



## Escaping poverty in Tanzania: what can we learn from cases of success?

Kate Higgins

### What is Chronic Poverty?

The distinguishing feature of chronic poverty is extended duration in absolute poverty.

Therefore, chronically poor people always, or usually, live below a poverty line, which is normally defined in terms of a money indicator (e.g. consumption, income, etc.), but could also be defined in terms of wider or subjective aspects of deprivation.

This is different from the transitorily poor, who move in and out of poverty, or only occasionally fall below the poverty line.

## Abstract

Drawing on longitudinal Q-Squared data from six research sites across mainland Tanzania, this paper examines how and why people experienced upward socio-economic mobility, and in some cases poverty escape, in a context where this has been limited.

Using a locally relevant but comparable well-being classification system, we find that poverty is entrenched across all research sites. The overwhelming majority of households ranked in this study – derived from a representative sample in each site from the 2007 HBS – were identified by representatives in their community as being poor. Further, in line with other analyses, we find that there has been little socioeconomic mobility across these sites over the past decade, and stubborn levels of poverty despite sustained economic growth nationally.

Through systematic analysis of the qualitative data set, we find that agriculture is a key factor in supporting upward mobility. But critically, we find that it is non-farm businesses, the accumulation of physical assets (such as land and housing), salaried employment and favourable marriage - some of which agriculture plays a role in supporting - which are most effective at moving people out of poverty. When it comes to moving beyond vulnerability, these findings hold. Those that manage to move beyond vulnerability often have multiple sources of income and own a number of valuable physical assets.

A range of broad policy conclusions are made. These include that agricultural development should remain a priority; rural industrialisation requires greater attention; asset accumulation needs to be promoted (and those assets need to be protected); access to credit, and business development, needs to be supported; and that secondary and vocational training opportunities need to be made accessible to young people from poorer households.

**Keywords:** Q-squared data, Tanzania, socio-economic mobility, agriculture, assets, vulnerability.

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## 1 Introduction

One of the most pressing paradoxes in Tanzania today is that sustained economic growth has not led to considerable reductions in poverty. Tanzania experienced substantial growth over the past decade - GDP growth per annum nearly doubled between 1998 (4.1 percent) and 2008 (7.4 percent) (Ministry of Finance and Economic Affairs (MoFEA), 2009: 4). But this has not been accompanied by a significant reduction in poverty - between 2000/01 and 2007, the percentage of people in mainland Tanzania living below the basic needs poverty line fell only slightly from 35.7 percent to 33.6 percent. Given population growth, this translated into an *increase* in the absolute number of people in poverty, from 11.4 million in 2000/01 to 12.9 million in 2007 (NBS, 2009: xiv).

This paradox was the focus of a recent Chronic Poverty Research Centre (CPRC) study, titled 'Chronic Poverty and Development Policy in Tanzania: Q-Squared Research in Support of the 2010 Poverty Reduction Strategy'. Drawing on extensive qualitative research conducted in six sites across Tanzania, and the 2007 Tanzanian Household Budget Survey (HBS) and National Panel Survey (NPS), the study sought to understand poverty dynamics in Tanzania. A key concern was what explains chronic poverty, and descent into poverty, given Tanzania's recent economic growth. But the research was also concerned with understanding cases of sustained mobility *out of poverty* in a context where this has been limited.

The second concern is the focus of this paper. Specifically, the paper seeks to identify, based on qualitative data collected in the six research sites, how and why people experienced upward mobility, and in some cases, moved out of poverty. What can we learn from cases of success?

Following this introduction, Section 2 takes a brief look at the evidence on growth, poverty and poverty escapes in Tanzania. Section 3 outlines the methodology adopted and Section 4 outlines the conceptual framework for analysing upward socio-economic mobility and poverty escape. Section 5 presents the results, drawing predominantly on two data sources: the well-being ranking focus group discussions conducted in each research site and the life history interviews conducted with selected individuals in each research site. Section 6 concludes and identifies broad policy implications.

