

**YOUTH UNEMPLOYMENT IN TANZANIA
NATURE, MAGNITUDE
AND PROPOSALS FOR POSSIBLE SOLUTION**

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EXECUTIVE SUMMARY

1. The current paper is an attempt to up-date an earlier version of a paper titled "*Youth Unemployment in Tanzania: Nature, extent and Proposals to Deal with the Problem*" its objectives, are five fold, viz. to analyse (i) the nature and extent of youth unemployment problem facing the (ii) the major factors contributing to youth unemployment country (iii) the various policies and programmes that have been implemented for purposes of addressing youth unemployment (iv) the impact of such policies and programmes on youth unemployment and (v) recommend alternative policy and programme alternatives and their possible effect on youth unemployment.

2. Youth labour market in Tanzania closely resembles the adult labour market and the two (markets) are influenced, to a certain degree, by the performance of the economy. At a time when the Tanzanian government is implementing the Structural Adjustment Programme in which the privatization exercise and budget squeezes are high on the agenda, youths and adults alike have been retrenched.

3. Among all the age categories of the Labourforce, youths (defined herein to include people in the 15-24 years age) have the highest unemployment rate. If, however, one analyses the youth Labourforce further, it is apparent that the nature and extent of the unemployment problem varies considerably across the gender and geographical (urban-rural) divides. In general, female youths have the highest unemployment ratios among the youth Labourforce. It is however the urban based teenage female youth category which is the worst hit. This group, according to the 1990/91 Labour Force Survey (LFS) had an unemployment rate of about 33.8% compared to the total youth unemployment ratio of about 8.8% and 5.6% for teenagers and young adults respectively:

4. The causes of the youth unemployment problem in Tanzania are diverse. They span the sluggish performance of the Tanzanian economy and hence its inability to create employment opportunities for an estimated 500,000 unemployed youths who join the 'reserve' of unemployed labourforce annually. The privatization exercise and budgetary squeezes have fuelled the unemployment problem through employee lay-off.

Apart from the economy, the youth (high) population growth, the lack of capital, lack of adequate training, low wages and incomes for the youths and certain cultural factors which, for example, tend to confine female roles to the household and unpaid/helper roles have contributed to the youth unemployment problem in Tanzania.

As the formal employment sector has tended to shrink, the unemployed youths and adults, females and males have resorted to the informal sector. Recent estimates indicate that over 70% of the unemployed labourforce has turned to that sector as a source of income and for survival. The effectiveness of the informal sector to absorb the unemployed youths is partly obscured by factors like an absence of a conducive environment - including lack of capital, training, experience, and a shortage of ideal business premises where the youths could engage in self employment and income generating activities.

5. In designing alternative policies and programmes with a purpose of redressing the youth unemployment problem in Tanzania, it is essential to consider that:

- the agricultural sector in Tanzania, if developed, has the potential to absorb not only all the current unemployed youths but even a substantial proportion of the existing unemployed adults. It is therefore essential that the efforts of the government, donor community and the private sector be directed towards developing the sector and the rural areas because of the potential such sectors have in resolving the problem.
- there is need to alter the existing education system-the one that emphasizes education for purposes of security formal employment and replace it with another which imparts candidates with skills necessary for self employment
- unemployed youths have neither capital nor adequate training and experience to enable them to effectively participate in the informal sector and self-employment activities. The ILO-UNDP supported National Income Generating (IGP) has done a commendable job in training and extending credits for youths to start self employment projects. This example needs to be emulated and expanded by the government and other institutions to cover all regions of the country.

Other interventions like changes in legislation (for instance, the minimum wage) and customs take a long time to affect the youth unemployment status but are equally important if the government is to utilize effectively its existing human resources for development purposes.

PART ONE INTRODUCTION

1. The Youth as a Human Resource in Tanzania

Different countries have different conceptions and definitions on youths. In the absence of a uniform definition it is plausible to use, for purposes of the current study, a United Nation's (UN) definition in which a youth is classified as;

"an individual, male or female in the 15 to 24 years age bracket" (Ministry of Labour and Youth Development, 1996, p.1).

The government of Tanzania (GOT) also uses the above UN definition of youths (MLYD, 1996 p.1). The implications from this definition is that individuals in the 0 to less than 15 years age category are basically children while those above 24 years are in the adult category.

It is possible, for analytical purposes, to sub-divide the youth group into two categories. The first group of youths is that falling in the teenage category. These are basically individuals, male and females in the 15 to 19 years bracket. The other group of youths consists of males and females in the 20 to 24 years range and are sometimes called young adults (Labour Force Survey, 1990/91).

The importance of the youth as a human resource and in the socio-economic development of Tanzania has to be seen in two contexts. First, available data shows that the youth constitute a significant proportion of the country's total population. According to 1995 population estimates, the population of youths (aged between 15 and 24 years) was 5, 617, 100. This total youth population was equivalent to about 21 percent of the total population in Tanzania which was estimated at 27, 323,600 (Bureau of Statistics, 1996). The gender composition of youths was such that 2, 700, 600 (49 percent) were males while 2,846,500 (51% per cent) were females. Like most of the Tanzania population, majority of youths live in rural areas where their main occupation, akin to the occupation of the majority of rural based population, is agriculture. This fact is extremely important in discussing and designing policies and programmes for addressing the youth unemployment problem.

The second indicator of the importance of youths in the socio-economic development in Tanzania is related to their potential in contribution to the development of the country. Currently it is estimated that youths constitute nearly 60 per cent of the country's labour force. This is a group of young and energetic individuals who, if properly utilized, have the potential to contribute significantly to the Tanzanian economy. At this point it is necessary to situate the potential of the youths in the overall potential of the country. In doing so some

selected indicators of the Tanzanian economy are first provided in Table 1 and thereafter discussed.

Table 1: Performance of Selected Macroeconomic Indicators: 1986-1997 (% , unless otherwise stated)

Indicator	'86	'87	'88	'89	'90	'91	'92	'93	'94	'95	'96	'97	'86-9 (Ave.)
GDP growth ¹	6.6	5.9	4.4	2.6	2.6	2.8	1.8	0.4	1.4	3.6	4.2	3.3	3.3
Agric. ²	6.1	3.2	2.2	3.9	5.5	3.6	1.2	3.1	2.1	5.5	3.4	2.4	3.6
Manuf. ³	-0.2	-12.9	3.1	5.2	4.1	1.9	-4.0	0.6	-0.2	1.6	4.8	5.0	0.8
Exp/GDP ⁴	1.1	1.7	2.4	4.6	5.3	6.4	9.4	11.1	20.4	29.0	32.5	30.3	12.8
Imp/GDP ⁵	33.0	3.0	31.0	34.0	29.0	30.0	26.0	31.0	34.0	56.0	65.2	6.1	38.3
(CA def/GDP ⁶	-12.0	15.1	-16.2	-20.6	-21.1	-16.7	-18.2	-35.4	-21.5	-17.5	-10.6	-11.8	-18.0
Sav/GDP ⁷	1.5	3.3	2.3	2.4	7.7	12.2	13.2	1.7	4.7	4.9	8.0	8.9	5.9
Inves.GDP ⁸	23.8	23.8	22.4	21.7	27.6	27.6	30.0	28.9	25.5	25.5	20.9	19.6	24.7
Tax/GDP	16.6	11.6	11.3	12.4	13.1	13.7	11.8	11.4	12.2	12.2	12.2	14.1	12.7

Source: National Accounts, Bureau of Statistics, 1998.

