resources and therefore cover only a part of the most vulnerable of the population.<sup>4</sup>

This and the following paragraphs draw extensively on the ILO's GESS Social Security Country Profile for Tanzania (see http://www.ilo.org/gimi/gess/ShowCountryProfile.do?cid=215&aid=2); more details are available in, ILO: Tanzania mainland: Social protection expenditure and performance review and social budget (Geneva, ILO Social Security Department, 2008).

The share of social security expenditure as a proportion of GDP in Tanzania increased from 2.8 per cent in 2004 to 5.1 per cent in 2007 (Table 9). Likewise, the public health expenditure increased from 2.0 per cent to 3.4 per cent over the same period. The Government is the main provider of health services in Tanzania, which are administered by the Ministry of Health and Social Welfare, the President's Office, regional administrations and local government. The social health system is financed by revenues from taxation, donors and fees for services. Fee-for-service charges do not apply to the treatment of children aged under five and diseases such as tuberculosis, AIDS, epidemics and leprosy. These elements represent only 2.5 per cent of total health expenditure.

There are two social insurance funds offering health and medical coverage: The National Health Insurance Fund (NHIF), that provides the main access to health services (after the state tax-financed health programmes), and the National Social Security Fund (NSSF). Coverage by both schemes is low. In 2005, NSSF had 9,000 members affiliated to its health fund, just 3.4 per cent of the NSSF's total active membership. The NHIF had 242,580 active registered members and, including dependents, a total of one million people were covered.

In addition, there exists the Community Health Fund (CHF), which was established as an alternative for the fee-for-service scheme. Currently, only 29 out of 72 districts have access to this programme and to the matching grants from the Ministry of Health and Social Welfare. Currently, less than ten per cent of households have joined such schemes, which represent two per cent of total spending. There is even scarcer information about the non-public schemes: micro health insurance, private health insurance and indigenous provision. It is rea-

sonable to assume, based on total amount of insurance premiums paid in 2002 that this type of provision accounts for one per cent of total expenditure. There is a long history of indigenous associations being active in collecting insurance contributions for funerals and health care expenses.

In conclusion, the indicators on the performance of the social security system in Tanzania suggest that workers in Tanzania have limited and insufficient social protection, and that coverage of contributory social security schemes is in practice largely restricted to formal workers (of whom about half enjoy protection). It is also evident that short-term social risks such as unemployment are not covered in current system. Provisions for long-term benefits such as pension benefits and survivorship are limited to few individuals. In this respect, social security system does not fulfil the desired objectives.

There are a number of future opportunities and challenges for Tanzania mainland, with the projected rapid increase in the population by 2020, and the need to think strategically about how its resources are used effectively to invest in healthcare, education, and other social protection schemes. Currently the UK Department for International Development (DFID) is funding the ILO "Global campaign for social protection and coverage for all". It is a joint project for Tanzania mainland and Zanzibar (as well as for Zambia). For Tanzania mainland, the Social Protection Expenditure and Performance Review (SPER) and a Social Budget (SB) have been produced. This work has identified that there is scope to develop an affordable Social Protection system that provides wider coverage to the population, by implementing a universal pension, a child benefit scheme, and some targeted social assistance.

# 10 Social dialogue, workers' and employers' representation

Tanzania has ratified the main ILO instruments relevant to social dialogue and workers' and employers' representation, namely the Freedom of Association and Protection of the Right to Organise and Convention, 1948 (No. 87), the Right to Organise and Collective Bargaining and Convention, 1949 (No. 98), and the Tripartite Consultation (International labour Standards) Convention, 1976 (No. 144). The right to join and form an organization is guaranteed by the Employ-

ment and Labour Relations Act of 2004 (ELRA). ELRA provides for the right of employees to establish and join trade unions and for employers to form employers' associations (see Legal Framework Indicator 18 "Freedom of association and the right to organize"). It also establishes the tripartite Labour, Economic and Social Council (LESCO) which is a highest platform for social dialogue (see Legal Framework Indicator 20 "Tripartite consultations").

### Legal Framework Indicator 18. Freedom of association and the right to organize

Law, policy or institutions: In mainland Tanzania, the Employment and Labour Relations Act of 2004 (Part D) guarantees employees and employers the right to freedom of association; see also Labour Institutions Act, of 2004. Another relevant piece of legislation is the Public Service (Negotiating Machinery) Act, which guarantees organizations' right to draw up a constitution and rules (section 28), to have an administration, engage in activities, and formulate programmes (Part V, Property, Funds and Accounts). In addition, the proposed law provides for organizations' right to access and perform their functions at the workplace, deduction of trade union subscription, and leave for trade union activities. The Committee of Experts' repeated request that the Government modify the Bill to expand coverage and the extent of protection had at the time of writing apparently not borne any fruit.

**Evidence of implementation effectiveness:** There is no definite indicator of the effectiveness of the country's provisions on freedom of association, given that only the formal sector is covered and that the country has a large informal workforce. However, it can be concluded that a significant number of workers do not have the effective right to organize. Indeed, there has been mention by the Committee of Experts of problems relating to registration and obstacles to the exercise of the right to strike.

**Coverage of workers and employers in law:** In mainland Tanzania, employers and most workers have the right to organize, with some exceptions, as for example in the case of prison guards and judges.

**Coverage of workers and employers in practice:** See statistical indicators in Table 10.1.

**Ratification of ILO Conventions:** The Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), were ratified by the United Republic of Tanzania in 2000 and 1962, respectively.

