

Debt relief, increased debt

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Poverty in Tanzania

Poverty alleviation has been a major objective of the government since independence (1964). In 1999, the government formulated the National Poverty Eradication Strategy. The strategy aims to reduce poverty by 58% by 2010 and achieve total eradication by 2025.

Despite considerable achievements, poverty is still a serious problem. Tanzania is the seventh poorest country in the world. Many Tanzanians today are demoralised by their low living standards. The average income in Tanzania is not adequate to meet basic needs.

Surveys show that 50% of all Tanzanians are poor and 36% of these are extremely poor. In 1995 the estimated poverty line for Tanzania was TZS 73,877 per annum (USD 127.37). Over 50% of Tanzanians have incomes below the poverty line. Malnutrition especially for children, disease and poor education remain serious problems. A survey conducted in 1995 found that 70% of the population in the urban centres of Dar es Salaam, Arusha and Mbeya lived in squatter settlements. In Mwanza, the figure was 40%. More women than men are poor and poverty is more prevalent in rural areas than in urban areas.

Setbacks in literacy

One sign of poverty in the country is the low levels of literacy and numeracy. The literacy level is now estimated to be 68% down from 90% achieved in the 1990s. This testifies to a worsening trend and to a reversal of earlier gains. Among low-income families, the literacy rate is 59%, which is 9% lower than the national average. The gross enrolment rate for primary school pupils is 77.8% (1996), down from 90% in the 1990s.

Inadequate safe water supply

Availability of clean, safe water and sanitation services is a basic indicator of human development. Water for the majority of Tanzanians is not within easy reach. Only about 11% of households have water at the door. About 38% have to walk up to 15 minutes to reach a water source, about 27% walk up to 30 minutes and the rest spend more than 30 minutes getting to water. Women and girl-children are the most adversely affected by lack of water because culturally and traditionally they have the role of fetching water.

The adjustment in health: deliveries at the hospital doors

The health sector has been severely affected by SAP measures. Government spending for health has diminished and medical infrastructure deteriorated. Health, regarded as a basic right to everyone, has now become a commodity available to those who can pay. According to the Health Statistical Abstract (1997), there is one health facility per 7,321 people, one hospital bed per 1,000 people

and one physician per 23,188 people. About 30% of the people live more than five kilometres from the nearest health centre. Those who cannot pay rely on charity or go without. For example, several cases have been reported in which expectant mothers were forced to deliver babies outside public maternity wards because they lacked money to pay for maternity services.

Inequality between countries

The average life expectancy at birth is 50 years compared with a life expectancy of 77 years in developed countries. The infant mortality rate is 96 per 1,000 live births compared with 7 in developed countries. The under-five mortality rate is 158 per 1,000 live births and maternal mortality rate is 200-400 per 100,000 live births. Comparable figures for developed countries are: under-five mortality rate of 9 per 1,000 and maternal mortality rate is 95 per 100,000 live births.

High incidence of malnutrition

Many Tanzanians suffer from malnutrition and under-nutrition. Many are affected by micro nutrient deficiencies because of nutritional illiteracy especially with regard to use of fruits and vegetables and proper planning of cereal-based diets. According to the Tanzania Demographic Health Survey (1996), malnutrition among under-fives shows the prevalence of stunting to be 43.4%, underweight 30.6%, and wasting 7.2%. Adult malnutrition, especially maternal malnutrition, is widespread. Indicative of maternal malnutrition is the high prevalence of low birth weight.

Youth unemployment

Poor living conditions in rural areas push youth to urban areas where most of them remain unemployed. The 30% youth unemployment rate reflects, in part, the inability of the economy to create sufficient employment opportunities for the growing population. Also, rural areas have been unable to generate gainful employment opportunities and incentives to retain youths after they finish primary education. The growing problem of street children is another manifestation of worsening poverty.

Women: lots of work and little income

Women are poorer than men despite their major role in productive and reproductive activities. Women are inadequately remunerated for their work, and traditional and cultural barriers still block women's access to and control of land and other property. Although women contribute most of the labour in productive activities, they have little access to the income generated as men continue to dominate decision-making within the household and at all other levels.

Economic growth and poverty eradication

A 1999 study estimated that the economy would have to grow by 3.8% to 4.8% per year on average until 2015 to halve the proportion of people living in extreme poverty. Tanzania's own more ambitious target is to reduce extreme poverty by more than half by 2010 and eliminate it by 2025. Economic growth in recent years reaches the specified level, but the country remains vulnerable to negative exogenous shocks resulting from climate factors and changes in world markets. Tanzania is likely to experience such shocks between now and 2015. This means that growth in normal years would have to be even higher, possibly as high as 6%. Hence reaching targets for reducing poverty will be very challenging.

Impact of structural adjustment programs

The IMF and the World Bank have financed structural adjustment programs (SAPs) for almost 15 years. *Per capita* income and basic human welfare indicators have fallen during this time period. Today, *per capita* income is no higher than it was 40 years ago! Basic human welfare indicators (*e.g.* infant mortality, nutrition, housing condition, primary school enrollment and literacy) have also declined compared with levels in the 1970s and early 1980s.

The government has become increasingly dependent on external assistance. External donors and creditors provide 80% of its annual development budget, approximately USD 900 million per year. Because of this dependency, the government has little leverage in negotiations with the IMF and World Bank. Government officials say that the financial institutions have undermined their capacity and autonomy.

In the first half of 2000, the IMF and World Bank made several important decisions for Tanzania, including:

- March 2000: The IMF and World Bank structured a debt relief operation [through the Highly Indebted Poor Country (HIPC) initiative] and set the terms and conditions of such relief.
- April 2000: The IMF approved a USD 181 million Structural Adjustment Program (through the IMF Poverty Reduction and Growth Facility) with 157 conditions attached.
- June 2000: The World Bank formulated a three-year Country Assistance Strategy totaling USD 790 million, plus a USD 290 million structural adjustment loan.

A few government officials were involved in making these decisions. The civil society was not informed and did not participate in any discussion or debates on the IMF and World Bank programs. Yet, Tanzanian citizens will bear the double burdens of debt and conditionality.

The World Bank's three-year leading strategy, outlined in the Country Assistance Strategy could double World Bank lending. This accelerated lending program (in response to heavy pressures on the World Bank to boost its lending to poor countries) will contribute to an *increase* of almost USD one billion in Tanzania's external debt, even after debt relief.

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SAPs have neither involved nor benefited the majority of Tanzanians. Only a small clique of mainly businessmen have benefited.

Recommendations

- The Poverty Reduction Strategy Papers (PRSP) process must open up and listen to the voices of civil society.
- Government proposals for user fees or cost-sharing in the education and health sectors should be further analysed with input from civil society.
- The public must be kept informed about the on-going dialogue between the government and the WB/IMF. Transparency is vital, particularly on major issues such as increased public debt and allocation of funds released as a result of debt relief. ■

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