

ANNUAL GENDER STUDIES CONFERENCE (AGSC '96)



INCREASING WOMEN'S PROFILE IN TRADE AND BUSINESS

**Victoria Kisyombe
Joke Hoogerbrugge
SERO Businesswomen Association**

**Paper Presented to AGSC '96, December 5th - 8th
IFM, Dar es Salaam.**

TGNP First Annual Gender Studies Conference
Increasing Women's profile in Trade and Business

*by: Victoria Kisyombe
Joke Hoogerbrugge
Sero Businesswomen Association*

I. Introduction

Today, an increasing number of women in Tanzania are engaged in income generating activities of one form or another. Women are everywhere in the informal sector - agriculture, market vending, tailoring, typing, baking, roadside restaurants (*Mama ntilie*), canteens *et cetera*. Tanzanian women are more innovative, enterprising and socially responsible than their male counterparts. They supply the basic means of family support. They are therefore a very important part of the Tanzanian society. Yet despite all this, not much attention is paid to them and their concerns. Governments and economic structures exclude them participating in major decisions that affect the society. This exclusion has marginalised and pushed them to the lower levels or strata in society.

Therefore, the issue we would like to address here is how to enhance women's profile in business and trade. This clearly focuses on economic empowerment of women for several reasons:

Firstly, women in developing countries are among the poorest section of the population and even increasingly become poorer due to limited access to resources, land, education and information combined with limited control over income derived from these resources. Often the phrase '*feminisation of poverty*' is used to indicate this process ¹. For many women poverty is the most burning problem in their day to day live. Therefore, women are involved in a variety of economic activities in the fields of agriculture, small-scale businesses and services to earn some income to cover for their household expenses. These activities, however, bring little income and avenues of increasing income appear limited.

Secondly, women in particular are faced with the contradictory impact of the *structural adjustment policies* (SAP) ². Under these policies government priorities shifted from human to economic development, from food to cash crops, from small scale to large scale enterprises and towards an export-led policy in development. A series of programmes were introduced to stabilize the Tanzanian economy, which included reduced government support for social services and certain sectors of the economy.

Key subsidies were removed or reduced e.g. on fertilizer. Removal of trade restrictions and price controls led to a deluge of imported goods and services, decline of the domestic industry and escalating prices for consumer and producer goods. Privatisation, deregulation and liberalisation have increased competition among all kinds of producers, small and big. Women enter this competitive era at an disadvantage, as shown below. Retrenchment of public sector workers hurts women more than men, because more women are employed in service occupations such as teaching, nursing, cleaning, sales and clerical positions and redundancies touch the low cadre of workers first, where most women are located. Also more men are forced to enter the informal sector because of the decline in formal employment, and they may push women out of the few niches they now control.

Therefore, the structural adjustment programmes created harsh economic conditions for some sectors of society: they have been widely criticised for further marginalising the countries weakest. Real wages and salaries, and producer incomes, have declined, as a result of increased costs of living and raising production costs. Though real incomes have declined, one is expected to pay more for social services and local infrastructure. This has led to real hardship for low and middle class households. The rising cost of living, and increased production costs in smallholder farming and in the informal economy, have increased the workload for women, in particular. Women remain responsible for almost all domestic chores, which includes care for family consumption, for the children and for the sick. In rural areas, this means carrying water or firewood for long distances, cultivating crops and carrying them home, preparing food and so on.

II. Women's profile in Business and Trade

We would firstly like to analyse the types and characteristics of women's businesses, including the constraints women face in establishing these businesses and the strategies women have developed to overcome these constraints.

Apart from agricultural enterprises, the following business categories run by women can be distinguished:

1. *Survival businesses* are run by some urban and many rural women to add some income to the meagre household budget. Activities are often undertaken on an irregular and part-time basis and often need very little inputs in terms of raw materials or technology. They mostly operate with extremely small profit margins, e.g. women sometimes spend a week on a mat or making pots which earn them just a few shillings. The little money earned is essential though for household consumption, school fees and emergencies. Informal savings and credit groups can be found among these women, usually for assistance in major household expenses or for emergencies.

2. *Female micro-entrepreneurs* run their businesses on a more permanent basis. They often operate on and around the market, running small stalls or tiny restaurants, beer brewing etc. These women might use small amounts of money for their businesses, but their money circulates fast and is usually reinvested in the business. The fast circulation of capital gives them a clear need for speedy financial services. Membership of informal groups is quite common.
3. *Small scale business women* run their business on a somewhat bigger scale. They often employ fellow women, take risks and are keen of making profits and letting their business grow. They often reinvest a substantial amount in their business. E.g. medium-sized shops, restaurants, small tailoring workshops. They face periodic cash constraints especially for investment purposes. They mostly operate on an individual basis. Still these women have no easy access to the formal banking sector either.