### Sources:

- 1. National legislation.
- 2. Committee of Experts Individual Direct Requests concerning Convention No. 87, submitted in 2004, 2005, 2007 and 2009 (http://webfusion.ilo.org/public/db/standards/normes/appl/appl-displayAllComments.cfm?hdroff=1&ctry=2870&conv=C087&Lang=EN).

Table 10.1. Trade union and employer organization membership

Decent Work Indicator	2001	2002	2003	2004	2005	2006	2007	2008
Trade union members, total <sup>1</sup>	300,746	317,878	335,997	355,149	375,392	396,790	419,407	403,838
Male	199,568	210,943	222,967	235,676	249,110	263,309	278,318	294,182
Female	101,178	106,945	113,041	119,484	126,295	133,494	141,103	149,146
Gross trade union density rate, in % of employees²	26.6	25.3*	24.4*	23.6*	23.0*	22.6	22.3*	20.2*
Male	24.9	23.7*	22.9*	22.2*	21.7*	21.3	21.0*	20.9*
Female	30.9	29.2*	28.0*	27.0*	26.3*	25.8	25.4*	25.1*
Enterprises that are members of the Association of Tanzanian Employers (ATE)								826
Number of employees in member enterprises								165,089
Density rate (weighted), in % <sup>3</sup>								ca. 13.7

- <sup>1</sup> Members of trade unions affiliated to the TUCTA. The figures in the table are reproduced as provided. Note that the data on total membership are not consistent with the sum of male and female members in some years; the discrepancy is particularly large in 2008.
- <sup>2</sup> The gross trade union density rate is calculated as (trade union members / paid employees) × 100 %. For 2002 to 2005, the number of employees is based on interpolation between the years with an ILFS; for 2007 and 2008 on an extrapolation of the previous trend.
- <sup>3</sup> Refers to employers' organization density rate weighted by employment. Calculated as EDR = (number of employees in ATE member enterprises / employees in all formal private sector enterprises) × 100 %. Number of employees in private sector enterprises (1,205,539) based on the 2006 ILFS; excludes employees in central and local government; parastatals; the informal sector and households.
- \* Denominator based on interpolation / extrapolation (see note 2 above).

Source: Summary Report of the Baseline Data Survey for the TUCTA/DANIDA/ and LO-FTF PROGRAMMES (2008); Association of Tanzanian Employers; National Bureau of Statistics, Integrated Labour Force Survey 2000/01 and 2006.

Table 10.2. Membership of trade unions affiliated to TUCTA and collective bargaining agreements (2008)

Union	Number of members	Number of collective bargaining agreements
CHODAWU	22,048	30
COTWU (T)	4,890	12
CWT	148,120	_
DOWUTA	2,500	2
RAAWU	10,686	3
TALGWU	54,992	64
TAMICO	8,301	8
TASU	503	3
TEWUTA	1,580	1
TPAWU	37,272	10
TRAWU	9,242	2
TUGHE	51,480	3
TUICO	51,820	17
TUJ	502	-
Total	408,838	159

Source: Summary Report of the Baseline Data Survey for the TUCTA/DANIDA and LO-FTF programmes (2008).

Table 10.3. Membership of the Association of Tanzanian Employers (ATE), by division (2008)

Divisions	Number of members per division	Number of employees per division
Agriculture	30	25,956
Banking and finance	42	10,298
Commerce	288	25,210
Industry	259	41,263
Mining	20	6238
Oil industry	17	1694
Utilities and services	170	54,430
Total	826	165,089

Source: Association of Tanzanian Employers.

### Legal Framework Indicator 19. Collective bargaining right

Law, policy or institutions: Employment and Labour Relations Act (Part D) and the Labour Institutions Act, both of 2004. Another relevant piece of legislation is the Public Service (Negotiating Machinery) Act, which guarantees organizations' right to draw up a constitution and rules (section 28), to have an administration, engage in activities, and formulate programmes (Part V, Property, Funds and Accounts). In addition, the proposed law provides for organizations' right to access and perform their functions at the workplace, deduction of trade union subscription, and leave for trade union activities. The Committee of Experts has made repeated requests that the Government modify the Bill to expand coverage and the extent of protection, and to modify the existing legislation as well on a number of points.

**Evidence of implementation effectiveness:** The law restricts the right to strike when to do so would endanger the life and health of the population. Workers in certain sectors (water and sanitation, electricity, health services and associated laboratory services, fire-fighting, air traffic control, civil aviation telecommunications, and any transport services required for the provisions of these services) are restricted from striking. Workers in other sectors may also be subject to this limitation.

Coverage of workers in law: All workers.

**Coverage of workers in practice:** See Table 10.3. for data on collective bargaining agreements.

**Ratification of ILO Conventions:** Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), was ratified in 2000; and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), was ratified in 1962.

Source: National legislation.

In order to assess implementation and progress in workers' and employers' representation under the broad decent work element of social dialogue, two statistical decent work indicators are considered: the trade union density rate and the number of enterprises belonging to employer organization.