## 2 Poverty escape in Tanzania: a brief look at the evidence

### 2.1 Growth with little poverty reduction

Alleviating poverty has been at the heart of much of Tanzanian policy for decades. Between 2001 and 2004, Tanzania's Poverty Reduction Strategy (PRS) guided poverty reduction efforts. The priority sectors identified in the PRS were primary education, basic health, water and sanitation, agriculture, rural roads, judiciary and land (URT, 2000). There was broad consensus, however, that this strategy paid inadequate attention to economic growth. The subsequent strategy, the National Strategy for Growth and Reduction of Poverty (NSGRP), widely known by its Kiswahili acronym MKUKUTA, sought to rectify this and guided Tanzania's poverty reduction efforts between 2005 and 2010. During this period, a central concern amongst government and the policy community in Tanzania was bolstering the rate of GDP growth. In addition, ensuring that this growth was translated into welfare improvements at the household level gained considerable attention (Kayunze *et al.*, 2011).

Despite a concern that inadequate policy attention had been paid to growth through the PRS, Tanzania did experience GDP growth throughout the 2000s, peaking 7.8 percent in 2004 (MoFEA, 2009: 4).<sup>1</sup> All key sectors of the economy – agriculture, hunting and forestry, mining and quarrying, construction, fishing, manufacturing and services – grew in GDP terms, though to differing degrees. Critically, GDP growth in the agriculture sector did not match overall GDP growth. In addition, the sectoral contribution of agriculture to GDP declined from 29.6 percent in 1998 to 24.0 percent in 2008 (MoFEA, 2009: 8). As Mkenda *et al.* (2010:12) highlight, the sectoral contribution of agriculture to GDP compares rather awkwardly with how the employment of the population is distributed: according to the 2006 Integrated Labour Force Survey, approximately three-quarters of Tanzanians are currently employed in agriculture. This means that the largest share of the population is getting significantly less than their proportionate share of GDP.

This is one of key reasons cited for growth without commensurate levels of poverty reduction in Tanzania. As Table 1 indicates, despite sustained GDP growth, with the exception of Dar es Salaam there has been limited decline in both food and basic needs poverty levels in mainland Tanzania between 1991/2 and 2007.

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<sup>1</sup> GDP growth was 4.9 percent in 2000, 6.0 percent in 2001, 7.2 percent in 2002, 6.9 percent in 2003, 7.8 percent in 2004, 7.4 percent in 2005, 6.7 percent in 2006, 7.1 percent in 2007 and 7.4 percent in 2008.

**Table 1: Poverty incidence in Tanzania**

| Poverty line | Year    | Dar es Salaam | Other urban areas | Rural areas | Mainland Tanzania |
|--------------|---------|---------------|-------------------|-------------|-------------------|
| Food         | 1991/92 | 13.6          | 15.0              | 23.1        | 21.6              |
|              | 2000/01 | 7.5           | 13.2              | 20.4        | 18.7              |
|              | 2007    | 7.4           | 12.9              | 18.4        | 16.6              |
| Basic needs  | 1991/92 | 28.1          | 28.7              | 40.8        | 38.6              |
|              | 2000/01 | 17.6          | 25.8              | 38.7        | 35.7              |
|              | 2007    | 16.4          | 24.1              | 37.6        | 33.6              |

Source: Household Budget Survey 2007 (NBS, 2009) in MoFEA (2009: 11)

## 2.2 Understanding poverty escape

There have been some attempts to understand and illicit lessons from the relatively small proportion of households who have managed to escape poverty in Tanzania in the last decade. Most prominently, analysis of the Kagera Health and Development ten-year panel survey (1991-4/2004) compared people who escaped poverty with those stuck in poverty (De Weerd, 2010). The key finding from this analysis was that moves out of poverty were enabled by the diversification of income-generating activities, both on and off the farm. More specifically, on-farm diversification was critical to income growth, and lack of it was associated with stagnation and/or decline in well-being. Diversification into non-farm activities (for example trading crops, having a nearby shop and owning plots of timber tresses) was found to have strong explanatory power when it came to understanding movements out of poverty.<sup>2</sup> Importantly, with the exception of those in remote villages, this route out of poverty was not found to be dependent on physical capital, but good health, the trust of benefactors and exposure to different, innovative ways of doing things. De Weerd's analysis also found that education was a key part of the story: each additional year of education was associated with significant additional assets. Degrees of connectedness were also found to be critical – people in better-connected villages had more opportunities.