Although women run a variety of businesses, they encounter some general constraints related to gender imbalances in society:

1. *Customary and legal status and control over resources*
On marriage, a woman, her children and the agricultural or other produce raised by her belongs to or is controlled by the husband. The law of succession sees to it that most of the property goes to the husband's family when he dies. Clearly the customary and legal status of women severely limits their access to property and income. Also many women hesitate to invest in property which will not provide them with the control over the benefits. The limited access to resources limits access to credit because of collateral requirements for bank loans.
2. *Women's reproductive duties and time constraints*
Time constraints on women and her responsibilities for reproductive duties severely limits her participation in business activities. In order to minimise conflict stemming from their different roles, women often choose home-based businesses or run their enterprise on a part-time or seasonal basis.
3. *Health factors constraining productivity*
Apart from working long hours, there are other factors that strain women's energy and affect their productive performance e.g. frequent pregnancies and poor spacing between the children, differentiation in food intake in favour of men and poor primary health care services. This negatively affect women's health and energy; and therefore her ability to run a business or perform income-generating activities.

4. *Women's limited access to education*
Many schoolgirls drop out due to numerous constraints such as cultural biases in favour of education for boys, early pregnancies, domestic child labour and poverty. This results both in high levels of illiteracy and low levels of education among women. Consequently many women do not acquire the skills necessary for running successful income-generating activities. This forces women to engage in business activities which require little technical and managerial knowledge, and often earns them very little.
5. *Women's limited access to information and to markets*
Limited mobility, because of household duties and child care, gives women limited access to information and markets. Furthermore, major information channels including technical and market advice, agricultural extension, cooperatives, small scale enterprise organisations are mostly male oriented. Women have less access to techniques for improving their productivity and often activities which were traditionally done by women are taken over by men once technical equipment is introduced.

While addressing these limitations, women develop business strategies which on the one hand give them access to and control over money and resources and on the other hand do not contradict with women's reproductive duties e.g.

1. *Concentration in certain sectors* which need little investment or new technologies and where women's control over revenues is 'allowed' e.g. food processing, textile, handicrafts, trade and restaurants. Few women are found in those sectors which are traditionally addressed by small-scale enterprise programmes such as carpentry, metalwork, garages and shoemaking.
2. *Avoidance of risks*
Women entrepreneurs are more interested in a regular, secure income instead of a highly profitable but risky undertaking. Poor women in particular will avoid taking high risks, because they have often to cater for all the household needs. In order to spread risks, women sometimes run different small enterprises simultaneously rather than investing everything in one business.
3. *Group formation*
This is another common strategy which women adopt to allow them to gain more control over their resources. In particular micro- and survival businesswomen form women groups which helps them to keep their money away from family needs.

III Enhancing women's profile in Business and Trade

Any program aimed to empower women economically will have to address the following issues in their program design:

1. An integrated, gender-sensitive approach, which implies taking into account the different roles and responsibilities and the balance of power between men and women in society. All these aspects have their impact on the economic performance of women and their ability to access and control their income. To prevent that e.g. credit to women ends up supporting the businesses of their husbands other aspects of gender roles need to be incorporated into the programme design.
2. A participatory approach, taking women's need, perspectives, capabilities and strategies as a starting point, so that active involvement and participation is ensured.
3. Increasing women's access to money and their capacities to handle it properly e.g. through business training.

Different development approaches tend to focus either on women's reproductive or productive roles. The empowerment approach is based on the full participation of women in the development process, while taking into consideration women's productive and reproductive roles. It tries to help women to acquire power so they can shape the direction of the development process. They need to control resources in order to do so. Women are seen as active partners in the development process and women's organisations play a vital role in this process.

Savings and credit facilities could assist women to increase their income level, if they were made available in an easily accessible way. First and foremost, this requires that initial trust is put in woman's business capacity and her ability to handle money. It assumes that she is a serious business partner, willing and able to use the money effectively and to repay. The ability to obtain a loan, gradually use resources, control them and decide on their use, in itself helps women building up self-confidence. Several studies indicate that poor business women need accessible and secure saving facilities and small, fast loans without collateral or lengthy bureaucratic procedures. The credit needs are small and mostly for working capital, since there is little investment in assets. Women need additional services such as training in business management, bookkeeping, technical and market advice. Awareness raising about gender roles can also be necessary to ensure that the project is not slowly taken over by man and is not conflicting with women's reproductive roles. Furthermore, women need examples and role models of successful business women.

Introduction

SERO Businesswomen Associations (SEBA) is an association of women which supports their efforts in income generating activities. It was formed in 1992 by a group of women who were concerned about the position of women in rapidly changing Tanzania. In the last few years, the country has been transformed from the Ujamaa system (a version of collectivisation and socialism in Tanzania) into a market oriented economy. The association was therefore formed to help women build a solid economic base for themselves - in this unfamiliar and changing environment by collectively utilising their skills, resources and experiences.

Different from other women movements in the country, SEBA has no political agenda. Its members believe that economic emancipation of women cannot be achieved by political verbosity - of kind that one sees in Tanzania today - but should be tackled practically by women pooling their resources together to build strong economic base for themselves - which allows them to participate in commerce and take their full share in business and development.