The trade union density rate is used here as a proxy for trade union representation and strength. The Trade Union Congress of Tanzania (TUCTA) is the main union federation in Tanzania. However, some unions are not affiliated to TUCTA (for which no data were available to the ILO). According to Table 10.1, membership in TUCTA-affiliated unions has increased from 300,746 members in 2001 to 403,833 members (June 2008), an increase of 103,000 members. This corresponds to an increase of 34 per cent in seven years, or 14,700 members per year. Although the Tanzanian Government recognizes freedom of association and collective bargaining, and has enshrined those rights in law, the union density is relatively low. Since the increase in trade union membership has not kept pace with the increase in paid employment, the gross trade union density rate has declined from 26.6 per cent to 20.2 per cent in 2008. In other words, only one out of five employees was member in a TUCTA-affiliated trade union in 2008, compared to one out of four in 2001. Relatively, female workers have higher union density compared to male workers.<sup>1</sup>

Since union membership varies greatly across sectors of the economy, it would have been useful to report union density rate by industrial sector, whenever this is possible. However, Table 10.2. gives an overview of the membership strength of the TUCTA-affiliated trade union. With just under 150,000 members, the Tanzanian Union of Teachers (CWT) is by far the largest, followed by TALGWU (representing local government workers), TUICO (industrial and finance institution workers) and TUGHE (government and health workers) with just over 50,000 members each. It would also have been useful to know the percentage of union leaders that are female, but this information was not available.

The Association of Tanzania Employers (ATE) is the apex Employers' organization. The members are currently classified into seven categories, as shown in Table 10.3. The total membership of

Note, however, that the data on male and female members are inconsistent with those on total membership. The discrepancy is particularly large in 2008: 403,838 members (total) compare to 443,328 members (female and male combined).

### **Legal Framework Indicator 20. Tripartite consultations**

**Law, policy or institutions:** The Labour Institutions Act (No. 7) of 2004 established a new tripartite institution, the Labour, Economic and Social Council (LESCO), replacing the Labour Advisory Council.

**Evidence of implementation effectiveness:** Only one government report has been examined under Convention No. 144, in 2006 (though another has been received and will be examined in 2009). The Committee of Experts noted in 2007 that LESCO tripartite consultations had taken place and requested information on the content of the consultations with regard to each of the matters set out in Article 5, paragraph 1, of the Convention, and on the resulting recommendations. It also noted the Government's statement that participants in tripartite consultations had received training in mediation and arbitration. More information has been requested.

A Commission for Mediation and Arbitration has been established. A Labour Court has been established as a Division of the High Court of Tanzania. A tripartite mechanism of social partners for enhancing dialogue and promotion of an environment conducive for employment and decent work is in place.

**Ratification of ILO Conventions:** The Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), was ratified by the United Republic of Tanzania in 1983. Tanzania has also ratified the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98).

Source: Government report on Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144).

ATE in 2008 comprised of 826 enterprises with 165,089 employees in member enterprises. This constitutes 13.7 per cent of the total paid employees, which gives also the weighted density rate (see Table 10.1). There are other employers' associations which are not affiliated to ATE. Similarly, information on membership for earlier years would have permitted some trend analysis.

The Employment and Labour Relations Act of 2004 (ELRA) provides for collective bargaining arrangements (see Legal Framework Indicator 19 "Collective bargaining right").<sup>2</sup> Collective bargaining coverage is measured as the number of workers in employment whose pay, and/or condi-

The available data illustrates that there is a downward trend in union density. It was not possible to establish a trend for membership of employers' associations due to a lack of data. The data also points to the fact that the coverage rate of collective bargaining agreements cannot be assessed.

tions of employment, is directly or indirectly (e.g. through extension clauses) determined by one or more collective agreement. Table 10.3 provides the number of collective bargaining agreements signed. However, it was difficult to determine the actual numbers of employees covered by these agreements due to lack of data.

<sup>&</sup>lt;sup>2</sup> Between 1965 and 1992 Tanzania was a one-party socialist state. Under this system the workers' union was affiliated to the ruling party, and trade union leaders were integrated into the leadership of the ruling party and the central government. Trade unions could not separately argue for and serve workers' interests separate from those of the government. It should also be noted that because of socialist system that was being followed, the major means of production were owned and controlled by the state. This made government the major employer. Trade union leaders were appointed as government ministers, and some held other pertinent positions in the government. Although the multi-party system started in 1992, in practice before 1995 there was no effective tripartism. This was because it took time for trade union leaders, who were hitherto integrated into the single-party political system, to realize that they actually form a separate constituency of the tripartite in labour negotiation issues. In some cases new independent union leaders had to emerge to fill the gaps of the union leaders who decided to remain as government or in the ruling party.

# 1 1 Economic and social context for decent work

Since the mid-1990s, Tanzania has been implementing wide-ranging economic reforms while pursuing macro economic stability. Structural adjustment and macroeconomic stabilization have entailed liberalization, privatization of publicowned enterprises and parastatals, the reduction in the deficit and the strengthening of public service management. These reforms have been sustained over time within a stable political environment. The country's current development strategy is outlined in the "National Strategy for Growth and Reduction of Poverty" (MKUKUTA) for 2005-2010, which is built on Tanzania's Development Vision (Vision 2025). It calls for high shared growth, high quality livelihood, peace, stability, good governance, high quality education and international competitiveness. MKUKUTA is linked to debt relief under the enhanced Highly Indebted Poor Countries (HIPC) with debt relief resources mainly channelled to priority sectors such as education, health, water, agriculture and rural transport infrastructure. Spending on these areas was considered to have greater impact on poverty reduction.1