Analysis of the 2007 Tanzania Household Budget Survey yields somewhat similar results (Luvanda, 2011). The analysis shows that owning multiple assets and being involved in monetised economic activities (for example, involvement in markets, credit society membership and access to bank loans) are correlates of avoiding poverty. The level of education of the household head, the number of dependents and being on the electricity grid are also important correlates of avoiding poverty. When it comes to agriculture, the story is more complex: farming is generally associated with poverty, though the quantity of land owned could mitigate this association (only in rural areas), and farm households engaged in

<sup>2</sup> Research by Beegle *et al.* (2008) support this: they find that moving out of agriculture is associated with higher levels of consumption.

commercial crops have done better. Large agricultural households with high dependency ratios, and older household heads with lower education levels, are especially prone to poverty.

These analyses highlight the importance of on- and off-farm livelihood diversification in the poverty escape story in Tanzania. Hoogenveen (2008) has suggested a path for enabling this diversification: investment in human capital and enabling poor households to build physical capital, so as to enhance on- and off-farm income generating activities. His analysis highlights the instrumentality of education – and higher levels of education (for example, post-primary education) – in moving out of poverty. Mkenda *et al.* (2010: 47) conclude similarly: they find that the difference in poverty indices between primary education and higher education is considerable.



### 3 Methodology: a Q-squared longitudinal approach

#### 3.1 Research sites

Research was conducted in six sites in three districts across mainland Tanzania. These sites were drawn from the 447 clusters included in Tanzania's 2007 Household Budget Survey (HBS) (NBS, 2009). The clusters were selected to reflect different regions, agro-ecological zones and agricultural livelihoods in Tanzania. The clusters chosen also had reasonably high levels of poverty. Table 2 outlines the research sites and the rationale for site selection.

**Table 2: Rationale for cluster selection**

| Cluster/Research Site | District | Region | HBS characteristics                            | Rationale   |
|-----------------------|----------|--------|--|---|
| Nchinga               | Newala   | Mtwara | Rural, coastal southern and western zone       | Cashew nuts main cash crop; mix of fishing and farming; high levels of poverty; less researched area.   |
| Nkangala              | Newala   | Mtwara | Urban, coastal zone                            |   |
| Ndite                 | Magu     | Mwanza | Rural, plateau zone                            | Affected by phase of liberalisation; cotton growing area, with livestock and fishing; high levels of poverty; less researched area.   |
| Wazabanga             | Magu     | Mwanza | Urban, plateau zone                            |   |
| Kayumbe               | Nkasi    | Rukwa  | Rural, highlands and southern and western zone | Remote and marginalised area; maize as main cash crop; poor markets; market dynamics different from other regions as affected by grain reserve policies which prevent export to Democratic Republic of Congo; high levels of poverty; less researched area. |
| Kalesa                | Nkasi    | Rukwa  | Urban, highlands zone                          |   |

#### 3.2 Research methods

This study built on the tradition of Q-Squared (quantitative and qualitative) research carried out by the CPRC (see most notably work in Bangladesh by Davis and Baulch, 2009). The starting point for the research was the HBS 2007 and the recently commenced NPS. With these surveys as the foundation, the research team designed a package of tools for the collection of qualitative data in the six research sites. These tools comprised focus group discussions, life history interviews and key informant interviews.

##### 3.2.1 Focus group discussions

In each cluster, the team sought to conduct four focus group discussions. The first was with 'knowledgeable' people, to map a community timeline, identify key institutions in the community, identify and rank major sources of livelihoods and understand the value of key assets, wages and prices.