Notes: 1 real GDP growth
 2 agricultural growth
 3 manufacturing growth
 4 exports/GDP growth
 5 imports/GDP growth
 6 current account deficit
 7 savings/GDP growth
 8 investment/GDP growth

Table 1 shows that the average real Gross Domestic Product (GDP) growth in Tanzania during the 1986-1997 period was 3.3. There were significant (seasonal) variations during the period in that the largest real GDP growth (6.6 per cent) was experienced in 1986 while the lowest real GDP growth (0.3 per cent) was experienced in 1993.

The performance of the agricultural sector (Table 1) was, during the period under discussion almost similar to that of the overall GDP. Few exceptions were noticed in 1993 when the overall GDP growth was 0.4 percent compared to that of the agricultural growth which was 3.1 per cent.

Growth in the manufacturing sector was mixed (Table 1). The sector appeared (after 1995) to have recovered from earlier negative growth recorded in the mid to late 1980s.

1.1 Youth and Adult Labour Markets

It is unrealistic to discuss the youth unemployment problem independent from the adult labour market. This is true for developed as well as in transition and developing nations like Tanzania. There are several reasons for this. On one hand the causes and remedies for adult unemployment resemble, to a certain degree, the causes and solutions for youth unemployment. On the other hand, in both the adult and youth labour markets the overall performance of the country's economy has a significant influence on their behavior.

As Gillis *et al* (1992) has succinctly pointed out, other thing being equal, periods of economic booms are usually characterised by employment of factors of production, (e.g. land, labour, capital) increased incomes to factors of productions (in the form of rent, wages and interest respectively), and increase in aggregate demand. On the other hand, countries experiencing economic recessions normally experience declining aggregate demand, low income to factors of production and high rates of (labour) unemployment.

Although there exist similarities between the adult and youth labour markets there are certain aspects of the youth labour market which make the latter market somehow unique. First youths (15-24 years) have the potential to learn new techniques and to quickly adopt to a changing environment and when properly guided, are more (geographically and occupationally) flexible than individuals in older age brackets. Likewise, other things, being equal, youth have, potentially, and, in comparison to other older age groups, more time to contribute to a country's economy. The current paper discusses some of the characteristic features unique to youths as an attempt to provide a solution to youth unemployment.

1.2 Objectives of the Current Study

The aims of the current study as stipulated in the terms of reference are five fold, that is to analyse:-

- (a) the nature and extent of the youth unemployment problem facing Tanzania
- (b) major factors contributing to youth unemployment
- (c) policies and programmes which have been implemented that affect the youth
- (d) the effects of various policies and programmes on youth employment, and;
- (e) alternative policy programmes options available and their likely effects on youth employment

The current study attempts to up date an earlier study titled, *Youth Unemployment in Tanzania: Nature, Extent and Proposals to Deal with the Problem* (Mjema, 1997). Where possible the study attempts to up-date the literature and data presented in the earlier study.

1.3 Methodology, Data sources and organization of the study

1.3.1 Methodology

The methodology used in the current study resembles, to a large extent, that used in the earlier study in that no elaborate questionnaire has been used in the interviews. Respondents for the current study were requested to comment on questions posed by the researcher on the youth unemployment problem in their own capacities. Through this method it was possible to get information regarding (a) past and current programmes for youth training (b) credit available to youths (c) number of youths who have benefited from existing national and private sector youth programmes, and (d) the cause and extent of youth unemployment problem in Tanzania. Given time and other constraints the interviews were limited to Dar es Salaam region alone.

1.3.2 Data Sources

The current study managed to carry out limited interviews and was able to generate limited primary data. However the secondary data sources have remained basically the same as those used in the earlier study. These are (a) The Ministry of Labour and Youth Development (MLYD) (b) Ministry of Community Development Women and Children Affairs (MCDWCA) (c) The National Programme of Action for Sustainable Income Generation (IGD) (d) The National Employment Policy (NEP) (e) The 1996 National Youth Development Policy (NYDP) the 1990/91 Labour Force Survey (1990/91 LFS) and the 1992 National Informal Sector Survey (NISS). This is a very serious data problem because it presents the unemployment situation in Tanzania as it was almost ten years ago. The importance of having a more recent Labourforce Survey in Tanzania can therefore not be overemphasized.

In addition however there were efforts to get the 1998 Lisbon Declaration on Youth Development Policies and Programmes but only excerpts of the document were however available. In August 1998 youths from all over the world held a conference in Lisbon Portugal and later had an opportunity to discuss their problems with government officials attending the same summit. The Lisbon Declaration on Youth Development Policies and Programmes urged governments in developed and developing countries to, among other things, take serious measures to address the youth unemployment problem.

1.3.3 Organization

In section two the paper deals with a description of the nature and extent of the youth unemployment problem facing Tanzania. The major factors contributing to the youth unemployment problem are discussed in section three. Section four analyses various policies and programmes which have been implemented in Tanzania to deal with the youth unemployment problem.

In Section five the paper analyses alternative policy programmes options available and their likely effects on youth employment. Finally in section six some concluding remarks are made.

PART TWO

NATURE AND EXTENT OF YOUTH UNEMPLOYMENT PROBLEM FACING TANZANIA

2.1 Introduction

The nature of the youth unemployment problem facing Tanzania does not differ significantly from the nature of adult unemployment problem facing the country. This is because the two (adult and youth) unemployment problems have almost similar geographical, literacy and gender dimensions. However, the extent of the youth unemployment problem in Tanzania is different from the adult unemployment in that as will become apparent in the following sections, the former problem is relatively more severe than the latter. Recent estimates show for example that among the unemployed people in the country 60 per cent are youths. As a result, and, as Table 2 shows most youths are in the informal sector. This is, by any measure, a substantively high unemployment rate and should represent a source of concern to policy makers. Likewise, only a small number of youths (about 3.4 percent) are employed in the civil service, in parastatal organizations and in the private sector. This group is only a fraction of the total number of educated and trained youths in various disciplines (MLYD, 1996 pp. 2-3).

Table 2: Informal Sector Operators by Age and Geographic Location

Age Level	Geographic Location											
	DAR ES SALAAM			Other Urban			Rural			Total		
Years	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
15-19	0.2	0.1	0.3	0.3	0.5	0.8	1.2	0.5	1.7	1.7	1.1	2.8
20-24	0.9	0.7	1.6	1.1	1.6	2.7	3.7	1.9	5.6	5.7	4.2	9.9
25-29	1.4	1.1	2.5	3.1	2.9	6.0	8.2	3.3	11.5	12.7	7.3	20.0
30-39	2.0	2.0	4.0	4.3	3.3	7.6	13.1	6.3	19.4	19.4	11.6	31.0
40-49	0.9	0.8	1.7	1.9	1.7	3.6	9.4	4.4	13.8	12.2	6.9	19.1
50-59	0.5	0.3	0.8	1.0	0.7	1.7	6.2	2.0	8.2	7.7	3.0	10.7
Above 60	0.2	0.2	0.4	0.8	0.5	1.3	3.6	0.7	4.3	4.6	1.4	6.0
Not stated	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.3	0.3	0.0	0.3
Total	6.1	5.2	11.3	12.5	11.2	23.7	45.7	19.1	64.8	64.3	35.5	100.0

Source: NISS (1991)

Note: DSM stands for Dar es Salaam

The GOT seem to have recognized the socio-economic consequences of the youth unemployment problem and the potential danger of having so many unemployed youths. The National Income Generating Programme (IGP) warns for example that;

"The rapid growth of the labour force and the inability of the economy to generate enough jobs for youths and women is a time bomb (my emphasis) which, is left undiffused, could explode and shatter the peace the country has been enjoying since independence" (p.i).