Membership

The Association draws its membership from women of all walks of life - tailors, knitters, secretaries, doctors, lawyers, canteen owners, academics etc. These women are determined to put issues of gender in the fore front of their country's development. They are women who are struggling to make ends meet by engaging in income generating activities. Currently SEBA has over a thousand individual members and four women cooperatives. There are no restrictions in joining the association. Membership is open to any woman in Tanzania who has a business or intends to start one.

SEBA believes that the emancipation of women can only be achieved by practically and actively participating in commerce and taking their full share in business. In keeping with this principle of actively participating in commerce, SEBA owns SERO Enterprise Initiatives (Tanzania) Limited - a trading [in domestic electrical appliances, office furniture, office equipment and office supplies], leasing and finance company based in Dar es Salaam.

Goals and Objectives

The association aims to:

1. **Increase the awareness of women in enterprise development and their role in the larger economy.**
2. **Empower women by supporting their efforts in enterprise development - through training, lobbying and financial support.**
3. **Create a forum and strengthen through praxis women abilities and develop gender skills in enterprise ownership and management.**
4. **Develop through praxis women abilities to develop gender sensitive strategies which will strengthen and position their income generating activities to meet the challenges of a male dominated economy.**
5. **Share relevant knowledge, strategies and experiences in enterprise development with other women in the country and elsewhere.**

Management and Organisation

SEBA is run by a Supervisory Council of Directors which is appointed from among the members. The Supervisory Council of Directors is headed by the Executive President-who is supported by the Secretary, Treasurer and five specialised five-woman Committees. Besides the Annual General Assembly, members participation in the association is through their voting for representatives in the Committees and in the Council of Directors - which in turn decides on policy and approves the activities which SEBA carries out and the expenditure of the income generated by its businesses.

The Council has employed a full time team of professionals who under their Programmes Manager and the Women Affairs Officer are responsible for the day to day running of the association.

Programmes and Activities

SEBA is structured to carry out development and educational activities. It is an instrument that is used to conscientize and encourage women to pool their resources together and collectively support their efforts in enterprise development. SEBA therefore has five programmes for its women members and these programmes outline how SEBA supports women's efforts in their struggle for economic emancipation.

SEBA runs the following programmes :

1. Programme to help women start up their own business - or go into income generating activities.
2. Programme to help youth - school leavers (jobless) and the so called drop outs go into productive employment.
3. Programme to help girls get out of prostitution by offering them alternative ways of employment.
4. Programme to help women who are already in income generating activities (business), improve, expand or consolidate their business activities.
5. Programme for members of SEBA in adult literacy, health, food and nutrition.

Practical Implementation of Programmes

Through SERO, SEBA has organised a leasing and finance company (called SELFINA) from which members of the Association can get equipment on lease. In making women lease equipment from SELFINA, SEBA is encouraging women to be self reliant. In addition to leasing, the company has a revolving loan and guarantee fund from which it is able to lend or guarantee businesswomen on short-term (3 to 15 months) small amounts for their working capital requirements.

Equipment Leasing

In keeping with the objectives of SEBA, SELFINA aims to encourage self reliance among the members of the Association. It is therefore not a charitable organisation . It does not believe in subsidising borrowing because it thinks that the biggest problem women face in business is that of access to capital. Through its lease, loans and bank guarantees funds, SELFINA is making capital accessible to them. As such the lease rentals charged by SELFINA on its various facilities are market based.

Through leasing, SELFINA brings financial relief to small women businesses because leased assets help avoid tying-up working capital to fixed assets. With the present cost of borrowing in the country (interest rates of 40 - 55% on loans) and the fact that most women-owned businesses are considered commercially not credit-worthy by the existing financial institutions, the leasing facility, the revolving fund and loan guarantee service which the SELFINA is operating is of great importance to business-women.

The lease facility covers catering equipment, sewing machines, knitting machines, office equipment and is offered exclusively to the members of SEBA. Leasing is ideal for most small businesses in Tanzania because it has off balance sheet advantages in terms of taxation. It is also another way of reducing overhead costs such as installation, training, repairs and maintenance.

Besides these accounting advantages, leasing is compatible with the African way of perceiving wealth - Africans look at wealth through physical items - like cattle, family, bags of maize/potatoes/beans etc. In trade, we traditionally practised barter - not exchange of money. So borrowing equipment is more understood than borrowing money. Furthermore, if a woman has money (cash) in house and a drunkard husband - then there is real danger that the money will be used for alcohol - thereby wiping out the business working capital. However the same husband cannot take the leased equipment - big sewing machines that does not belong to his wife. If he does that SELFINA will sue him. In this way a woman is protected from husband (abuse) in that she will always have the equipment to carry out her business activities.

In order to screen off the non-serious applicants, SELFINA has set up criteria and procedure that it strictly adheres to before going into a lease agreement with any applicants.

The Selection Criteria

- a. they must be women with a clear idea and commitment to the business they are doing or intend to go into.
- b. they must have their own funds of at least 40% of the total one year's working capital required by the business. In absence of this, they should seek group security within SEBA.
- c. they must be prepared to practice good bookkeeping in the business.
- d. they must be women interested in doing business and registered and paid-up member of SERO Businesswomen Association - SEBA for not less than six months with an excellent record of attendance at meetings and seminars.