The second was with women, and the third with men (or vice versa), and were labelled 'well-being ranking focus group discussions'. Participants were chosen by community leaders, and a request was made by the research team that the participants represented a cross-section of the community. These had two parts. The first was to develop a well-being classification system for the research site. The starting point was a scheme that the research team had developed. The scheme included six well-being classifications, ranging from destitute (1) to rich (6). It sought to take into account assets, income, levels of consumption and vulnerability to risk; work across clusters in Tanzania while retaining local relevance; capture distinctions among the many poor people clustering around the poverty line; and capture the specific characteristics experienced by the destitute. Table 3 outlines these classifications.

Based on this scheme, each well-being ranking focus group discussion was asked to make the classifications locally relevant by attaching characteristics to each of the classifications. The objective here was to understand the types of characteristics that defined these classifications in each community, while being able to aggregate and compare the data. Unsurprisingly, given the diversity of research sites, the characteristics attached to each well-being classification varied from cluster to cluster.

The second part of the well-being ranking focus group was to rank the well-being of each of the 24 HBS households in 1999 and 2009, and identify reasons for improved, declined or stable well-being. By doing this, we hoped to generate a birds-eye view of socioeconomic mobility in each of the research sites. In the six clusters, eight well-being rankings were conducted: four by women and four by men. In total, 144 households were ranked, though 192 rankings took place (in two clusters, both women and men ranked the households).

The fourth focus group discussion sought to confirm key findings, explore any outstanding issues and provide feedback to the community on our preliminary analysis.

**Table 3: Well-being classifications**

|  |
|--|
| <b>1. Destitute = Maskini hohehahe</b>   |
| <ul style="list-style-type: none"> <li>• Depend on others for basic needs</li> <li>• Cannot work</li> <li>• Tend to be socially excluded</li> </ul>  |
| <b>2. Very poor = Maskini sana</b>   |
| <ul style="list-style-type: none"> <li>• No clear livelihood source</li> <li>• No significant productive assets</li> <li>• Dependent on selling labour/scavenging</li> <li>• Erratic income and food access</li> <li>• Very vulnerable to becoming destitute with shock</li> </ul>   |
| <b>3. Poor = Maskini</b>   |
| <ul style="list-style-type: none"> <li>• Have access to limited productive assets (e.g. land and livestock)</li> <li>• Cannot earn enough from farming or trade to take family provisioning through whole year and so will reduce family food consumption</li> <li>• Cannot save much in good years</li> <li>• Must sell assets in order to cope in a crisis</li> <li>• Vulnerable to downward mobility to 'very poor' category but not to 'destitute' category</li> </ul> |
| <b>4. Vulnerable but not poor (Tete ila siyo maskini)</b>  |
| <ul style="list-style-type: none"> <li>• More productive assets which takes family through the year</li> <li>• During good times they can save</li> <li>• During bad times will reduce family consumption</li> <li>• Vulnerable to downward mobility with a significant shock</li> </ul>   |
| <b>5. Resilient = Tajiri kiasi (Mwenye uwezo)</b>  |
| <ul style="list-style-type: none"> <li>• Sufficient capacity (e.g. assets, social networks) to prevent significant downward mobility relative to overall productive wealth</li> <li>• May employ small amounts of labour on farm or be involved in small scale trade</li> </ul>  |
| <b>6. Rich = Tajiri</b>  |
| <ul style="list-style-type: none"> <li>• Significant assets and local power</li> <li>• Involved in large scale trade or employment of labour</li> <li>• Own large scale non-farm assets</li> <li>• May lend money</li> </ul>   |

### 3.2.2 Life history interviews

106 life history interviews were conducted to acquire an in-depth understanding of respondent's lives, and reasons for upward, downward or stable well-being. Based on the findings from the well-being rankings, the research team selected approximately ten of the 24 HBS households from each cluster for life history interviews. Households were selected to reflect upward mobility, downward mobility and stability and to ensure a good distribution of age among the life history sample. Within each household, the male and female household head were targeted for interview.

