ACHIEVEMENTS AND CHALLENGES OF SOCIAL DEVELOPMENT IN TANZANIA

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Country background

- Tanzania is a low income country.
- Population of Tanzania is 51.8 million
- GDP growth is approximately 7% per annum
- Basic needs poverty is 28.2%
- Food poverty is 9.7%
- Chronic malnutrition (stunting): 34.7%
- Primary education completion 81.2%
- Total unemployment 7.1%
- Life expectancy at birth 57.4
- Approx. 82% of the poor are found in the rural areas
Introduction

• Over the past two decades Tanzania has achieved rapid economic growth that has enabled the Government to reduce poverty in all its dimensions significantly while achieving above average progress towards achieving the MDGs.

• Nevertheless, those at the top of the income distribution have benefitted disproportionally while a substantial share of the population (28.2 percent) still lives below the poverty line.

• The Government is therefore implementing a set of social policies and programs to better tackle poverty, vulnerability and social exclusion and hence contribute to equitable economic growth and inclusive social development.

• Though these policies and interventions have achieved significant positive outcomes benefitting the poor and vulnerable, improved coherence and better coordination and harmonization would substantially deepen impact.
Background

• Tanzania is transforming the industrial base of the economy to achieve sustained economic growth.
• Human capital development is recognized as the most important asset to propel sustainable development in today’s world.
• Monetary and non-monetary poverty hinders the population’s skills development and depresses the economic potential of the country, creating serious challenges for development objectives.
• Experiences of other African countries consistently demonstrate how social protection programs help overcome these challenges.
• Social protection reduces multidimensional poverty, helps protect human rights, improves labor market outcomes, fosters social cohesion and strengthens sustainable and equitable economic development.
• Recently, Tanzania has made improvements in social protection programs that have partially reduced fragmentation. Still coordination and harmonization requires improvement and progressive realization of universal social protection.
Four Pillars of SP in Tanzania

• Social protection in Tanzania takes into consideration life cycle perspective (*pre-primary age children, school age children, adolescents, working age adults, pregnant and lactating mothers, older persons and people with disabilities*) covering four pillars:
  – Pillar I: Non – Contributory Social Protection
  – Pillar II: Contributory Social Protection
  – Pillar III: Social Services
  – Pillar IV: Productive Inclusion
Pillar I: Non – Contributory Social Protection

• Non-contributory social protection programs and policies which are provided to the poor and vulnerable and financed usually from public resources, not from individual contributions.

• Non-contributory social protection addresses lifecycle risks for those that are not – or so far have never been – able to protect themselves. Examples include child grants, social pensions and disability grants.
Pillar I: Non – Contributory Social Protection …

• **Cash Transfers**: The main non-contributory social protection for households consists of the Productive Social Safety Net (PSSN) Program.

• Through PSSN, cash transfers are provided to extremely poor households contingent upon household investments in human capital, such as education and healthcare.

• The program also establishes savings mechanisms, increases investments in targeted infrastructure to increase accessibility of quality service in poorly-served communities, and has a public works component targeted to the productive, working-age population.
Pillar I: Non – Contributory Social Protection

• **Non-Cash Transfers**: The government has been delivering non-cash aid in the form of food transfers to the most vulnerable households during periods of food shortage.

• In addition, the Government also provides non-cash transfers to the vulnerable and chronically poor for essential health services, including in-kind transfers provided by the Department of Social Welfare, fee waivers and cost-sharing exemptions.

• Defined as those living below the food poverty line of TZS 26,085 (USD 15.70) per adult equivalent per month (Household Budget Survey, 2011/2012)
Pillar II: Contributory Social Protection

- Contributory social protection programs and policies are financed through contributions by those benefiting from the schemes.
- Contributory social protection addresses lifecycle risks during times when individuals are unable to protect themselves by leveraging resources contributed by the same individuals during lifecycle stage during which they are able to not only protect themselves but also generate surplus resources.
- Examples include health insurance, pensions and unemployment insurance.
Pillar II: Contributory Social Protection...

• There are six mandatory contribution schemes in the country:
  – Government Employees Provident Fund (GEPF),
  – Local Authority Provident Fund (LAPF),
  – National Social Security Fund (NSSF),
  – Public Service Pension Fund (PSPF),
  – Parastatal Pensions Fund (PPF)
  – National Health Insurance Fund (NHIF).

• Membership in these schemes totals approximately 1.95 million individuals, mostly formal sector employees.

• The Community Health Fund (CHF) is another contributory social protection program which serves as a pro-poor intervention to allow households to pay a small contribution towards primary-level community care.
Pillar III: Social Services

• Social protection in Tanzania facilitates all people’s access to social services, and these services in turn strengthen the long-term developmental impact of the social protection system.

• Social services are benefits and facilities provided by the Government for the benefit of the entire community.

• Social services address lifecycle risks by providing services aimed at improving the life and living conditions of all individuals throughout the various lifecycle stages and in particular build the human capital foundation of long-term prosperity.
Pillar III: Social Services ....