The economic performance of the country has consistently improved with GDP growth rate increasing from 2.1 per cent in 1991 to 6.2 per cent in 2001, 6.7 per cent in 2004 and 7.5 per cent in 2008 (Table 11.1). The structure of the economy is dominated by the agricultural sec-

tor, which accounted for about half of GDP and employed about three-quarters of the employed population in 2006. The informal economy constituted a large share of the GDP, estimated at 60 per cent (World Bank, 2007).2 Inflation was brought down to single digits from 28.7 per cent (1991) to 5.1 per cent (2001). It was more or less stable until 2006 and 2007 when it rose to approximately seven per cent and then rose to 10.3 per cent in 2008 (Table 11.1). Despite the leap in inflation, the figures would suggest that Tanzania is on the right track to achieving macroeconomic stability. Growth rate of labour productivity increased from a very low point of 1.4 per cent in 1998 to 6.6 per cent in 2005 and then fell to 4.2 per cent in 2008. Although this exhibits an increasing tendency, labour productivity is still very low. Such low or declining labour productivity could be a signal of broad economic difficulties such as lack of capital, poor infrastructure, lack of skills and low technology. However increases in infrastructure such as roads and telecommunication and in sectors such as mining and tourism have been realized, due to increased inflows of foreign direct investment (FDI) and domestic revenue mobilization efforts.

The impact of the global economic crisis in Tanzania has not been clearly demonstrated as yet. However, a slowdown in tourist arrivals and a decline in exports have been noted. The Tanzania National Parks Authority (TANAPA) has recorded a slump

On working conditions in Tanzania in general, see G. Kahyarara and L. Rutasitara: A report on working conditions survey in Tanzania (Geneva, ILO, forthcoming) and G. Kahyarara and L. Rutasitara: Final report on case studies of working conditions survey in Tanzania (Geneva, ILO, forthcoming).

World Bank: Tanzania pilot rural investment climate assessment: Stimulating non-farm micro enterprise growth, Report No. 40108-TZ (Washington D.C, World Bank, 2007).

Table 11.1. Social and economic context for decent work - Economic indicators

Context Indicator	1991	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Labour productivity growth rate (estimate), in %1		1.4	1,1	3.3	4.5	5.6	4.3	5.6	6.6	5.8	4.3	4.2
Earnings inequality (excl. agriculture), P90/P10 <sup>2</sup>				19.4						19.9		
Gini index <sup>3</sup>		•	••	34.6		••		••		••		
Inflation rate (CPI), in %4	28.7	12.8	7.9	5.9	5.1	1.0	5.3	4.7	5.0	7.3	7.0	10.3
Employment by branch of economic activity, in % to the total <sup>5</sup>	•	•		•		•		•	•	•		•
Agriculture	84.2*			82.3						74.6		
Industry	4.1*			3.0						5.0		
Services	11.7*			14.8						20.3		
GDP growth (annual), in % <sup>6</sup>	2.1	3.7	3.5	5.1	6.2	7.2	5.7	6.7	7.4	6.7	7.1	7.5
GDP per capita, in PPP\$ <sup>7</sup>	850	828	836	857	887	927	954	990	1035	1074	1118	1167
GDP per capita growth (annual), in %8	-1.3	1.1	1.0	2.5	3.5	4.5	2.9	3.9	4.4	3.8	4.1	4.4
Wage share in GDP, in %9												••

- Labour productivity is calculated as gross domestic product divided by total employment in the economy. World Bank estimates based on employment data from the ILO's Key Indicators of the Labour Market database.
- <sup>2</sup> Based on monthly earnings from paid employment and self-employment (non-agricultural activities only) of the employed population. The ratio P90/P10 refers to the monthly earnings of those near the top of the distribution (90<sup>th</sup> percentile), divided by monthly earnings of those near the bottom of the distribution (10<sup>th</sup> percentile).
- <sup>3</sup> Data are for 2000-01 estimated by the World Bank from Household Budget Survey (national coverage); 05/2000 06/2001. The Gini Index measures the extent to which the distribution of consumption expenditure among individuals or households within an economy deviates from a perfectly equal distribution (when the index value would take zero). Expressed as a percentage, i.e. Gini Index multiplied by 100.
- Inflation as measured by the consumer price index reflects the annual percentage change in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or changed at specified intervals, such as yearly. The Laspeyres formula is used. World Bank estimations based on data of International Monetary Fund, International Financial Statistics and data files.
- <sup>5</sup> Based on ILFS 1990/91, 2000/01 and 2006. Refers to employed population aged 15 years and above (2000/01 and 2006) and aged 10 years and above (1990/91). Industry refers to Mining and quarrying; Manufacturing; Electricity, gas and water supply; and Construction.
- <sup>6</sup> Annual percentage growth rate of GDP at market prices based on constant local currency.
- <sup>7</sup> GDP per capita, PPP (constant 2005 international \$); see World Development Indicators.
- 8 Annual percentage growth rate of GDP per capita based on constant local currency. Calculated as gross domestic product divided by mid-year population at purchaser's prices (sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products). It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. World Bank national accounts data, and OECD National Accounts data files.
- <sup>9</sup> No data available.