The life history interviews sought to chronologically map the lives of the respondents, highlighting key events, socio-economic and political processes, social networks and relationships, and the implications of these for well-being. In doing so, the life histories sought to understand *how* and *why* people move in and out of poverty. At the end of each

interview, the life history trajectories of respondents were mapped graphically against the six well-being classifications (y-axis) to reflect changes in well-being over time (x-axis).

### 3.2.3 *Key informant interviews*

Key informant interviews were conducted to examine particular research themes in more depth. Respondents were selected opportunistically, based on issues highlighted in focus group discussions and life history interviews. Those targeted for key informant interviews included government officials, community leaders, crop traders, creditors, agricultural extension agents, teachers and health workers.

## 4 Conceptualising and identifying upward mobility and poverty exits

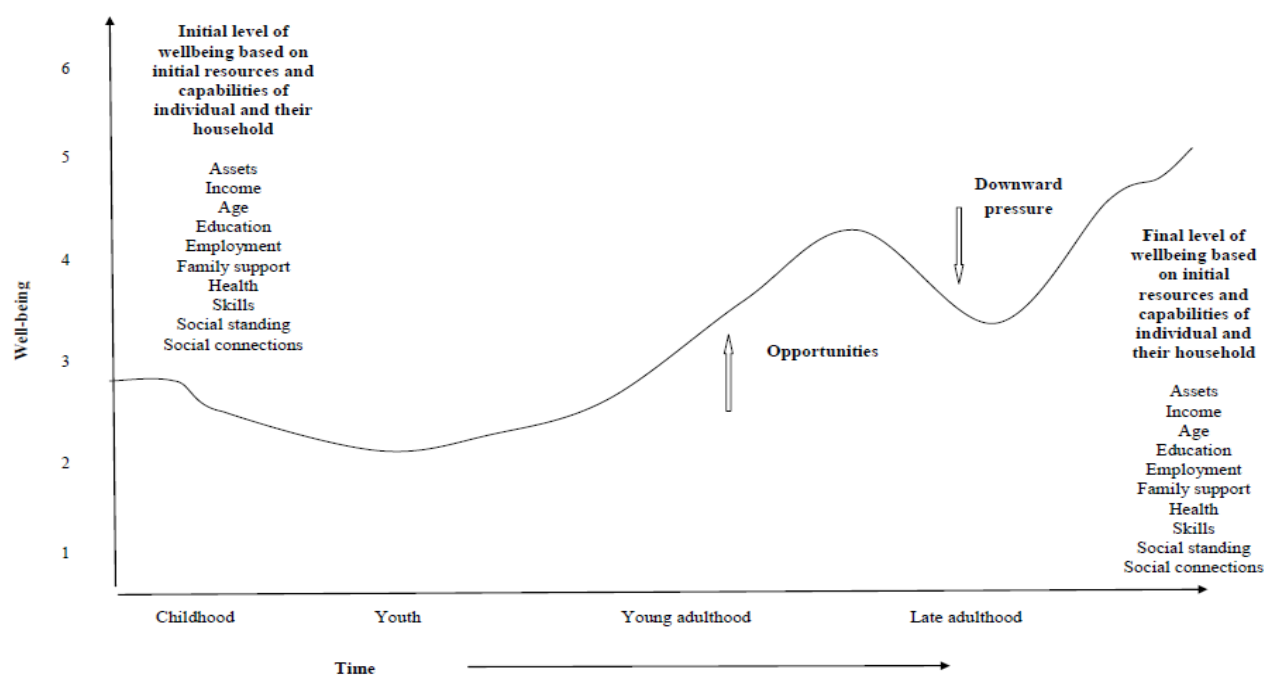
The aim of this paper is to understand socio-economic mobility and more specifically, the resources, capabilities and events that influenced people's *upward mobility* or *exit out of poverty*. In line with Davis (2010: 9), socio-economic mobility can be conceptualised as:

... An outcome of a person's set of resources and capabilities interacting with events that occur through a person's life trajectory... These events exert either downward pressures, coped with, or upward opportunities, exploited, to determine a person's trajectory of well-being.