Note : The six months period is a period through which SELFINA and SEBA gets to know more about the individual members as equipment will be leased to them without collateral).

The Application Procedure

- a. they must submit a realistic 2-3 years business plan consisting of a clear business concept, profit and loss, cash flow and balance sheet. The business plan should basically answer the basic questions of what business they intend to do, why they intend to do this business and how they intend to go about it. If they are not able to prepare these documents or cannot afford a consultant to do it for them, then they should be able to discuss their business and get help from SEBA where possible.**
- b. Upon receipt of their plans, SELFINA officers study and appraise them and then invite them to their offices for discussion.**
- c. SELFINA officers then visit their homes and inspect their business premises.**

Conclusions

SEBA is a serious Association with bold objectives and is built on solid foundation in the conviction of all its members who believe that economic emancipation of women cannot be achieved through politics alone but should be tackled practically by women pooling their resources together to build strong economic base for themselves. In the new Tanzanian market economy women must actively participate in commerce and take their full share in business and development if they are to change their social status.

SEBA recognises that Tanzanian women are more innovative, enterprising and socially responsible than their male counterparts. And yet Governments and economic structures - which are dominated by men - exclude them participating in major decisions that affect the society. The only way they can do something positive to change this situation establishing this business/economic grouping.

The Association therefore draws its membership from women of all walks of life - tailors, knitters, secretaries, doctors, lawyers, canteen owners, academics etc. These women are determined to put issues of gender in the fore front of their country's development.

The Association has adopted a participatory management approach so that members' views are fully represented; and at the same time it employs a full time team of professionals makes sure that the activities of the organisation are properly administered.

In forming SERO Enterprises Initiatives (Tanzania) Limited, SEBA is demonstrating to its members that it is possible for women in Tanzania to own and run a corporate business entity. Furthermore the structure of SERO also gives women a clear indication of how they too can organise businesses that are self sustaining. The carefully thought out selection criteria and application procedure for lease equipment and working capital finance makes sure that non-serious applicants are not entertained.

**SERO Businesswomen Association [SEBA]
P.O. Box 7509
Dar es Salaam
Tanzania.**

Tel./Fax 051 73792

Literature

1. Women and Finance in Uganda.
Low-income women: respected business partners
by Mariel Mensink, SNV, 1995
2. Gender profile of Tanzania, TGNP, 1993

PROFILES OF INCOME AND POVERTY IN RELATION TO HIV/AIDS
CONTROL IN TANZANIA

By
Phare G.M. Mujinja

Institute of Public Health
Muhimbili University college of Health sciences

June 1997

A paper prepared for the National Aids Control Programme, NACP
Ministry of Health Dar-es-Salaam.

INTRODUCTION

A series of external and internal economic shocks have characterized the Tanzanian economy since independence. Those shocks have necessitated the government to bow to IMF and World Bank conditionalities to borrow money for the revival of the economy. Apart from economic shocks, some social shocks have also exacerbated the situation. HIV/AIDS being the most significant social shock in the last two decades, affects the most productive and reproductive age groups of the economy, thence it is expected to inflict a significant negative impact on the economy by reducing the labor supply and consequently incomes of the affected and infected individuals and households.

Tanzania has more than 80% of her population in the rural areas who in some rural areas have an average of per capita income of about Tshs 31,000 (Over et al 1995) compared a national average of Tshs 103,854 (World Bank, May 1995)*. The wealthiest 20% of Tanzanians (5th quintile) control 45.4% of total income while the poorest 20% (1st quintile) control only 6.8% (World Bank 1995). The most vulnerable groups in the society have been found to be the most affected by HIV/AIDS (Over Ainsworth, Mujinja et al, 1996). The poorest are among the vulnerable groups apart from children and women.

*Tshs 84,925 (US \$ 172) for rural areas at official exchange rate.

The per capita income of Tanzanians has been declining faster since 1980 (see table 1 below) compared to the average of Sub-Saharan Africa. The life expectancy of Tanzanians has also grown comparatively slow compared to Sub-saharan average countries . While, the current infant mortality rate is expected to increase if the AIDS is not contained.

Table 1: Social indicators for Tanzania and Sub-saharan Africa

	1980		1985		1990/91	
	TZ	SSA	TZ	SSA	TZ	SSA
Per Capita Income (1991 US \$)	284	582	309	491	110	340
Life Expectancy at Birth (Years)	47	47	48	49	48	51
IMR (per 1000)	122	127	117	118	115	107
(Kilocalories per Capita	2244	2107	2299	2040	2206	2120
Primary School Gross Enrollment Rate	93	70	75	75	69	70

Source: African Development Indicators, Donors to African Education 1994 (reproduced in World Bank 1995).

HOUSEHOLD CHARACTERISTICS

Rural households have bigger household sizes and dependents compared to urban households. Also, they have more people in the bottom 20% who are poor and less in the top 20% of those who are better off compared to urban households. Poor households are likely to have many children than better off households and that perpetuates poverty. The World Bank study has also shown that a family with eight members is almost twice as likely to be in the bottom income quintile as a family with four members World Bank (1995). Sarris and Van den Brink (1993) using the 1976/77 Household Budget Survey show that rural households with low cash expenditures, due to higher amount of subsistence consumption, have, on average higher total per capita consumption than urban households of similar average cash expenditures (Sarris and Van den Brink 1993)

Table 2: Demographic Characteristics of the Tanzania Household, 1993.