Although the IGP report is concerned with the youth as a broad category the youth is a heterogeneous group and the nature of the youth unemployment is different between, for example, male and female youths, literate and illiterate youths, and between urban and rural youths. Before these youth unemployment characteristics are analyzed it is plausible to situate the youth unemployment problem in the overall unemployment problem facing the country. Some few definitions are however necessary at this point.

Following the earlier definition of youths, an unemployed Tanzanian youth is a youth (male or female) in the 15 to 24 years age category who did not do any work in the reference period either for payment in cash or in kind (paid employment) or who was not in self employment for profit or family gain and was not temporarily absent from these activities. In some definitions (e.g. the 1990/91 LFS and the International Conference on Labour Statisticians) unemployment, including that of youths, is defined with reference to a specified period (e.g. day, week etc.) that the individual was:-

- (a) "without work not even for one hour in paid employment or self employment" whether for paid employment or self employment.
- (b) "currently available for work" whether for paid employment or self.
- (c) "seeking work" by taking active steps i a specified recent period to seek paid employment or self employment.

Underemployment as a form of unemployment is a difficult concept to define and as Meir (1987) points out has a variety of meanings. The International Conference on Labour Statisticians (ICLS) define underemployment as a situation which;

"exists when a persons employment is inadequate in relation to specific norms or alternative employment. It can be measured in relation to a person's low hours of work, low income, underutilization of skills or low productivity" (1990/91 LFS p. 69).

One of the characteristics of underemployment is low hours of work, low income, underutilization of skills or low productivity. For operational purposes however, visible underemployment is measured in terms of low hours worked. According to the 1990/91 LFS a youth who was categorized as visibly underemployed was one who (a) worked less than 40 hours in the reference week and (b) stated that he/she was available for more work in the reference week.

2.2 Performance of the Economy and the Unemployment stance in Tanzania

When Tanzania became independent in 1961 the level of economic activities was low. The structure of the inherited economy was tailored to suit mainly foreign demands through the exports of primary commodities (e.g. coffee, tea, cotton, tobacco and sisal). Most of these crops were produced in plantations owned by foreigners where Africans worked as low paid labourers. The rest of Tanzanians lived in rural areas and survived on peasant agriculture.

In 1967 however the GOT promulgated the Arusha Declaration and nationalized the major means of production, distribution and exchange and put them under state ownership (BOT, 1980). A number of state owned enterprises (SOEs) were created in the aftermath of the Arusha Declaration and were charged with, among other things, the responsibility of generating surplus and employment for Tanzanians (Msambichaka and Mjema, 1998). While a substantial amount of employment was created in the SOEs there were internal and external factors that were responsible for economic problems in Tanzania since the early 1970s.¹

These factors have, intertwined to result in serious economic imbalances and have, directly or indirectly, contributed to the inability of the economy to create new employment opportunities in the public and private sectors for its unemployed labourforce.

Signs of severe stress in the Tanzanian economy appeared in early 1980s and policy makers were compelled to respond to the economic imbalances. They (policy makers) hastily prepared two "home grown" programmes: first the National Economic Survival Programme (NESP) and then the Structural Adjustment Programme (SAP) in 1982-1984. The two programmes however failed, for various reasons to deal with the situation.²

It was the persistence of the 'near economic crisis' conditions which made the GOT to enter into an agreement with the World Bank (WB) and the International Monetary Fund

1. Lipumba *et al*, (1984), Maliyamkono and Bagachwa (1990) cite factors like the first and second rounds of petroleum price hikes in 1973 and 1979, war with Uganda in 1978-1979, collapse of the East African Community in 1977, droughts, internal mismanagement of the economy and adverse terms of trade movements.

2. SAP and NESP tended to rely rather heavily on the availability of donor funds for the programmes to be implemented. When donor funds were not forthcoming as anticipated the implementation of SAP and NESP became problematic.

(IMF) for loans and other forms of financial assistance that would enable the country to comprehensively address the crisis.

The sister Bretton Woods institutions (World Bank IMF) were willing to extend loans and other forms of credit to Tanzania on condition that what has now become a 'standard package' for borrowing countries was accepted by GOT.³

Thus, in 1986, Tanzania committed itself into a far reaching economic reforms programme: first the Economic Recovery Programme (ERP₁) that extended for the 1986-1989

period and then the ERP₂ which lasted the 1989-1992 period. It will be argued later that the implementation of the two programmes directly or otherwise, affected the youth and adult labour market situation in Tanzania. One of the ways in which the reform measures affected labour market in Tanzania is the effects of the programmes on agriculture sector, the main labourforce employer in Tanzania.

2.2.1 Economic Reforms, Agricultural Sector and Employment

In analysing the labour market in Tanzania one has to recognize that the Tanzania is basically a rural based society in which over 70% percent of its population live in rural areas and agriculture is their main activity. According to recent estimates (Msambichaka and Naho, 1996) between 50 to 60 per cent of Tanzania's Gross Domestic Product (GDP) comes from the agriculture sector (Appendix table 1). Only 13 per cent of the country's GDP is generated by the industry sector while the rest (27 percent) is from the service sector. It is logical to assert that majority of the country's labour force is in agriculture sector. It is also true to say that the labour productivity in the sector as well as the wage rates are relatively low compared to what is obtaining in the industrial and service sectors. Other characteristics features of the agricultural based labourforce include; presence of seasonal or disguised employment or underemployment, low incomes, low productivity and streams of rural - urban migration especially among the youths.

When Tanzania embarked on a comprehensive reform programme in 1986 a number of changes were introduced in its labour market. The privatization of loss making parastatals for example has resulted into significant job losses to people. The precise number of youths (male and female) who have so far lost their jobs in the process of the privatizing the SOEs is

³. The 'standard package' includes (a) devaluation of national currency (b) reduction of government expenditure (c) liberalization of internal and external (d) financial sector reforms and (e) reduction of the civil service.

unknown due to the fact that the process is still under way. Besides there are no labour information bureau where such information could have been obtained.

Kasilati (1996) estimates that by 1995 there were about 30, 460 people who had been retrenched from public sector employment. As table 3 shows out of these 682 (about 2 per cent) were youths.

Table 3: Retrenchment by age and dates

Category	1993	Jan.1994	April 1994	June 1994	1995	1996	1997	Total*
Unspecified	827	64	154	536	86	na	na	1667
Above 56 years	1	6	3	5	2	na	na	17
51-55 years	38	128	394	467	65	na	na	1092
46-50 years	197	691	2,480	4082	1439	na	na	8889
36-45 years	274	1018	2146	5139	1677	na	na	10254
26-35 years	147	514	888	5233	1077	na	na	7859
16-25 years	4	29	39	572	38	na	na	682
Total	1488	2450	6104	16034	4384	na	na	30460

Source (s): Kasilati, 1996 p. 6.

Notes: n.a indicates not available.

* total up to 1995 only.

2.3 Selected Characteristics of the Labourforce

2.3.1 Labourforce by Economic Status

According to the World Bank (1991) estimates about 80-87 percent of the labourforce in Tanzania was employed in the "own account" category of the informal sector.

Table4: Labourforce by Economic Status: 1978 and 1988

Category	1978			1988		
	Rural	Urban	Total	Rural	Urban	Total
Formal Wage (m)	0.20	0.34	0.54	0.18	0.52	0.70
Informal sector of which:						
(i) own account (m)	6.40	0.47	6.87	7.82	0.77	8.59
(ii) self employment	0.24	0.10	0.34	0.29	0.16	0.46
Total labourforce (m)	6.74	0.94	7.79	8.29	1.52	9.81
Total population	15.10	2.41	17.51	19.28	3.87	23.17
Labor participating rate	45	39	44	43	39	42

Source: World Bank (1991)

Table 4 shows, among other things, the importance of the informal sector in generating employment for the country's labourforce. In 1978 for example the proportion of the labourforce that was engaged in the informal sector was over 80%. By 1988 out of a total labourforce of 9.81 m people about 9.05 m were in the informal sector. The NISS shows that in 1991/92 the proportion of the labourforce that was in the informal sector was over 80%.