Source: 1. National Bureau of Statistics, Integrated Labour Force Survey 1990/91, 2000/01 and 2006. Indicators were recalculated on the basis of the micro-data (2000/01 and 2006) and 1990/91 ILFS report. 2. World Development Indicators (August 2009).

of nearly 20 per cent in cash flow as a result of tourist safari cancellations. This may translate into job losses, reduced foreign exchange earnings and lower annual growth. Growth is expected to slow from 7.5 per cent in 2008 to 5 per cent in 2009. Figures for the first quarter of 2009 suggest such a slow-down in economic activity, though recorded GDP was still 5.6 per cent higher in the first quarter of 2009, as compared to the first quarter of 2008.<sup>3</sup>

The employment situation in the country was greatly influenced by the structure of the economy. Agriculture, hunting, forestry, fishing and related economic activities was dominant amongst the three major sectors, providing employment for almost three-quarters of Tanzanian workers (74.6 per cent in 2006). However, the shares of agriculture and of industry were shrinking in favour of expanding employment in the service sector (see Table 11.1). The proportion of workers employed in the service sector picked up from 11.7 per cent (1991) to 20.3 per cent in 2006. Female workers account for a larger share of employment in the agriculture sector (46.7 per

<sup>&</sup>lt;sup>3</sup> See National Bureau of Statistics and Ministry of Finance and Economic Affairs: Quarterly gross domestic product of Tanzania mainland, first quarter, 2009 (National Bureau of Statistics and Ministry of Finance and Economic Affairs, Dar es Salaam, 2009).

Table 11.2. Economic and social context for decent work – Education indicators

Context Indicator	1991	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Children not in school, 5 to												
9 years, in % <sup>1</sup>										39.0		
Male										41.4		
Female										36.7		
Urban areas										22.3		
Rural areas										43.8		
Children not in school,												
10 to 14 years, in %				21.2						9.8		
Male				21.8						9.0		
Female				20.5						10.7		
Urban areas				12.7						6.8		
Rural areas				23.3						10.7		
Net primary school enrolment,												
in % <sup>2</sup>	50.5	49.0	49.6	53.4	58.5	74.0	83.2	88.0	92.5	97.8		
Male	50.1	48.2	48.8	52.7	58.4	74.6	84.1	88.8	93.4	98.5		
Female	50.9	49.8	50.5	54.1	58.5	73.5	82.2	87.1	91.7	97.2		
Adult literacy rate, in % <sup>3</sup>	69.2*			71.2						74.2		
Male	77.3*			78.8						81.4		
Female	61.5*			64.2						67.7		
Urban areas	83.2*			87.4						89.5		
Rural areas	66.0*			66.3						68.2		
Population with secondary												
education or above (attending	0.14			7.0						0.7		
or completed), in % <sup>4</sup>	3.1*			7.0						8.7		
Male	4.1*			8.6						10.6		
Female	2.2*			5.5						7.1		
Urban areas	11.7*			19.8						20.4		
Rural areas	1.2*			3.1						4.1		

Source: 1. National Bureau of Statistics, Integrated Labour Force Survey 1990/91, 2000/01 and 2006. Indicators were recalculated on the basis of the micro-data (2000/01 and 2006) and the 1990/91 ILFS report. 2. World Development Indicators (August 2009).

cent men vs. 53.3 per cent women), whilst male workers dominate industry (71.5 per cent men vs. 28.5 per cent women). The proportion of female workers in the service sector has picked up and was now close to that of males (51.7 per cent men vs. 48.3 per cent women; not tabulated).

Despite the improved performance of the economy, poverty and inequality remain important

challenges in Tanzania. Table 11.1 shows the disparity of income in Tanzania, with a Gini coefficient of 34.6 per cent in 2000. Among the employed population, the inequality of monthly earnings from self-employment and paid employment outside agriculture remained high. The ratio of monthly earnings of those near the top of the distribution (90th percentile) over the monthly earnings of those near the bottom of the distribu-

<sup>&</sup>lt;sup>1</sup> For 2000/01, no information is available on children aged 5 to 9 years. The majority of those not attending school have never attended school. No respondents under the age of 10 were included in the calculations.

Net enrolment ratio is the ratio of children of official school age based on the International Standard Classification of Education 1997 who are enrolled in school to the population of the corresponding official school age. Primary education provides children with basic reading, writing, and mathematics skills along with an elementary understanding of such subjects as history, geography, natural science, social science, art, and music. World Bank estimations based on data of United Nations Educational, Scientific, and Cultural Organization (UNESCO) Institute for Statistics. Break in series between 1997 and 1998 due to the change from International Standard Classification of Education ISCED-76 to ISCED-97.

<sup>&</sup>lt;sup>3</sup> Adult literacy rate refers to respondents aged 15 years and above (2000/01 and 2006) and 10 years and above (1990/91).

<sup>&</sup>lt;sup>4</sup> Secondary education includes those currently attending secondary school; refers to respondents aged 15 years and above (2000/01 and 2006) and 10 years and above (1990/91).

<sup>\*</sup> Refers to population aged 10 years and above (as opposed to 15 years and above, as in the subsequent years).

Context Indicator	1991	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
HIV prevalence among population aged 15 to 49 years, in %												
(national data)							7.0				5.7	
Male							6.3				4.6	
Female							7.7				6.6	
HIV prevalence among population aged 15 to 49 years, in % (UNAIDS estimate)		7.4	7.3	7.1	7.0	6.8	6.7	6.5	6.4	6.3	6.2	

Table 11.3. Economic and social context for decent work – HIV prevalence among working-age population

Source: 1. National Bureau of Statistics (2004-05 Tanzania Demographic and Health Survey and 2007-08 Tanzania HIV/AIDS and Malaria Indicator Survey); 2. UNAIDS/WHO, 2008 Report on the global AIDS epidemic, July 2008.

tion (10<sup>th</sup> percentile) was 19.9 in 2006, i.e. well-off workers earned almost 20 times as much as those with very low incomes. Note, however, that these figures do not include agriculture (were earnings are generally low) and thus might still underestimate inequality.