	ALL TANZANIA	INCOME GROUP Bottom 20%	TOP 20%	LOCATION Rural	Urban	DSM
Households Size	5.91	7.05	4.89	6.16	5.48	4.84
Dependency Ratio	1.15	1.31	0.94	1.23	0.99	0.88
Average Age of Head	43.7	45.8	41.4	43.8	44.6	39.2
Female-Headed Household%	12.2	10.9	15.3	10.0	17.6	14.8
Aver. number of children less than 15	2.8	3.5	2.1	3.0	2.4	2.11
Aver. number of children less than 18	3.2	4.1	2.4	3.4	2.8	2.4
Aver. number of adults older than 65.	0.15	0.2	0.14	0.16	0.15	0.05

Source: World Bank 1995

AIDS AND HOUSEHOLD COMPOSITION

A World Bank study (1995) found about 1.2% of the Tanzanian households having no adults aged between 15-59. In rural areas, 4.2% of households had no adults between 15 and 49 and 4.7% of households in urban areas, excluding Dar es Salaam had no such adults. In Kagera, an area hard hit by HIV/AIDS, 6% of the households had no such productive adults (World Bank 1995) which is a reflection of the impact of HIV/AIDS on productive labor. A study by the World Bank and University of Dar es Salaam has also shown that households affected by AIDS death had a higher dependency ratio compared to other households (Over, Ainsworth, Mujinja et al 1996).

EXTENT OF POVERTY

Poverty is lack of income and it is caused by all factors which put the income low. HIV/AIDS as a disease which debilitates an individual and the caretakers (somehow is likely to be an accelerators of poverty by reducing the time and capacity to work and also by high costs of treatment of a long illness.

Poor households were defined in 1995 by the World Bank to be those with income below Tshs 46,173 per adult equivalent (World Bank 1995). Also in 1993 about 51% of the Tanzanian rural population could be categorized as poor compared to 65% in 1983 according to the above criterion. Furthermore, 90% of the rural population live

in houses with earth floors compared to 35% in the urban areas (World Bank 1995).

Such data implies that poverty is mainly a rural phenomenon which also causes migration of the young people to the urban areas where it has been reported that about 150,000 young boy migrate to Dar es Salaam every month (Mtanzania, May 1995). In the process of searching for better lives, the young people are likely to pick up HIV and spread it in the rural areas when they go back.

HIV/AIDS affects more the people and families who are at their reproductive stage of their life cycle which have been proved that about 20% of these families are poor families (World Bank 1995). Because HIV/AIDS as a disease, on average, has a long duration of illness, the costs of treatment are likely to be high and unaffordable to such families. The orphans from poor families are likely to be affected more than those from relatively better households (assuming that they will not be fostered in better households).

EXPENDITURE LEVELS:

Tables 3 and 4 below show that the poorest seem to spend low, but their consumption expenditures are quite close to total expenditure and poverty line (Sarris & van den Brink 1993). Also there is a large disparity between the richest quintile and the poorest quintile in expenditure levels.

Table 3: Expenditure Levels (1993)

	TANZANIA			RURAL		URBAN	DSM
	Poorest	Better-off	All	Poorest	All	All	All
Per Adult Equiv.	61,145	381,674	183,167	60,959	146,297	230,667	416,387
Per Capita	38,010	267,355	123,351	37,709	95,328	161,773	290,631

Average computed at the household levels.

Source: World Bank, 1995.

Table 4: Expenditure Patterns (Cash and Kind) by Household Type

	TANZANIA			RURAL		URBAN	DSM
	Poorest	Better-off	All	Poorest	All	All	All
Food	189,202	703,838	415,811	75,477	379,596	454,730	678,503
Health	3,063	25,534	11,300	8,279	8,607	15,338	25,900
Education	3,495	15,406	8,269	3,506	5,846	13,543	14,277
Housing	13,982	66,570	33,190	14,085	24,784	49,783	61,460
Water	98.9	3,184	1068	1,578	64.95	1,919	9,333
Clothing	9,452	46,466	23,802	9,593	19,797	28,954	49,180
Total expenditure	255,847	1,139,152	614,150	258,820	523,393	732,393	1,181,651

Source: World Bank (1995)

From table 4 above, the share of income spent on food decreases as expenditure increases. The share of food on total budget is highest in rural areas, rising from 57.4% in Dar es Salaam to 72.5% in rural villages. Urban dwellers spend more on education, health and clothing compared to rural residents. In 1976/77 food expenditure comprised of 75% and 66% of total spending in rural and urban areas respectively and the second most important expenditure share, in both rural and urban areas was clothing and footwear which accounted for 30% and 13% of rural and urban total cash expenditures (HBS 1976/77). It has also been found maize, roots and tubers, and pulse and seeds dominate food expenditures for people in the lowest quintile accounting for more than 50% of the total food expenditure (World Bank 1995, Sarris and (1993). This type of foods could be classified as interior goods which their demand decreases as income rises. Furthermore, Sarris and van den Brink (1993) show that the rural-low-cash expenditure groups depends more on subsistence consumption.