There has been a rapid increase in formal wage employment in Tanzania since the early 1960s whereas informal wage employment expanded during the late 1970s. Even if there was growth in formal wage employment it was still only a small proportion of the total labour force in Tanzania. A significant proportion of the labour force is engaged in informal activities (Table 4).

In 1978 for example while the informal sector absorbed about 7.21 million people (or 92 per cent of the total labour force) the formal wage employment sector engaged only 0.54 million people (about 7 per cent of the total labour force).

The situation of the labour force in 1988 did not change significantly from what it used to be in 1978. Most of the labour force (9.05 million people or 92 per cent of the labour force) was still in the informal sector while only 0.70 million people were in the formal wage sector.

It is evident at least from Table 4 that for both 1978 and 1988 the proportion of Tanzania's labourforce that was in the formal wage sector was below 8 per cent. The ongoing retrenchment exercise is likely to reduce this percentage even further.

In Table 5 the 1990/91 LFS reveals certain interesting age and geographical characteristics of the labourforce in Tanzania.

Table 5: Labourforce by Economic Activity, Age and Geographical Location

Age/Location	Employed	(%)	Unemployed	(%)	Total LF	(%)	Inactive	(%)
Total	10889205	(100)	405722	(100)	1129427	(100)	4305313	(100)
10-14 yrs	671793	(6.2)	40698	(10.0)	712491	(6.3)	2427721	(56.3)
15-19 yrs	1516608	(13.9)	144864	(35.7)	1661472	(14.7)	897766	(20.8)
20-24 yrs	1544612	(14.2)	91077	(22.4)	1635689	(14.4)	200715	(4.7)
25-34 yrs	2937179	(26.9)	78732	(19.5)	3015911	(26.8)	176134	(4.1)
35 - 54 yrs	2956090	(27.1)	38713	(9.5)	2994803	(26.5)	183764	(4.2)
55+	1262923	(11.6)	11638	(2.9)	1274561	(11.3)	419213	(9.9)
Urban								
Total	1693588	(15.7)	200572	(49.4)	1894160	(16.7)	953975	(21.2)
10-14 yrs	28158	(0.3)	10402	(2.6)	38560	(0.3)	433658	(10.0)
15-19 yrs	157166	(1.4)	73678	(18.2)	239844	(2.0)	220176	(5.0)
20 - 24 yrs	244282	(2.4)	59853	(14.7)	304135	(2.7)	92124	(2.0)
25-34 yrs	609051	(5.5)	41923	(10.3)	650974	(5.6)	71802	(1.5)
35 - 54 yrs	517675	(4.6)	13588	(3.3)	531263	(4.7)	66059	(1.3)
55+ yrs	137256	(1.3)	1128	(0.3)	138384	(1.2)	70156	(1.4)
Rural								
Total	9195517	(85.5)	205150	(50.6)	9400767	(83.3)	3351338	(77.8)
10 - 14 yrs	643635	(5.7)	30296	(7.5)	673931	(5.9)	1994063	(46.3)
15 - 19 yrs	1359442	(12.4)	71186	(17.5)	1430628	(12.7)	677590	(15.8)
20 - 24 yrs	1300330	(11.7)	31224	(7.7)	1331554	(11.9)	108591	(2.5)
25 - 34 yrs	2328128	(23.2)	36809	(9.0)	21364937	(20.9)	104332	(2.4)
35 - 54 yrs	2438415	(22.3)	25125	(6.3)	246354	(21.9)	117705	(2.7)
55+ yrs	1125667	(10.2)	10510	(2.6)	1136177	(10.0)	349057	(8.1)

Source: Percentage calculated from 1990/91 LFS.

According to table 5 teenagers (15-19 years) constitute about 15 per cent of the labourforce and only 13.9 per cent of the employed labourforce. Young adults (20 - 24 years) on the other hand form 14.4 per cent of the labourforce and about 14.2 per cent of the employed labourforce.

2.3.2 The rural-urban dimensions of the youth unemployment problem

The 1990/91 LFS shows (Table 6) that both in the overall rural and urban areas the youth unemployment rate is higher than in other age categories. Unemployment rate is, for purposes of this paper, defined as: number of unemployed persons x 100

number of people in the labourforce

Table 6: Unemployment Rates by Age Category and Geographical Location

Age/Location	Unemployed Persons	Total Labourforce	Unemployment Rate*
Total	405722	11294927	3.6
10-14 years	40698	712491	5.7
15-19 yrs	91077	1661472	8.8
20-24 yrs	91077	1635689	5.6
25-34 yrs	78732	3015911	2.6
35-54 yrs	38713	2994803	1.3
55+ yrs	11638	1274561	0.9
Urban Total	200572	1894160	10.6
10-14 yrs	10402	38560	26.9
15-19 yrs	73678	239844	30.7
20-24 yrs	59853	304135	19.7
25-34 yrs	41923	65057	6.4
35-54 yrs	13588	531263	2.6
55+ yrs	1128	138384	0.8
Rural Total	205150	9400767	0.2
10-14 years	30296	673931	4.5
15-19 yrs	71186	1430628	5.0
20-24 yrs	31224	1331554	23.5
25-34 yrs	36809	2364937	1.6
35-54 yrs	25125	246354	10.20
55+ yrs	10510	1136177	0.92

Source: Worked from 1990/91 LFS.

Notes: Unemployment rate is as defined earlier.

It is evident from table 6 that the extent of the youth unemployment problem is felt different in the urban and rural divide and also across the teenage and young adult categories. In rural areas for example young adults have the highest unemployment rate (23.5 per cent) compared to the unemployed rate facing young adults who are urban based (19.7 per cent). The unemployment situation facing teenagers is slightly different because as table 6- shows, urban based teenagers face a higher unemployment rate (30.7 per cent) compared to the unemployment rate for rural based teenagers (5.0 per cent).

There is yet another dimension of the youth unemployment problem that is the literacy dimension. Although the 1990/91 LFS does not show the effects of literacy on the unemployment by age category it is plausible to assume that illiterate youths face higher rates of unemployment than their literate counterparts.

2.3.3 Gender Dimensions of Youth Unemployment

Apart from age, literacy and geographical location the youth unemployment problem is felt differently across the gender divide as table 7 reveals. Estimates made by the MLYD in both 1995 and 1997 show that up to 3.4% of youths had wage employment in public and private sectors. However, this proportion is likely to decline as more and more youths are likely to be retrenched in the on-going employee lay off exercise.

The MLYD document admits however that the severity of the youth unemployment problem is not uniformly felt across the gender divide. The MLYD notes that:

“although both male and female youths face a shortage of employment opportunities female youths are adversely affected as most of them are engaged in less technical and low income generating activities” (MYLD, 1995 p.2).

This information is crucial when formulating alternative solutions and programmes for youth unemployment in that such programmes must be gender sensitive.

Table 7: The Gender Dimension of the Youth Unemployment Problem

Category:	Number and percentage of youths categories	
	15 - 19 years (teenagers)	20 - 24 years (young adults)
(1) Number by Gender		
(i) Male	70,044	34,591
(ii) Female	74,820	56,486
(2) Number by Location		
(a) Rural		
(i) Male	35,679	14,100
(ii) Female	39,313	39,362
(3) Total Unemployment rates %	8.7	5.6
(i) Male %	8.7	4.7
(ii) Female %	8.8	6.3
(4) Total Urban Unemployment Rate %	31.9	19.7
(i) Male %	30.0	13.5
(ii) Female %	33.8	25.7
(5) Total Rural Unemployment Rate %	5.0	2.3
(i) Male %	5.1	2.4
(ii) Female %	4.8	2.3

Source: Computed from 1990/91 LFS.