Although Tanzania's labour market is characterized by a relatively high employment rate, the number of working poor remains high due to the lack of social protection and other coping mechanisms (see Chapter 2 "Adequate earnings and productive work"). There are concerns about job quality, especially for the urban youth. A high proportion of them remained unemployed, and new jobs created for young people outside agriculture were poorly paid or unpaid. With rapid rural-to-urban migration, the formal urban economy was unable to absorb the burgeoning urban workforce. Consequently, these were employed in the urban informal economy or remain unemployed.

Progress has been made in the provision of social services accompanied by significant improvements in performance in areas such as primary education and health services. The number of children between the ages of 10 and 14 years who are not attending school has declined from 21.2 per cent in 2000 to 9.8 per cent in 2006 (see Table 11.2.). The same trend is apparent from the net primary enrolment rate that has consistently increased and reached 97.8 per cent in 2006. However, a significant proportion (39 per cent) of children aged 5 to 9 were not attending school in 2006; nonattendance was higher among boys and in rural areas. As apparent from Table 11.2, the overall national literacy rate improved from 71.2 per cent

(2000) to 74.2 (2006). Male literacy rate is higher (78.8 and 81.4 per cent in the two survey years, respectively) than female literacy rate (64.2 and 67.7 per cent, respectively). However, the female literacy rate has improved at a faster pace, increasing by 6.2 percentage points between 1991 and 2006 compared to that of males which has only increased by 4.1 percentage points over the same period (see Table 11.2). The number of secondary school graduates has improved steadily for both male and female, and hence for the country. However, discrepancies remain in favour of male and urban populations.

Tanzania has a generalized HIV epidemic (see Table 11.3). According to the 2007-08 HIV/AIDS and Malaria Indicator Survey, HIV prevalence is higher in urban areas than in rural areas (8.7 per cent versus 4.7 per cent), and ranges from a low of 0.3 per cent in Pemba Island to 15.7 per cent in the Iringa region.4 Of approximately 1.4 million people living with HIV, 70.5 per cent are in the 25 to 49 years age range and are hence in their most productive working years. HIV prevalence among young women aged 15 to 24 years is 3.8 per cent, which is significantly higher than the 2.8 per cent prevalence rate among young men in the same age group.5 Other populations at high risk for HIV infection include commercial sex workers, miners, police officers, prisoners, people in the transport sector, and the military<sup>6</sup>. According to the UNAIDS' Report on the Global AIDS

<sup>&</sup>lt;sup>4</sup> National Bureau of Statistics: HIV/AIDS and malaria indicator survey 2007-2008 (Dar es Saalam, 2008).

<sup>&</sup>lt;sup>5</sup> UNAIDS: Report on the global AIDS epidemic (Geneva, 2008).

WHO: Summary country profile on HIV/AIDS treatment scaleup – Tanzania (Geneva, 2005).

### Legal Framework Indicator 21. Labour administration

Law, policy and institutions: The Ministry of Labour, Employment and Youth Development (MLEYD) is headed by a Minister. It is partitioned into three core divisions (labour, employment and youth development) under the responsibility of the Labour Commissioner and two Directors. These divisions are complemented by three semi-autonomous agencies linked to the Ministry: the Occupational Safety and Health Agency (OSHA), the Commission for Mediation and Arbitration (CMA) and the Tanzania Employment Services Agency. Moreover, the Ministry has a number of support units/bodies for legal advice, finance, audit, policy and planning, human resources, procurement, registration of Employers' and Workers' organizations and tripartite consultation. Recent reforms led to the passage of the Labour Institutions Act in 2004 establishing a tripartite Labour, Economic and Social Council (LESCO), the CMA, the Essential Services Committee and a Labour Division within the High Court. A National Employment Policy has been in place since 2008.

**Further institutions:** Labour inspection: In practice, responsibilities for labour inspection are split between labour officers working within the Ministry (i.e. monitoring employment contracts, wages, working time etc.) and occupational safety and health inspectors who are part of the semi-autonomous OSHA. In law, all labour officers appear to have a mandate to carry out every manner of inspection (working conditions as well as safety and health). In addition to the lack of clearly segregated inspection mandates, other government institutions such as the National Social Security Fund carry out their own inspections with little coordination with the Ministry of Labour and OSHA. Labour officers in the regions carry out inspections in addition to other labour administration tasks. OSHA also has a regional presence divided into six zones with around five inspectors per zone.

Dispute resolution: The Commission for Mediation and Arbitration (CMA) was created by the Labour Institution Act No. 7 of 2004. It is the principal organ for addressing labour disputes and has been in operation since 2007. Since then, the CMA has received some 19,000 cases, resolving 87 per cent of them. By law, the CMA is independent from the Ministry of Labour, Employment and Youth Development and maintains an autonomous budget and programme. It has a decentralized structure with an average of two staff per regional office. The CMA is directed by a chairperson and six tripartite commissioners, all appointed directly by the Minister on the advice of the LESCO. There are currently 42 staff working for the CMA, but it is set to nearly double its staff in the coming year. Its mandatory functions include mediating and arbitrating disputes as well as setting up a forum for workers' participation if so requested under the Employment and Labour Relations Act of 2004. The CMA's permissive functions include providing advice and training to Employers' and Workers' organizations, offering to mediate disputes that have not been referred, and supervising elections of registered trade unions or employers' organizations if required by the labour court or if requested by the organizations themselves.