Relevant capabilities and resources are those that are either constitutive of well-being – for example, having a house or being of good health – or instrumental in supporting well-being – for example, skills used in employment (instrumental capability) or arable land (instrumental resource) (Davis, 2010: 9).

In this study, upward socio-economic mobility is defined as an improvement, by one well-being classification or more, in well-being. Poverty exit is defined as the movement from well-being classifications 1, 2 or 3 to well-being classifications 4, 5 or 6. Figure 1 shows a life history trajectory. It illustrates how socio-economic mobility is a product of people's resources and capabilities, as they cope with downward pressures or exploit upward opportunities, which will result from resources, capabilities and events, over time (Davis, 2010: 10).

**Figure 1: Life history trajectory**



Source: Adapted from Davis (2010: 10)

## 5 Findings: exploring poverty escape trends

### 5.1 Poverty status

The well-being ranking focus group discussions ranked the well-being of the 24 HBS households in 1999 and 2009. As Table 4 shows, we found that in 1999, of the six well-being classifications, 'poor' was the most cited classification in six out of the eight well-being rankings. In one of these rankings (Wazabanga men), 'very poor' was equally cited and in another (Kayumbe men), 'vulnerable but not poor' was equally cited. In the ranking by men in Nchinga, 'very poor' was the most cited classification and in the ranking by women in Wazabanga, 'very poor' and 'resilient' were equally cited. In 2009, 'poor' was again the most cited classification, most cited in seven of the eight well-being rankings. 'Vulnerable but not poor' was the most cited classification in the ranking by women in Kayumbe.

**Table 4: Well-being rankings, 1999 and 2009**

| Well-being classification | Mtwara  |    |    |    |          |    |    |    | Mwanza |    |    |    |           |    |    |    | Rukwa   |    |    |    |        |   |    |    |
|---------------------------|---------|----|----|----|----------|----|----|----|--------|----|----|----|-----------|----|----|----|---------|----|----|----|--------|---|----|----|
|                           | Nchinga |    |    |    | Nkangala |    |    |    | Ndite  |    |    |    | Wazabanga |    |    |    | Kayumbe |    |    |    | Kalesa |   |    |    |
|                           | W       | W  | M  | M  | W        | W  | M  | M  | W      | W  | M  | M  | W         | W  | M  | M  | W       | W  | M  | M  | W      | W | M  | M  |
|                           | 99      | 09 | 99 | 09 | 99       | 09 | 99 | 09 | 99     | 09 | 99 | 09 | 99        | 09 | 99 | 09 | 99      | 09 | 99 | 09 | 99     | 9 | 99 | 9  |
| 1                         | -       | -  | 1  | 1  | 0        | 0  | -  | -  | 0      | 0  | -  | -  | 0         | 0  | 0  | 0  | 1       | 2  | 1  | 2  | -      | - | 0  | 0  |
| 2                         | -       | -  | 11 | 7  | 4        | 7  | -  | -  | 3      | 2  | -  | -  | 5         | 5  | 5  | 3  | 1       | 2  | 1  | 1  | -      | - | 4  | 3  |
| 3                         | -       | -  | 6  | 9  | 13       | 8  | -  | -  | 5      | 8  | -  | -  | 4         | 8  | 5  | 10 | 9       | 6  | 11 | 13 | -      | - | 13 | 15 |
| 4                         | -       | -  | 1  | 2  | 2        | 4  | -  | -  | 2      | 0  | -  | -  | 3         | 3  | 3  | 2  | 9       | 8  | 6  | 3  | -      | - | 3  | 2  |
| 5                         | -       | -  | 0  | 0  | 0        | 0  | -  | -  | 0      | 0  | -  | -  | 5         | 1  | 2  | 0  | 2       | 5  | 1  | 2  | -      | - | 1  | 1  |
| 6                         | -       | -  | 0  | 0  | 0        | 0  | -  | -  | 0      | 0  | -  | -  | 0         | 0  | 0  | 0  | 0       | 0  | 0  | 1  | -      | - | 0  | 0  |
| 0 <sup>3</sup>            | -       | -  | 5  | 5  | 5        | 5  | -  | -  | 14     | 14 | -  | -  | 7         | 7  | 9  | 9  | 2       | 1  | 4  | 2  | -      | - | 3  | 3  |
| TOTAL                     |         |    | 24 | 24 | 24       | 24 |    |    | 24     | 24 |    |    | 24        | 24 | 24 | 24 | 24      | 24 | 24 | 24 |        |   | 24 | 24 |