The message from table 7 appears to be that generally, female youths have high unemployment rates than male youths. The unemployment rates for youths are higher in the urban compared to rural areas. There is one exception however and that is in the rural areas the unemployment rate for females is lower than for males.

2.2.4 Nature and Extent of the Youth Unemployment Problem: A Summary

It is safe to conclude this section on the nature and extent of youth unemployment by asserting that the youth unemployment problem in Tanzania is severe compared to that of the adults. However the severity of the youth (unemployment) problem varies according to age, (between for example teenagers and young adults), geographical location (rural-urban) and according to gender (male and female youth).

Female teenagers who are urban based have the highest unemployment rate than any other youth category and even within the entire labourforce in Tanzanian. Table 8 gives other selected youth unemployment ratios.

Table 8: Selected Youth Unemployment Ratios

Category Area/Gender	Percentage of Youths in Age Group	
	15 - 19yrs (Teenagers)	20 - 24 yrs (Young Adults)
B. Total Unemployed Persons	35.7	22.4
C. Total Labourforce	14.7	14.5
D. Total Inactive Persons	20.8	4.7
F. Total Urban Unemployed Persons	36.7	28.9
G. Total Urban Based Labourforce	12.1	16.0
H. Total Inactive Urban Based Persons	23.0	9.0
J. Total Rural Based Unemployed Persons	37.4	15.2
K. Total Rural Labour Force	15.2	14.1
L. Total Rural Based Inactive Persons	19.9	3.2

Source: Calculated from the 1990/91 LFS.

Having analysed the nature and extent of youth unemployment in Tanzania, a stage has now been set for a discussion of the major factors contributing to youth unemployment. This is the pre-occupation of part three of this paper.

MAJOR FACTORS CONTRIBUTING TO YOUTH UNEMPLOYMENT IN TANZANIA

3.1 Introduction

In this section the paper deals with direct and indirect factors that contribute to the youth unemployment problem in Tanzania. It is important to note that the nature and extent of youth unemployment problem varies from one country to another. In the preceding section it was shown that the youth unemployment is serious problem that affects rural and urban youths. In relative terms however available data shows that the unemployment problem is more severe in urban based youths than their rural counterparts. Similarly there are cases (especially in urban areas) where the youth unemployment problem is more acute for female than male youths. Likewise the contributing factors to youth unemployment are different across countries. In the case of Tanzania two studies (ILO/UNDP, 1991 and Mjema, 1997) have identified eight main factors that contribute significantly to the youth unemployment problem. These are:

- (a) the general decline in the economy
- (b) the education system
- (c) lack of skills and business training
- (e) lack of credit facilities
- (f) emphasis on the formal sector alone
- (g) non-attractive agricultural sector and the rural areas in general and;
- (h) lack of business advisory services

In addition to these, this section discusses other contributing factors contributing to youth unemployment, namely:

- (i) youth population growth rate, and;
- (j) the influence of culture

Although it is not possible to apportion appropriate weights to the effects of these factors on youth unemployment there is some agreement among researchers that the state of the economy plays an important role in determining not only the youth labour market but the overall labour market (Gillis, *et al*, 1992).

3.2 Major factors responsible for youth unemployment

3.2.1 The general decline in the economy

Since independence up to the early 1980s the formal sector was one of the major sources of employment opportunities. It was envisaged (through the first five year development plan and the twenty years long term plan⁴ that annual employment would grow by 3.5 per cent and by year 2000 there would be more than 200,000 new employment opportunities. These targets were however never realized. Instead, the general decline in the economy especially at the end of the 1970, raised serious doubts over the ability of the country's economy to create employment opportunities for an estimated number of over 7000,000 people who enter the labour market each year. It was estimated (Mjema and Shitundu, 1996) that the formal wage sector was far too limited to absorb any significant number of the additional labourforce since it created only between 10,000 to less than 20,000 new jobs annually.

The employee lay off exercise is still on going in the public sector in a measure to reduce government expenditure. This measure has tended to complicate the unemployment situation for adults as well as for youths. Since 1995 the government has put an employment freeze on the public sector. It is almost impossible for youths as well as adults to get wage employment in the public sector under such circumstances.

3.2.2 The education system

The current education system has helped to compound the problem of youth unemployment in the following ways. The 1975 Universal Primary Education (UPE) has produced large numbers of students. This has not been followed by a corresponding expansion of the secondary education. As a result as, table 9 shows large numbers of students finish primary education but only a few (about 10 per cent) proceed to secondary schools.

⁴. See the 1964-1968/69 Five Year Development Plan and the Twenty Year Development Plan.

Table 9: Primary Education Leavers and Form One Selection 1963-1997

Year	Std VII/VII leaves	Selected to Form one					
		Public Schools	%	Private Schools	%	Total	%
1963	17042	4972	29.2	0	0.0	4972	29.2
1964	20348	5302	26.1	458	2.3	5760	28.3
1965	29367	5942	20.2	2329	7.9	8271	28.2
1966	41083	6377	15.5	2591	6.3	8968	21.8
1967	47981	6635	13.8	2610	5.4	9245	19.3
1968	58872	6989	11.9	2511	4.3	9500	16.1
1969	60545	7149	11.8	3021	5.0	10170	16.8
1970	64630	7350	11.4	3254	5.0	10604	16.4
1971	70922	1780	11.0	3667	5.2	11447	16.1
1972	87777	7956	9.1	439	5.0	12335	14.1
1973	106,203	8165	7.7	4984	4.7	13586	11.4
1974	119,350	8472	7.1	5114	4.3	14466	10.5
1975	137,559	8680	6.3	5786	4.3	15249	9.8
1976	156,114	8659	5.5	6590	4.2	15871	9.4
1977	169,106	8706	5.1	7165	4.2	12187	9.3
1978	185,293	8720	4.7	8467	4.6	15585	8.0
1979	193,612	8908	4.6	6677	3.4	16008	7.5
1980	212,446	8913	4.2	7995	3.3	17166	4.8
1981	357,816	9178	2.6	7988	2.2	17710	4.2
1982	419,829	9241	2.2	8469	2.0	19502	4.3
1983	454,604	9899	2.2	9606	2.1	21822	3.4
1984	649,560	10077	1.6	11745	1.8	23506	5.5
1985	429,194	10881	2.5	12625	2.9	27340	7.2
1986	380,096	11721	3.1	15709	4.1	32633	8.6
1987	380,758	14626	3.8	18007	4.7	36464	10.5
1988	347,987	15675	4.5	20789	6.0	42136	15.7
1989	267,744	18551	6.9	23585	8.8	47227	15.4
1990	306,656	19673	6.4	27554	9.0	48309	12.6
1991	383,427	19282	5.0	29027	7.6	44896	13.0
1992	346,514	19193	5.5	25703	7.4	48496	13.3
1993	363,404	21531	6.6	28498	7.7	56414	14.3
1994	370,534	24321	6.6	28498	7.7	56414	14.6
1995	386,584	28412	7.3	28002	7.2	60641	16.9
1996	359,337	30873	8.6	29768	8.3	na	na
1997	414069	35057	8.5	na	na	na	na

Source: Basic Education Statistics, Ministry of Education and Culture 1998

Notes: na indicate not available.