The social security institutions: In 2003 the Government adopted a policy on social security in an effort to harmonize the then seven existing and separate social security funds. These funds were divided across four different authorities including the Ministries of Labour, Finance, and Health as well as the Regional Administration. The objective is to create a single Social Security Regulatory Authority (SSRA) that was to be fully operational as of October 2009. Within MLEYD there is currently a social security department with six staff members under the direction of an Assistant Commissioner. Its four main competencies include workers' compensation, coordinating the drafting of new regulations, providing guidance to the government on social security policy; and coordinating the creation of the SSRA. As yet, it is not clear what the role and responsibilities of the MLEYD social security department will be under the new unified system.

**Exclusion of parts of workforce from coverage:** Domestic workers.

### **Ratification of ILO Conventions:**

Labour Administration: Labour Administration Convention, 1978 (No. 150), has not been ratified.

Labour Inspection: Labour Inspection Convention, 1947 (No. 81), was ratified in 1962; Protocol of 1995 to the Labour Inspection Convention, 1947 (No. 81), was ratified in 1999; Labour Inspection (Agriculture) Convention, 1969 (No. 129), has not been ratified.

*Industrial relations:* Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), was ratified in 2000; Right to Organise and Collective Bargaining Convention, 1949 (No. 98), was ratified in 1962.

Labour statistics: Labour Statistics Convention, 1985 (No. 160), has not been ratified.

Social Security: Social Security (Minimum Standards) Convention, 1952 (No. 102), has not been ratified.

Employment Policy: Employment Policy Convention, 1964 (No. 122), has not been ratified.

Occupational Safety and Health: Occupational Safety and Health Convention, 1981 (No. 155), and the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187), were not ratified.

Vocational Guidance and Training: Human Resources Development Convention, 1975 (No. 142), was ratified in 1983.

Sources: 1. ILO Labour Administration and Inspection Audit Report for the United Republic of Tanzania (October 2009) 2. ISSA database (http://www.issa.int/aiss/Observatory/Country-Profiles/Regions/Africa/Tanzania-United-Republic-of).

*Epidemic* (2008), since the 1990s, the impact of HIV/AIDS has contributed to the reduction of the health-sector workforce in Tanzania.

Nevertheless, the percentage of persons of working age who are HIV positive has fallen from 7.0 per cent (2004/05) to 5.7 per cent (2007/08), with the percentage for males being lower (decline from 6.3 per cent to 4.6 per cent) than females (decline from 7.7 per cent to 6.6 per cent). This may partly be due to increased HIV and AIDS awareness and/or death of infected persons over the period. However, although like in other countries in East Africa, the epidemic in Tanzania has remained stable in recent years (as evident from

the time-series estimate by UNAIDS). There has been a recent increase in HIV prevalence among older age groups, with the HIV prevalence rate among women ages 30 to 34 years reaching as high as 13 per cent. Intravenous drug use is also increasing, highlighting the need for improving prevention efforts and expanding access to treatment and care. High levels of poverty continue to undermine efforts to provide better access to services, including prevention and treatment services. The quality of available services is also an issue and access to voluntary counselling and testing varies considerably. The Government has recently put in place a strategic framework<sup>7</sup> that may contribute to addressing these concerns.

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### Annex 1: Population statistics

Annex Table 1.1. Total labour force, 15-64 years

	1990/91	2000/01	2006
Labour force, 15-64 years (total)	10,052,139	14,698,816	17,634,223
Male	4,956,872	7,033,457	8,420,261
Female	5,095,267	7,662,359	9,213,962

Source: National Bureau of Statistics, Integrated Labour Force Survey 1990/91 (Table T1), 2000/01 and 2006 (micro-data files).

Annex Table 1.2. Total working-age population, 15-64 years

	1990/91	2000/01	2006
Working-age population, 15-64 years (total)	11,612,278	16,335,210	19,263,772
Male	5,606,202	7,752,181	9,148,057
Female	6,006,076	8,583,029	10,115,715

Source: National Bureau of Statistics, Integrated Labour Force Survey 1990/91 (Table T1), 2000/01 and 2006 (micro-data files).

Annex Table 1.3. Tanzanian Mainland population projections by major age groups, in 1000s (2003-2012)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
All ages	33,846	34,897	36,001	37,133	38,291	39,475	40,683	41,914	43,169	44,440
Change over the previous year, in %		3.1	3.2	3.1	3.1	3.1	3.1	3.0	3.0	2.9
0-14 years	15,021	15,500	15,997	16,499	17,010	17,531	18,065	18,609	19,168	19,734
Share in the population, in %	44.4	44.4	44.4	44.4	44.4	44.4	44.4	44.4	44.4	44.4
15-64 years	17,511	18,074	18,669	19,289	19,932	20,599	21,282	21,977	22,675	23,371
Share in the population, in %	51.7	51.8	51.9	51.9	52.1	52.2	52.3	52.4	52.5	52.6
65 years and above	1,313	1,323	1,336	1,346	1,349	1,345	1,336	1,328	1,326	1,334
Share in the population, in %	3.9	3.8	3.7	3.6	3.5	3.4	3.3	3.2	3.1	3.0

Source: National Bureau of Statistics.