STRUCTURE OF HOUSEHOLD INCOMES:

In the rural areas, about 57.7% of the total food consumption in 1993 came from own production compared to 5% in Dar es Salaam (World Bank 1995) and 48% in 1976/77 (Sarris & van den Brink 1993). HIV/AIDS is more likely to affect time allocated for home production, hence, affecting the food production and ultimately rural population nutrition (Over et al 1995). To the poorest in the urban areas who have low incomes who about 49.9% depended on salaries and wages (Sarris & van den Brink 1993) and depend less on own food production, the situation is likely to be worse compared to the rural residents.

The distribution of poverty by location show that, although the rural population incomes have grown overtime, about 92% of all poor

incomes are more likely (five times) to be poor compared to people who receive a wage.

Comparing both per Capita and adult equivalent income for the years 1983 and 1991, it appears that rural incomes have grown substantially since 1983. Rural Adult Equivalent income was Tshs 17,986 Tshs in 1983 (1991 prices) and Tshs 56, 969 in 1991, and per Capita income was Tshs 12,181 and Tshs 36,252 respectively (World Bank 1995). Although such developments have been attained individuals suffering HIV/AIDs related episodes have been shown to spend more than their per capita income on treatment (Over and Mujinja, 1995).

Table 5: Percent of Total Income Accruing to each quintile

	All Tanzania	Rural	Urban	Dar
Poorest 1	6.8	7.7	7.3	7.4
2	11	12	11.4	11
3	15.1	16.3	15.6	14.9
4	21.6	22.4	21.2	21.4
Richest 5	45.4	41.6	44.5	45.4
All	100.0	100.0	100.0	100.0

Source: World Bank (1995)

*Each quintile has 20% of the population

DISTRIBUTION OF INCOMES:

Poverty is measured in different ways. The ranking of households below a 'poverty line' also has to be decided either to use an incidence measure or the depth of poverty. The extent of poverty also depends not only on the percentage of households below the poverty line and but also on how far below the poverty line the

which takes into consideration different sizes of households and composition of different needs. The studies also controlled for regional differences in prices. They found a poverty line of Tshs 46,173 for the whole country and Tshs 31,000 (in 1991 prices) for Kagera respectively. (see table 6 below).

Table 6: Poverty Lines and Poverty Incidence, 1993

Poverty Lines in 1991 Tshs	Price variation (average year)	Poverty Lines 1993 Tshs	Poverty Line in US \$	Head count Index
31,000	26.5	49,600	100.2	4.4
46,173	26.5	73,877	149.2	16.9
46,173	34.2	83,111	167.9	22.3
46,173	41.4	92,346	186.6	34.2
		114,187	230.7	41.6
		128,109	258.8	50.0

Source: World Bank (1995)

In the above poverty line from different sources in 1991 are adjusted for different levels of inflation. In 1991 about 51.1% of the population were below the poverty line. In 1980 International labor office (ILO 1982) estimated that in urban areas only about 15% of households might be considered as falling below the poverty line and about 25-30% for the rural areas with a countrywide total of about 25%.

Kigoda and Mwisomba (quoted in World Bank 1995) estimate poverty line of Tshs 63,000 and the poverty in 1994 to be 42.7% in Mainland Tanzania, 49.7% in rural Tanzania, 24.4% in other urban towns, and 2.9% in Dar es Salaam.

Table 7: Poverty Measures by Location and Poverty Line

Location	Poverty Line	(Incidence) Head Count	Depth
Rural Tanzania	Tshs 114,187	49.7	15.7
	" 83,111**	27.8	6.9
	" 73,877***	21.2	4.7
Urban Tanzania	Tshs 114,187	24.4	6.1
	" 83,111	9.9	2.22
	" 73,877	6.9	1.45
Dar es Salaam	Tshs 114,187	2.9	0.38
	" 83,111	0.21	0.06
	" 73,877	0.21	0.04
Tanzania Mainland	Tshs 114,187	41.6	12.7
	" 83,111	22.3	5.5
	" 73,877	16.9	3.8

Source: World Bank 1995

*The core poverty line of Tshs 46,173 inflated by 60%

**The core poverty line of Tshs 46,173 inflated by 80%

***1994 poverty line estimated by Wagao

Using different inflation rates, more than 20% of the rural population falls under the poverty line, and only more than 7% and less than 25% of the urban areas. In general the country has about 17% of its population are below the poverty line with different depth of the depth of poverty (poverty gap). Using Tshs 114,187 as the poverty line it means that a rural person needs a transfer of Tshs 17,927 ($.157 \times 114,187$) per year to eradicate the rural poverty.