The type of education students receive also contribute directly or indirectly to youth unemployment since the curricular tends to put a lost of emphasis on, and prepare youths to pass (theoretical) examinations with an objective of obtaining formal wage employment.

3.2.3 Lack of Skills and business training

At the time youths complete their primary or secondary education they do not have any skills that they can use to start self employment activities. Admittedly, there are few secondary schools that have business and commercial courses for students but the weakness is however that they emphasis on theoretical courses.

3.2.4 Over-dependency on the government

In the past the government of Tanzania through the egalitarian policies was able to provide free social services (education, health and water) to its citizens. Thus, after completing schools and other forms of training youths expected to find ready employment opportunities created for them by the government. This has created what the ILO/UNDP (1991) report refers to as the "dependency syndrome". Youths now find it difficult to cope with a competitive labour market situation. Many youths fail to live with the current reality that the government can not generate employment opportunities for them.

3.2.5 Lack of credit facilities

Many youths could have started self-employment opportunities or embarked on income generating activities but lack start up capital. Furthermore there are limited financial credit facilities available for youths. Financial institutions usually have stringent conditions which re almost impossible to be met by youths. Some of the conditions are that clients: (a) should be at least 18 years (b) must have proven experience in the proposed business (c) must have equity contribution ranging from 10 to 50% of loan requested and (d) must have collateral whose value is equal or greater that the loan requested. An average Tanzanian youth can not be expected to meet these conditions.

3.2.6 Emphasis is put on the formal sector alone

Government policies have tended to put emphasis on the formal sector alone and has tended to neglect the informal sector. Yet the (formal) sector has not been able to absorb all unemployed youths. Various studies (e.g. Bagachwa, 1991, Luvanga, 1994) have shown the potential of the informal sector in creating employment opportunities for youths.

3.2.7 Neglect of the agricultural sector

The rural areas in general and the agricultural sector in particular is currently not attractive to youths. There are studies (including ILO/UNDP, 1991) which show that productivity, acreage, output and income in the sector is low. The hand operated hoe has remained the main farm implement for working the soil and has, for a long time now, rendered agriculture a difficult task. All these factors have combined to result into streams of rural-urban migration for youths (Liviga and Mekacha, 1998).

3.2.8 Lack of business advisory services

Even if youths were to get start-up capital they are likely to badly manage the projects because there are shortage of business advisory services. Similarly, as hinted earlier, youths lack business training.

3.2.9 Youth population growth rate

Like the overall population growth rate the youth population growth rate has remained high (over 3 per cent since 1988). Thus, it is true that there are more unemployed youths today than there was ten years ago. To complicate the unemployment situation even further, the ability of the economy to create new employment opportunities is drastically falling.

3.2.10 The influence of culture

Certain cultural aspects compound the youth unemployment. There is for example the altitude (mostly among rural based populations) of viewing women's activities as largely being confined to household work. This attitude is however slowly changing and women are increasingly becoming active in the labourforce.

3.2.11 Factors Contributing to Youth Unemployment Problem: Emerging and Cross-Cutting Issues

The main pre-occupation of this section was to analyse factors contributing directly and indirectly to the youth unemployment problem in Tanzania. It was observed that the poor performance of the economy contributed more directly to the problem of youth unemployment. Likewise some policies like those that led to the neglect of the agricultural sector and the rural areas in general contributed more directly to the youth unemployment problem. Other factors like the over dependency on government were observed to contribute indirectly to the youth unemployment problem. An understanding of the nature of contributing factors to youth unemployed is crucial in formulating attractive programmes and policies for solving the problem. In the following part the paper discusses attempts made to deal with this problem.

PART FOUR**POLICIES AND PROGRAMMES IMPLEMENTED AND THEIR IMPACT ON YOUTH EMPLOYMENT****4.1 Introduction**

This section discusses various policies and programmes that have been implemented by the GOT and other social partners and their impact on youth employment. The section distinguishes between policies and programmes implemented by the GOT alone or in collaboration with donor organizations from those implemented by the private sector, non-governmental organizations (NGOs) and community based organization (CBOs). After the presentation of a particular policies or programmes their impact on youth employment is immediately assessed.

4.1.1 Policies and Programmes implemented by the Government of Tanzania**(a) Establishment of a youth department within the Ministry of Labour and Youth Development**

The department was created in the 1970s and, was charged with the responsibility of overseeing issues of youth carrier, counseling and guidance. Youth employment issues were addressed through the formation of youth economic groups and youth camps. The weakness of this strategy in addressing the youth unemployment problem was however that it lacked a clear focus on youth employment creation. Critics argue that the department has concentrated its activities on youth counseling, sports and cultural activities alone and has tended to ignore the youth unemployment problem. The Ministry concerned has silenced these critics by developing elaborate programmes aimed at dealing with the youth unemployment problem in Tanzania

(b) Youth organization of the party

The ruling party in Tanzania, first the Tanganyika African National Union (TANU) and now Chama cha Mapinduzi (CCM) established a youth wing for purposes of mobilizing youths in supporting party activities. Apart from addressing political issues the youth wing addressed economic matters also. It established a youth centre in Iringa and operated a number of economic projects.

The problem of poor management of the projects run by the youth wings emerged in the 1980s and led to a collapse of some projects. Under the multi party democracy in

Tanzania other political parties have emerged and have also formed youth wings to support their activities. The impact of these organizations in addressing youth unemployment is so far unclear.

(c) The Human Resources Deployment Act, (HRD, 1983)

The first major attempt by the government to tackle the unemployment problem in a realistic way was the enactment, in 1983 of the Human Resources Deployment Act (HRD, 1983). Through the act, the government legislated that all able bodied individuals must engage themselves in productive employment and it denounced loitering in urban centres. The GOT went to the extent of earmarking places (e.g. Gezaulole in Coast region) where people would settle after leaving urban areas. The basis idea of the HRD Act of 1983 was to create employment for the unemployed labourforce in Tanzania.

There were however some operational problems which prevented effective implementation of the HDR Act. There were no sufficient preparations in the camps in which unemployed people were to live after they were for example moved from urban areas. The HDR act therefore failed or, at best, had minimum impact in reducing the youth unemployment problem.

(d) Introduction of the Education for Self Reliance Programme

In 1967 the government introduced the Education for Self Reliance Programme in an attempt to change the education system and to prepare students for the rural life they would live after completing their education. The education for self reliance programme was also intended to off set part of the boarding costs incurred by the government in providing education. The programme however failed to reform the education system and the attitude of students towards self reliance never changed. Although the intention was good the education for self reliance failed to change the attitudes of teachers and students towards work.

(e) Formation of Vocational training

The GOT has established a number of vocational training centres and has accordingly established or authority the Vocational Education Training Authority (VETA) to co-ordinate the activities of the training centres. The centres which have been established at national, regional and at district levels aims at training post primary youths in practical skills which will permit them to be self-employed. The centres however have tended to be affected by similar problems facing other training centres including under funding, shortage of equipment and ill trained and unmotivated staff.

The problem with current vocational training in Tanzania is however that wage employment is increasingly difficult to obtain and for such centres to adequately address the youth unemployment there is need for orientation and emphasis towards training for self employment (ILO/UNDP, 1991).

(f) Creation of youth camps, youth economic groups and National Service Youth Camps

As started above a number of camps were established by the youth wing of the political party while others were established by the MLYD as a way of implementing the HRD Act 1983. Madale camp in Coast region, Mahenge in Iringa and Mela in Morogoro are examples of such camps but they all failed as a strategy for reducing youth unemployment.

Youth economic groups have been established by the MLYD since 1979 but have been affected by low participation by youths and low capital investments. The National Service Youth camps were established in the late 1960s as para military institutions and to offer skills to youths. Currently some camps are being closed down. The other problem facing national service camps is that military raining is more emphasized than skill development.