### Annex 2: Detailed child labour statistics

### Annex Table 2.1. Working children and child labour, 5-17 years (2000/01)

	Total (M + F)	Male (M)	Female (F)
Total working children, in % (urban and rural)	39.6	40.6	38.5
Urban, in %	16.6	16.2	16.9
Rural, in %	45.7	46.8	44.5
Total child labour, in % (urban and rural)1	31.3	32.8	29.7
Urban, in %	12.0	11.5	12.6
Rural, in %	36.4	38.2	34.4

Note: Refers to incidence rates, i.e. in per cent of corresponding child population. Child labour according to the definition used by ILO-SIMPOC for producing Global Estimates. The data may differ from previously published results that drew on a different methodology.

Source: ILO Statistical Information and Monitoring Programme on Child Labour (SIMPOC), based on National Bureau of Statistics, ILFS 2000/01.

Annex Table 2.2. Working children and child labour, 5-17 years (2006)

	Total (M + F)	Male (M)	Female (F)
Total working children, in % (urban and rural)	32.6	36.3	28.8
Urban, in %	15.1	15.8	14.4
Rural, in %	37.7	42.0	33.2
Total child labour, in % (urban and rural)	27.5	30.8	24.0
Urban, in %	10.7	11.5	9.9
Rural, in %	32.3	36.1	28.2

Note: Refers to incidence rates, i.e. in per cent of corresponding child population. Child labour according to the definition used by ILO-SIMPOC for producing Global Estimates. The data may differ from previously published results that drew on a different methodology.

Source: ILO Statistical Information and Monitoring Programme on Child Labour (SIMPOC), based on National Bureau of Statistics, ILFS 2006.

## Annex 3: Social security schemes

### Annex Table 3. Summary of social security acts and scheme membership

	-	-	-	
Indicators	National Social Security Fund Act 1997	Parastatal Pensions Scheme Act 1978 establishing Parastatal Pensions Fund (PPF)	Public Service Retirement Benefits Act 1999 establishing Public Service Pensions Fund (PSPF)	Government Pensions Scheme under treasury for permanent and pensionable contracts (prior 1999)
Number of Members	361,000	51,000	198,000	Not known
Pension Formula	1/720 × (30% + (1.5% × NE15)) × APE Maximum Benefit 67.5%	1/600 × N × APE Maximum Benefit 66.6%	1/540 × N × APE No strict limit	$1/540 \times N \times APE (1999)$ $1/600 \times N \times APE (before)$ No strict limit
Years of contribution to get maximum Pension	40	33.3	30 if compared with other schemes	33.33 For the law before 1999 and 30 for the law after 1999. (if compared with other schemes
Monthly contribution	10% Employee 10% Employer 20% Total	15% Employer 5% Employee 20% Total	15% Employer 5% Employee 20% Total	Non contributory
Number of Benefits	7	4	4	2
Type of Benefits	Short-term benefits: Health care, Maternity, Employment injury and Funeral grants Long term benefits: Retirement Pension, Survivors Pension, Invalidity pensions	Long-term benefits Retirement Pension, Survivors Pension, Invalidity pensions Education Benefit	Long-term benefits Retirement Pension, Survivors Pension, Invalidity pensions	Long-term benefits Retirement Pension, Survivors Pension, Gratuity
Mode of payment	Monthly pension 100% of the pension as per calculations	75% of the pension – 25% is paid as commuted pension	50% of the pension — 50% is paid as commuted pension	50% of the pension – 50% is paid as commuted pension (1999) while before amount payable monthly was 75% of the pension – 25% is paid as commuted pension

### Key:

NE15 → Number of years exceeding minimum qualifying contributing years which is 15 for NSSF

APE - Average salary that is used to calculate the pension at retirement day

N → Number of years or months contributed or worked in case of non-contributory scheme

Source: ILO, 2008. Tanzania Mainland Social Protection Expenditure and Performance Review and Social Budget (Geneva, ILO), page 40.

## Annex 4: Trade union membership

Annex Table 4.1. Trade union membership by sex, 2001

Union		Number of members	
Oilloil	Male	Female	Total
CHODAWU	12,000	6,953	18,953
RAAWU	6,833	3,417	10,250
TALGWU	17,984	17,404	35,388
TAMICO	7,720	875	8,595
TASU	407	23	430
TPAWU	24,850	7,572	32,322
TRAWU	12,087	713	12,800
TTU/CWT	75,000	42,000	117,000
TUGHE	16,008	13,220	29,328
TUICO	26,560	8,970	35,530
TUJ	125	25	150
TOTAL	199,568	101,172	300,746

Annex Table 4.2. Trade union membership, percentage distribution between TUCTA affiliates (June 2008)

Union	Total No. of members	In % of TUCTA membership
CHODAWU	22,048	5.4
COTWU(T)	4,890	1.2
CWT	148,120	36.7
DOWUTA	2,500	0.6
RAAWU	10,686	2.6
TALGWU	54,992	13.6
TAMICO	8,301	2.1
TASU	503	0.1
TEWUTA	1,580	0.4
TPAWU	37,272	9.2
TRAWU	9,242	2.2
TUGHE	51,480	12.7
TUICO	51,820	12.8
TUJ	502	0.1
TOTAL	408,838	100