REGIONAL INCOME AND POVERTY DIFFERENCE

Table 8 below need to be interpreted with caution. The National count for Tanzania counts Kilimanjaro as one of the poorest regions but this could be because per capita measure is based on population and Kilimanjaro is one of the densely populated areas and most of the people depend on the land for their incomes. Having a small plot is in most cases could be associated with a probability of having a low volume of output (if other conditions are taken constant) and hence low income. All in all, there was a large

coefficient of about 0.2. The other difference is that, Sarris and van den Brink (1993) using the 1976/77 national Accounts data classified Tabora, Kigoma and Morogoro as among the eight regions with a high per capita income, the World Bank (1995) classifies them to be among the six regions with a low per capita income.

Table 8: Incidence of poverty levels and Per Capita. Income by Region.

Region	Head count Soft-Core Poverty 1993	Rank in 1991 (1 is poorest)	Rank in 1993 (1 is poorest)	Rank in 1993 GDP per Capita (1 least income)	Wealth (High wealthy)	Poverty Index (low less poverty)
Dodoma	36.9	8	3	4	7(9)	50(9)
Arusha	25.1	16	6	16	25	38
K'njaro	6.1	19	17	8	21	35
Tanga	24.4	15	7	12	4	52
Morogoro	20.2	6	10	14	3	56
Coast	7.7	13	15	9	10	46
D'Salaam	0.2	20	20	20	35(1)	30(1)
Lindi	27.1	2	4	3	2(17)	69(18)
Mtwara	25.8	9	5	13	2	83
Ruvuma	22.4	4	9	18	3	57
Iringa	17.2	14	11	19	5	61
Mbeya	7.8	12	14	15	11	50
Singida	23.3	10	8	5	18	47
Tabora	14.6	5	12	10	4	52
Rukwa	41.3	11	2	17	3(16)	68(18)
Kigoma	42.6	3	1	6	1(20)	60(16)
Sinyanga	10.1	1	13	11	4	52
Kagera	4.0	18	18	1	3	52
Mwanza	7.3	7	16	7	24	47
Mara	2.9	17	19	2	27(2)	45(4)

Source: World Bank 1995, National Accounts of Tanzania 1976-1993.

INCOME INEQUALITY

Inequality (in terms of Gini Coefficient measure) has continued to increase since 1969. A household survey in 1976/77 showed an increase of a Gini Coefficient of 0.44 (Household Survey 1976/77), the World Bank (1993) found a Gini Coefficient of 0.57 in 1991. The trend changed a little bit in 1993 when the HRDS survey showed a reduction in the Gini Coefficient to 0.41 (World Bank 1995, Sarris and van den Brink 1993). 9 below show the incidence of poverty in Tanzania for 1991 and 1993 using income and expenditure measures, where the urban areas inequality difference has decreased since 1969, than that of the rural areas and Tanzania in general continues to increase.

Inequality of income in Tanzania has increased compared to the situation in 1996. Although it went down from a Gini Coefficient of 0.57 in 1991 to 0.41 in 1993, the inequality is still higher compared to the 1969 situation.

GENDER AND INCOME DISTRIBUTION

Table 10 below show that, female headed households were likely to have high dependency ratios, fewer acres of land, few livestock and fewer years of schooling (of the head). Landholding and livestock keeping are in most cases rural investments, hence, rural women were more likely to have fewer assets than their male equivalents. However, on average, single women were more likely to have more years of schooling compared to households where males were heads.

Table 9: Gini Coefficient for the distribution of Income in
Tanzania, 1969-93

	1969 ^(b)	1976/77 ^(b)	1983	1991 ^(a)	1991 ^(b)	1993 ^(b)
	(1)					
Rural	.30	.37	.52	.72	.60	.35
Urban	.51	.46	N.A	N.A	.46	.42
Tanzania	.39	.44	N.A	N.A	.57	.41

a) using Income

b) using Expenditure

Source: World Bank 1995

Table 10: Distribution of Assets by Gender of Head.

Household type	Dependency Ratio	Land in Acres (rural)	Livestock Index(rural)	Years of School
Male Head	1.16	6.08	510	4.74
Female Head	1.37	1.37	197	2.45
Female-Divorced/ Separated	1.42	3.92	132	2.59
Female -Only Adult	1.91	2.94	56	3.49
Female Single	1.14	2.28	17	6.32

Source: world bank 1995.

Overall about 12.2% of all households in Mainland Tanzania are headed by a woman (11). In 1976 Household Budget Survey found that 11% of all households were headed by women. Female - headed households are more common in urban areas. This could be due to the cultural reasons that in some tribes in Tanzania women are not supposed to inherit any assets (land and others) from their husbands and or their parents. A death of a husband is likely to be one of the main factors which could exacerbate the poverty of women headed households were the assets and investments, in absence of protective inheritance laws are likely to be grabbed by the deceased relatives.

Because they live dis-proportionately in urban areas, female - headed households are more frequent in upper than in lower income quintiles and are also, on average wealthier than male-headed households (World Bank 1995). Furthermore, comparing income by

different locations shows that female-headed households are wealthier than their male equivalents in rural areas and urban areas excluding Dar es Salaam but they are poorer than their male counterparts in Dar es Salaam (World Bank 1995). Other indicators like asset holdings and educational attainment suggest that women have lower welfare levels than men.