(g) Local government interventions

The GOT has since the mid 1990s issued directives to all its local government councils to set aside 10 per cent of their annual revenues for youth development and women programmes. However the effectiveness of this strategy in reducing youth unemployment has not been assessed.

(h) Budgetary interventions

Apart from local council budgets in 1997 the GOT spent about Tshs 500m to be used in projects that create employment to youths. The weakness of this strategy is that budgetary reductions have forced the government to cut its expenditure and will hence affect the allocations it makes to youth employment creation activities.

(i) Introduction of the National Employment Policy and the National Youth Development Policy

In 1996 the MLYD formulated the National Youth Development Policy while in April 1997 it prepared the National Employment Policy. The two documents succinctly show what is to be done to combat the problem of youth unemployment. The problem with the two documents is however that they do not show (practically) how the problem will be dealt with given the economic situation facing the country.

(j) Formation of the National Programme of Action for Sustainable Income Generation (IGP)

In collaboration with donors the government has, since 1992 established the IGP. The IGP aimed at supporting other youth development programmes like the Rural Youth Training and Employment Programme (ILO-RYTE) which makes non collateral using loans to rural youths. It also supports the Tanzania Youth Development and Employment Foundation (TYDEF) which is a non governmental organization (NGO) with a potential to create employment opportunities for youths. It is not known however the number of youths who have so far benefited from these programmes is not known.

4.1.2 Programmes initiated by the Private Sector

The private sector through the Association of Tanzania Employers (ATE) has initiated programmes like Start Your Business (SYB) and the Improve Your Business (IYB) to help youth form and effectively manage their businesses. Other private firms like the Industrial Production Promotion (IPP) have encouraged youths to get organized into groups and has, in zone occasions, provided financial credit to organized youth groups for purposes of starting business.

Other private business operators (including the Industrial and Production Promotions IPP) have gone a step further to organize unemployed youths into small groups and provided external financial assistance to organized youth groups (SKUVI) for purposes of establishing their business.

The draw back of the private sector interventions is however that they are not coordinated and therefore it is not known the extent to which its programmes have helped to alleviate the youth unemployment problem in Tanzania. Furthermore the sustainability of such interventions has not been properly assessed.

4.1.3 Non-Governmental and Community Based Organization Programmes

Various NGOs and CBOs throughout the country have programmes and projects which have attracted an increasing number of male and female youths. In regions like Arusha, Kagera and Kilimanjaro NGO and CBO activities have helped youths to initiate projects like animal husbandry and improved agricultural methods.

Having discussed earlier attempts to deal with the youth unemployment problem a stage has now been set for the presentation of alternative policies and programmes to solve the problem we are dealing with. This is done in part five of this report.

PART V**ALTERNATIVE POLICY AND PROGRAMMES OPTIONS AVAILABLE AND
THEIR LIKELY EFFECTS ON YOUTH EMPLOYMENT****5.1 Introduction**

Having seen both the nature and extent of the youth unemployment problem and, after an analysis of the characteristic features of the Tanzanian economy has been presented a stage has now been reached for a discussion of alternative programmes and policies and their likely effects on youth employment. The section begins by a discussion of programme and an accompanying policy which, if correctly implemented, has a considerable opportunity of reducing the youth unemployment problem.

5.1.1 Improvement of the agricultural sector and the rural conditions

The importance of the agricultural sector to the Tanzanian economy is known (see Mjema, 1997 p. 55). Furthermore, the potential of the sector has to create employment for the labour force in general and for the youths in particular is large. However in its current state the sector can not effectively absorb neither the unemployed adults nor the unemployed youths. Tanzania has a considerable amount of arable land than has the potential to cultivated but the conditions existing in the rural areas currently are not attractive to youths.

Various programmes and policies need to be put into place by the GOT in collaboration with the private sector, donors, NGOs and CBOs to improve the agricultural sector. Accordingly, there is need, among other things, to:

- i. improve productivity in the sector by for example employing more modern farming methods, production inputs and reduction of post-harvest losses.
- ii. put in place policies and programmes in the rural areas that will address the current rural-urban migration especially among youths. This may mean provisions of essential facilities (e.g. hospitals, schools, water, electricity and transport) to rural areas.
- iii. improve the marketing of agricultural produce thus improve rural incomes.
- iv. make legal arrangements that allow villagers to own land and later use it as collateral in borrowing from financial institutions.

There must be an action plan which shows what programmes can be implemented immediately and others that are of medium to long term nature and there must be a way of evaluating the extent to which such programmes/policies have reduced the youth unemployment problem. The government has to make immediate arrangements for youths to own land which they can later use as collateral to borrow money from financial institution.

5.1.2 Focus on agro based small one medium scale enterprises

The main basis for small and medium scale industries has therefore, following the preceding discussion, to be agriculture. If it is appreciated that an improved agricultural sector will imply increased agricultural output then a conducive atmosphere for private sector operation to deal with the processing of agricultural products is needed. Appropriate technologies for small scale agro based industries affordable by either individuals or in groups should be found. Commercial banks and other financial intermediaries will have to design appropriate ways of extending credits to the rural areas by using other means that do not demand rural dwellers (and youths for that matter) to possess collateral security in form of immovable assets.

The current practice whereby financial institutions insist on the possession of collateral security as a pre-condition for extending loans will have to be modified so that other forms, for example, village land or a borrower's land may be used as credit guarantees.

Apart from adding value to agricultural produce, the small and medium scale enterprises if properly established and administered, can have the potential to employ a considerable number of youths to boost the food supply in the country.

5.1.3 Creation of a conducive commercial entrepreneurial environment for youths

There is a considerable amount of underemployment among the urban-based youths. Currently, for example, the underemployment of youths in most urban centres like Dar es Salaam takes the form of a disguised employment in petty businesses mostly along city streets. The unemployed youths who consider themselves somehow 'luckily' in establishing a business in the city have make-shift 'kiosks' where they operate without official business licenses. The volume of trade dealt with in such businesses is extremely low and, the absence of a proper business premise and official licenses makes such kiosk operators targets of constant harassment from city council officials.

The underlying fact is that most unemployed youths do not have either adequate capital or commercial knowledge needed to conduct businesses. Most of them operate

without business licenses and established premises. Government action is required to ensure that the youths secure not only adequate training in business operation skills and tools but also establish business premises which, when properly organized, could receive financial credit. Government support is also needed to solicit donor funds that can, in turn, be credited to the youths as initial capital. The recommendation here is that such loans should be revolving and not free. A certain criterion has to be formulated and used to ensure that only the youths who for example, attend certain business courses and who prove capable of both benefiting from the loans and paying them back are considered first.

5.1.4 Policies to change the education system

There are certain policy stances that can deal with future youth unemployment problems but are of medium and long term nature. One such policy is to change the education's system of the country. The beginning point for a change in a country's education system is to have a minimum school leaving age legislation. Such a legislation has to aim at making primary school leavers finish school at an age that is advanced enough to allow them to be engaged in gainful employment. Currently there are a number of primary school leavers who complete school at the age of 13 years. In this regard they are too young to join the labourforce. If the primary school entry age was raised to mandatory 8 years, the candidate would be 15 years after going through the 7 years of primary education and would be in the 15-19 year youth category. This is a reasonable age for a person to be absorbed in the labourforce.

