

Eradicating poverty still Tanzania's main challenge

By John I. Hungu

POVERTY is a harsh reality for a large section of the Tanzanian population and it will continue to pose a big challenge to the country in the 21st century. Poverty may be defined as a social phenomenon in which a section of society is unable to obtain even its basic necessities of life. When a substantial segment of a society is deprived of a minimum level of living standards, and continues to survive at a base subsistence level, that society is said to be plagued with mass poverty. The countries of the third world, including Tanzania, exhibit invariably the existence of mass poverty although pockets of poverty exist even in the developed countries.

Since independence in 1961, the government of Tanzania has been preoccupied with three development problems: ignorance, disease and poverty. National efforts to tackle these problems were initially channeled through centrally directed medium term and long term development plans, and resulted in a significant improvement in per capita income and access to education, health and other social services until the 1970s. Thereafter, these again could not be sustained because of various domestic and external shocks, and policy weaknesses, poor working tools, non-availability of credits for farmers, collapse of cooperative societies, adverse climatic conditions and absence of any safety-net to cope with weather-related problems.

The policy planning process:

According to the Poverty Reduction Strategy Paper (PRSP) launched by the third phase government in October 2000, this strategy was based on three considerations:

First, it was to be an instrument for channeling national efforts toward broadly agreed objectives and specific inputs and outputs. Indeed, despite sustained efforts since the mid-1980s, to address the country's economic and social problems, one half of all Tanzanians today are considered to be basically poor, and approximately one-third live in abject poverty.

According to the paper, more recent efforts taken by government to tackle poverty and other development problems, have been pursued under relatively decentralized, complementary

Vision 2025 (National vision of economic and social objectives to be attained by the year 2025);

National Poverty Eradication Strategy (NPES) - National strategy and objectives for poverty eradication efforts through 2010;

Tanzania Assistance Strategy (TAS) - medium - term national strategy of economic and social development, encompassing joint efforts of government and the international community;

Poverty Reduction Strategy Paper (PRSP) -Medium-term strategy of poverty reduction, developed through broad consultation with national and international stakeholders in the context of the enhanced Highly Indebted Poor Countries (HIPC) Initiative. In recent years, Tanzania has been a land where the vast majority of the people, especially the rural masses, have been steeped in poverty and utter destitution. These are the innumerable progeny of poverty everywhere and as Jawaharlal Nehru once said, "there are marks of this beast on almost every forehead. The life of people who do not have enough to eat and face starvation day after day, who have no shelter worth the name over their heads and very little to cover their bodies."

Among the causes of rural poverty in this country are unemployment, inadequate opportunities for earning one's livelihood, ruthless exploitation by landowners, lack of education and general neglect by the powers that be.

Soon after independence, eradication of poverty had been the most important objective of planned development; it had been accorded the highest priority in the Central Government's economic strategy, envisaging a redistribution of resources and a higher growth rate of the economy. But implementation of the massive poverty alleviation programmes, in recent years, especially in rural areas, has been lop-sided. Consequently, the problem of poverty continues to be of staggering proportions.

Poverty has been defined as a mid-point of the monthly per capita expenditure having a total calorie intake of 2400 per person in rural areas and 2100 in urban areas.

Land reforms can be another important element in the strategy to reduce poverty and improve productivity in

agriculture.

The bureaucratic approach should be abandoned, and a sympathetic approach adopted instead. The credit institutions should fully cooperate by giving up the old banking tradition of asking for adequate securities.

Obviously, if the basic needs of the masses are met, the main problem of poverty would be more or less solved. But the major flaw in the programme is that it does not provide for food and nutrition for everyone. Food should have been given the top priority. Other items could follow.

Education can also play an important role in eradicating poverty. The poor should be equipped with skills to increase their earning capacity. The World Bank panacea for poverty is growth.

Poverty in Tanzania has been studied from two points rural and urban. The incidence of poverty is highest among small cultivators. Thus in rural areas poverty is mainly due to a low land base. In many areas, holdings of even 2 hectares do not yield sufficient incomes.

Improper sectoral investment and maldistribution of resources are also responsible for aggravating poverty. A more important reason not highlighted so far lies in policy inadequacies, especially the grossly inadequate and inequitable allocation of the plan outlay set apart for the benefit of the rural poor by successive governments.

Measurement of poverty. The extent of poverty in third world countries is being worked out in terms of a poverty line. Boyd Orr, the first Director General of FAO, was the first person to propound the notion of the starvation line in 1945, which referred to the consumption of less than 2,300 calories per person per day. This idea has been transformed into a poverty line. P.D. Ojha, an Indian, was the first economist to estimate the extent of poverty in terms of the per capita per day expenditure.

Remedies

The eradication of poverty is undoubtedly a Herculean task. However, if the anti-poverty policies, measures and programmes are given top-most priority, the task is not impossible either. The pertinent cause of poverty in Tanzania is the economic structure, skewed distribution of the ownership of income-yielding assets.

Institutional backwardness is also responsible for the poverty

prevalence. Hence, to eradicate poverty, an appropriate policy is indispensable for growth oriented and distributional consequences. Along with it, the institutional malady should be rectified.

In view of the above, the objective of the removal of poverty needs to be sufficiently integrated with the production or growth strategy in our plans. The existing planning methodology does not take into account the demand for various goods corresponding to the magnitude of reduction of poverty contemplated. The plan model has to become more sophisticated to incorporate choice of techniques at the appropriate levels, locational choices patterns of regional development, etc, so that our exercises yield solutions; regarding the sectoral investments as well as the income generation for various groups or classes of people. Further, the whole exercise will need to be translated not only into concrete programmes but also into a policy framework to influence the production process.

Secondly, various beneficiary-oriented programmes need to be strengthened. Banks have to play a much greater role not only in providing credit but also in identifying productive activities, providing extension services and conducting evaluations, at least on a pilot basis, so that the exercise available from such projects is capable of being replicated by government machinery.

Finally, in the ultimate analysis, the objective of removal of poverty can be fulfilled in the measure in which the poor themselves become conscious, improve their education and capabilities, become organized and assert themselves. A large majority of the poor are unorganized and are engaged in activities which are informal and which do not lend themselves easily to organizational groups. Therefore, public intervention and the strategy for poverty removal has to be such as to promote group endeavour. This is essential to release the economies of scale as well as to improve the bargaining power. Cooperation offers a good means to promote group endeavour. Undoubtedly cooperation had failed in the past. But we may add that the situation presently obtaining as far more favourable to cooperative action than three decades ago, due to political interference.