Table 11: Prevalence of Female-Headed Households

Category of household	INCOME			LOCATION		
	Poorest	Better-off	ALL Tanzania	Rural	Urban	DSM
Female headed	10.9	15.3	12.2	10	17.6	14.8
Female headed Divorces/Separated	2.8	4.1	3.9	3.2	5.4	5.5
Female headed and Women only adult	1.8	7.7	4.2	3.3	6	6.8
Single Female head	1.1	3.4	1.57	.9	3.0	2.8

Source: World Bank 995.

LAND OWNERSHIP AND INCOME DIFFERENTIATION

Collier et al (1986) showed that income differentiation between rural poor and non-poor could be traced to differences in ownership of assets. However, the size of landholding did not appear to be highly associated with income differences. This can be expected in a land-abundant economy, such as that of Tanzania (Sarris and van den Brink 1993). Collier et al (1986) also show that the difference in incomes could be associated with the ownership of livestock since, livestock is a main forms of investments. It was also seen that access to wage employment wa a major explanatory factor of non-farm income in rural areas.

Bevan (1990) have also shown similar results that the size of land holding was not strongly associated with total per capita income among rural households. The per capita total income (cash and subsistence) from food and cash crops in households operating very small land holdings was never less than half the per capita income of households operating landholding 10 or more times larger. \Per capita income deriving from non-farm sources, however, including own-business and wages, was much larger in households operating smaller land holding.

PRICES

The rises in prices of different consumption goods in the last two decades with a slow increase of disposable incomes of Tanzanians, have contributed to the decrease in the relative purchasing power of the people. Parallel market prices rose steeply in the end of mid-1970s in response to the official marketing system and remained at approximately the same high levels until the government relaxed enforcement of the official marketing channels in 1984 (Sarris and van den Brink 1993).

The inflation rate has ranged between 10 and 35% in the last two decades. The liberalization of the economy has been reported to have had contributed to the decrease in prices in recent years (BOT 1996). However, there is evidence that salaries and wages of workers and the producer prices have been increasing with the a faster pace than the increase in inflation causing an erosion on the purchasing power of the people. There is evidence that, in real terms, the incomes of the people have not matched with their consumption needs. Some very crucial consumption items which were provided free by the government before, such as, education and health, now, people have to pay for them. This has been demonstrated in this paper that education and health were not dominating a larger part of the peoples' expenditure patterns before 1993.

CONCLUSION

The per capita income of Tanzanians has been declining since the last two decades although the rural income have grown substantially since 1983. The wealthiest control most of the Tanzanian total income. In 1993 the poorest households were those who had income below a poverty line of Tshs 46,173, most of them coming from the rural areas hence making poverty to be a rural phenomenon. Households of big sizes are likely to be more poor than those with smaller sizes. The bigger the dependency ratio the high the likelihood of being a poor household.

The poorest households seems to spend low on consumption goods with a consumption expenditure quite close to total expenditure implying that they have low propensity to save. However, women headed households are not more prone to poverty compared to their male equivalents.

The inequality in terms of Gini Coefficients has continued to increase since 1969, most of the incomes concentrated in the riches 20% of the population. In 1991, about 51% of the population were below the poverty line, most of them being residents of the rural areas. There has been a great disparity of the incidence of poverty from one region to another and the non-export oriented regions have been the ones with a higher incidence of poverty.

This paper shows that apart from the young age groups who are the "window of hope" an attention for the control of HIV/AIDS should paid on the poor, who let alone that they may not have enough

resources of caring for the sick, but also more likely to be ignorant of the transmission dynamics of the disease.

REFERENCES:

Bevan, D.L, 1990. Controlled Open Economies: A Neoclassical Approach to Structuralism. Oxford: Clarendon Press

Collier, P., Radwan, S and Wangwe, S with Wagner, A. 1986. Labor and Poverty in Rural Tanzania: Ujamaa and Rural Development in the United Republic of Tanzania. a study prepared for the international labor office within the framework of the world employment program. Oxford Clarendon Press.

International Labour organization (ILO) 1982. Basic Needs in danger. A Basic Needs Oriented Development Strategy for tanzania. addis Ababa JASPA.

Over, M., Ainsworth, M., Mujinja, P.G.M., Semali, A.I.J., Lwihula, G.K, Koda, G.K and Beegle, K. 1996. COPING WITH AIDS: The Economic Impact of Adult Mortality from AIDS and Causes on Households in Kagera, Tanzania. (draft brochure)

Over, M and Mujinja, P.G.M. . 1995 "Impacts of Adult Deaths on Households Consumption and Death". A paper presented at the xiith Conference of AIDS and STDS. Kampala Uganda. 5-11 December 1995.

Sarris, A.H. and van den Brink 1993. Economic Policy and household Welfare during Crisis and Adjustments in Tanzania. New York University Press.

World Bank. 1995. "Socio-Economic Growth and Poverty Alleviation in Tanzania: Incomes, Welfare and Poverty". Tanzania 1993. Population and Human Resources Division. Washington D.C.