Likewise, there is a need for the government to change the current education curricular which lay emphasis on passing (theoretical) examinations with the intention of getting formal employment. On the one hand, the formal wage sector is quickly shrinking and on the other, the few formal wage employment opportunities that occasionally occur are fiercely competitive and, as cited throughout the paper, can not absorb all the unemployed youths. The existing education system has to be replaced by another which encourages the importance of both private sector and the for self-employment initiatives. This requires that curricular and courses at all levels (primary, secondary, vocational and higher learning institutions) be changed in such a way that they give candidates basic skills necessary to employ themselves.

5.1.5 Special interventions for female youths

Statistics have shown that whether in rural or urban areas the female youths have, when compared to their male counterparts, the highest unemployment rates. This is attributed partly to a traditional attitude of viewing a woman's role as being confined to household

work. This has to change. The government, in recognition of the women's predicament in general has established, a Special Presidential Fund for Women as a gesture in 1995 and since then has committed itself to increase the fund so that other women in more regions can benefit from it. Special and substantial funds that target the female youths would go a long way to alleviate the relatively high female youth problem.

Likewise, in the spirit of private sector development special business training courses will have to be specifically tailored for the female youths to equip them with some basic business knowledge that they can later use in establishing their own businesses. Later when, their businesses take root, they can make their own decisions on how best to utilize the income they have generated. This is one way of empowering them. The work that the IGP and some donors have initiated in this direction needs to be both sustained and advanced by the government.

5.1.6 Alterations in the legal system

There are certain changes in the legal system which if made, would go a long way to deal with youth unemployment problems. One such legislation is the Minimum Wage Legislation. This is an old legislation which needs to be amended for purposes of accommodating inflation and other macroeconomic changes in the country. If the statutory minimum wage was raised to what is demanded by the labour unions (approximately Tshs. 100,000 as opposed to the current Tsh. 30,000) it is plausible to assume that more unemployed youths would be encouraged by the legislation change to seek employment.

A similar legislation is required to change the minimum school entry age. If there was a legislation which increased such an age from the current 6 years to say 9 years, after the completion of a 7 year primary school period students would be at least 16 years of age. This is a reasonable age for one to begin training in vocational colleges.

5.1.7 Changes in attitudes and culture

Attitudes and culture take a long time to change. However there is need for massive educational campaigns aimed at changing the attitude of Tanzanians, particularly men on women employment. The cultural aspects which tend to confine women particularly teenage and young adult females to household and unpaid/helper occupations have to be changed.

It is emphasized once more that as long as majority of the Tanzanian population is rural based and since the unemployed youths are a part of this population solutions for their problem has to cure (mainly from the rural areas. In part six the paper deals with concluding remarks and some reflections on policy recommendations.

PART VI**CONCLUSION AND SOME POLICY REFLECTIONS****6.1: The magnitude of the youth unemployment problem**

The magnitude of the youth (unemployment) problem in Tanzania has been succinctly summarized in the alarm the IGD report (1994) raised:

“the inability of the economy to generate enough jobs for youths and women is a time bomb which if left undiffused could explode and shatter the peace and unity...”

This alarm should be taken seriously by both in GOT the private sector, NGOs and other social partners. The search for means of defusing unemployment problem among youths need to intensified, now rather than later.

6.2 Shortfalls of Earlier Attempts to address the youth unemployment problem

The GOT in collaboration with the private sector, the donor community, NGOs and CBOs, have at different times attempted to put policies and programmes in order to reduce the youth unemployment problem. As the analysis in three and four of this report has shown these programmes had limited success in reducing youth unemployment problem. One of the main weaknesses of the programmes is that they have not been thought in holistic manner as a programme need to be.

Different agents (GOT, donors, NGOs, private sector) were drawing up programmes to combat the youth unemployed problem almost without regard to what effects their programmes will have on the programmes of other agents. The HRD Act of 1984 for example was meant to create employment opportunities for unemployed youths in urban areas. However well intended the Act the government failed mobilize other agents to create conducive employment conditions in the camps in which youths were to settle. In other words the programme had to be well planned and its effects well mapped.

6.3 The focus of the alternative policies and programmes available to reduce youth unemployment

The current economic conditions in Tanzania seem to suggest that the only sector which has a potential to absorb a large number of unemployed youth is the agricultural sector. The sector however needs policies and programmes that can improve its output, productivity, incomes and the standards of living of the people who are dependent on it. There must be a

law which guarantee peasants and small scale farmers ownership of the land. If that is done the agricultural dependent population can use land as collateral when borrowing from financial institutions.

Changes in the educational system are necessary to impart students with skills that they can later use in life especially rural life

Finally the youth unemployment problem can only be dealt with if the various programme put forward by either the GOT, the private sector or any other social partner are viewed in a holistic manner and involve all stakeholders.

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APPENDIX TABLE 1: GROSS DOMESTIC PRODUCT ESTIMATES AT CURRENT PRICES

ECONOMIC ACTIVITY	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
1. Agriculture, Forestry, Fishing and Hunting	153'336	255'726	295'009	349'281	476'387	612'402	773'469	955'983	1'318'459	1,658'275	2'003'763
2. Mining and Quarrying	3'524	3'956	5'103	6'525	8'840	13'503	19'062	16'170	35'190	38'511	53'515
3. Manufacturing	26'812	35'923	49'202	70'472	88'720	104'589	120'479	157'445	200'525	254,326	295'272
4. Electricity and Water	3'345	3'644	7'600	11'701	17'509	19'766	36'770	39'304	60'347	65'800	74'599
5. Construction	13'718	21'247	25'049	45'448	52'087	68'860	74'049	98'791	109'429	132'248	188'123
6. Wholesale and retail trade, hotels and restaurants	44'727	67'341	85'936	120'793	153'468	202'207	244'644	318'940	417'626	493'572	562'760
7. Transport & Communication	12'024	17'464	29'205	40'775	49'272	66'191	98'207	131'670	159'771	193'946	219'393
8. Finance, Insurance, Real Estate and Business Services	36'201	53'150	72'947	98'464	107'506	127'971	176'027	310'014	353'080	451'962	570'686
9. Public Administration.	23'497	35'484	48'185	63'826	80'479	117'419	159'262	204'714	255'401	300'876	451'733
Total Industries	317'184	493,934	618,235	807'285	1'034'269	1'332'908	1'701'969	2'243'031	2'909'828	3'589'516	4'419'844
10. Imputed bank service charge.	-14'501	-25'836	-36'072	-47'279	-44'675	-56'922	-94'207	-117'706	-113'187	-136'957	-138'244
Gross Domestic Product at f.c.	302'683	468'098	582'163	760'006	989'593	1'275'916	1'607'762	2'125'325	2'796'641	3'452'560	4'281'600

Source: Bureau of Statistics, Planning Commission.

APPENDIX TABLE 2: TANZANIA STIC PRODUCT AT CURRENT PRICES

Percentage

ECONOMIC ACTIVITY	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
1. Agriculture, Forestry, Fishing and Hunting	51	55	51	46	48	48	48	45	47	48	47
2. Mining and Quarrying	1	1	1	1	1	1	1	1	1	1	1
3. Manufacturing	9	8	8	9	9	8	7	7	7	7	7
4. Electricity and Water	1	1	1	2	2	2	2	2	2	2	2
5. Construction	5	5	4	6	5	5	5	5	4	4	4
6. Wholesale and retail trade, hotels and restaurants	15	14	15	16	16	16	15	15	15	14	13
7. Transport & Communication	4	4	5	5	5	5	6	6	6	6	5
8. Finance, Insurance, Real Estate and Business Services	12	11	13	13	11	10	11	15	13	13	13
9. Public Administration.	8	8	8	8	8	9	10	10	9	9	11
10. Imputed bank service charge.	-5	-6	-6	-6	-5	-4	-6	-6	-4	-4	-3
Total	100										

Source: Bureau of Statistics. Planning Commission