- Social protection programs around the world generate important impacts on human capital by improving poor households’ access to health, education, social welfare and other developmental social services.
- In doing so, social services both facilitate social protection outcomes directly (by effectively reducing poverty and vulnerability) as well as strengthen developmental impact by improving educational and health outcomes and enabling more productive future livelihoods engagement and employment.
Pillar IV: Productive Inclusion

- Productive inclusion, involves programs and policies aimed at enabling individuals to engage more productively in livelihoods and employment.
- Productive inclusion addresses lifecycle risks for those excluded from economic activity and those who are marginalized in their livelihoods activities.
- Examples of productive inclusion programs in Tanzania are agricultural input subsidies, public works, financial inclusion programs, livelihoods development programs and youth development programs.
- Productive inclusion policies in Tanzania have mainly aimed to strengthen livelihoods engagement and employment.
Pillar IV: Productive Inclusion ....

- Most importantly, TASAF has instituted a public works program offering a guaranteed 60 days of paid work over a four month period for PSSN-targeted households, providing an income to guard against seasonal shocks.
- TASAF also uses savings and investment as a vehicle to engender productive inclusion, creating community savings and investment groups to foster a community-based approach to fostering savings.
- The National Agricultural Input Voucher Scheme (NAIVS), is one of the most important programs working towards this objective by providing a market-sensitive subsidy that works to reduce the impact of agricultural shocks on households.
Part I: Poverty reduction and inequality

• Tanzanians living below basic needs poverty line are 28.2 percent of the total population, yet according to the Global Multidimensional Poverty Index, 65.6 percent of the population suffers from some other dimension of poverty.

• When all factors, including income, housing and sanitation are taken into consideration, a total of 74 percent of children are categorized to be living poverty.

• When income poverty is the only factor considered, 47 percent of children living in poverty are not categorized to be poor.

• Deprivations in health and education play a major role and contribute to 44.7 percent of Tanzania’s Multidimensional Poverty Index (MPI).
Part I: Poverty reduction and inequality ....

• Income inequality 0.34 not only compromises social rights, it also leads to political and socio-economic instability.

• The adverse conditions created by inequality depress the economic activity needed for sustained growth, impeding Tanzania’s progress towards its development objective.

• These inequalities are perpetuated largely through inequities in human capital accumulation.

• Disparities in income hinder the skills development of people in poorer households, creating a vicious cycle.

• Non-monetary factors also contribute to a poor person’s experience of poverty, and through the deprivation of basic human rights, through the lack of health, education, employment, safety, security, and empowerment; and humiliation deprive a person from developing the skills.
Part I Inter-sectoral and inter-agency coordination for SP strengthening

• Inadequate coordination and harmonization mechanisms has led to some groups remaining unreached SP system despite efforts made to target those most in need of assistance and security, The comprehensiveness of the existing SP programs could improve by focusing on specific groups and vulnerabilities within the population.

• The first of these is pregnant women and infants. Though CCT under PSSN is available to pregnant women and households with children, there are few other programs specifically targeted at pregnant women or at infants.

• Both of these are highly vulnerable groups, and infants in particular face long-term repercussions if they are unable to access basic goods and services, which face both demand and supply barriers to utilization that social protection can address.

• As 47 percent of children that are deprived are not poor from a monetary perspective, complementary interventions besides PSSN are needed to address this.
Part I: Inter-sectoral and inter-agency coordination for SP strengthening

• In order to increase coordination, integration and effective tracking of existing SP initiatives, the Government developed the National Social Protection Framework (NSPF).

• The NSPF will facilitate shifting towards a more integrated and coherent set of programs, optimizing poverty and vulnerability reduction for every input spent, while providing comprehensive coverage.

• Existing policies are not replaced but rather NSPF serves as a commitment to policy harmonization and coordination, and provide the government with the platforms and tools to do so.

• In addition, the NSPF also guides implementation of the commitment to coordinate and harmonize SP across operational levels of the SP system. It will ensure that policy drawn at the national level will be effectively and efficiently carried out across institutional actors, as well as at the district and community levels.
Part II: CCT programs and their impact on human development

• The Productive Social Safety Net (PSSN) Program is the main non-contributory social protection for households implemented in the third phase of the Tanzania Social Action Fund (TASAF).

• The Program provides cash transfers to extremely poor households contingent upon household investments in human capital, such as education and healthcare.

• The program also establishes savings mechanisms, increases investments in targeted infrastructure to increase accessibility of quality service in poorly-served communities, and has a public works component targeted to the productive, working-age population.

• Targeted households are those having extreme poor living below the food poverty line of USD 15.70 per adult equivalent per month (Household Budget Survey, 2011/2012).
Part II: CCT programs and their impact on human development

Though the objective of the Program was to test the effectiveness of a community based model, human capital development impact of the CCT Program that was recorded in three districts (comparing baseline, midline and endline surveys data) included:

- Children in households enrolled in the Program were healthier and less likely to be sick.
- Households in the Program joined health insurance scheme hence financed medical care.
- On education, the program showed clear positive impacts on attendance and completed primary education.
- Primary school completion effect was particularly striking for girls in targeted households compared to those not enrolled in the Program.
- Literacy rates increased significantly for children who were out of school before joining the Program.