It is obvious then that when collapsing the six well-being classifications into 'poor' (classifications 1, 2 and 3) and 'non poor' (classifications 4, 5 and 6) groups, the 'poor' classifications are overwhelmingly the most cited. The only exception was in the well-being ranking by women in Kayumbe, where the 'poor' and 'non-poor' classifications were equally cited in 1999, and the 'non-poor' classifications were most cited in 2009.

This indicates that the overwhelming majority of households ranked in this study - derived from a representative sample from the 2007 HBS - were identified by representatives from their community as being poor.

<sup>3</sup> Unfamiliar to group or no longer living in cluster.

## 5.2 Poverty dynamics

By asking focus groups to rank HBS households in 1999 and 2009 according to the well-being classification system, we were able to analyse socio-economic mobility and identify:

- *Poverty exiters*: Households that moved out of poverty (from well-being classifications 1, 2 or 3 to 4, 5, or 6);
- *Poverty fallers*: Households that moved into poverty (from well-being classifications 4, 5 or 6 to 1, 2 or 3);
- *Upward movers*: Households that experienced improvement, by one well-being classification or more, in well-being;
- *Downward movers*: Households that experienced decline, by one well-being classification or more, in well-being; and downward mobility; and
- *Non-movers*: Households did not experience any change in well-being according to our well-being classification system.

Table 5 outlines the findings.

**Table 5: Socio-economic mobility between 1999 and 2009**

|                                    | Nchinga |   | Nkangala |   | Ndite |   | Wazabanga |   | Kayumbe |   | Kalesa |    |
|------------------------------------|---------|---|----------|---|-------|---|-----------|---|---------|---|--------|----|
|                                    | W       | M | W        | M | W     | M | W         | M | W       | M | W      | M  |
| <b>Poverty exiters</b>             | -       | 2 | 3        | - | 0     | - | 2         | 2 | 3       | 3 | -      | 2  |
| <b>Upward movers<sup>4</sup></b>   | -       | 8 | 3        | - | 1     | - | 5         | 7 | 8       | 7 | -      | 4  |
| <b>Poverty fallers</b>             | -       | 1 | 1        | - | 2     | - | 6         | 5 | 1       | 4 | -      | 3  |
| <b>Downward movers<sup>5</sup></b> | -       | 3 | 4        | - | 2     | - | 10        | 7 | 4       | 6 | -      | 4  |
| <b>Non-movers</b>                  | -       | 8 | 13       | - | 7     | - | 2         | 1 | 10      | 7 | -      | 13 |
| <b>No mobility data</b>            | -       | 5 | 4        | - | 14    | - | 7         | 9 | 2       | 4 | -      | 3  |

As this table shows, 'non-movers' were the most prominent group identified in the poverty dynamics analysis, most common in six of the eight well-being rankings. Upward movement

<sup>4</sup> Note this includes the 'poverty exiters' category.

<sup>5</sup> Note this includes the 'poverty fallers' category.

was the next most common trend, equally prominent as ‘non-movers’ in the rankings by men in Nchinga and Kayumbe. Upward movement was the most prominent trend in the ranking by men in Wazabanga, alongside downward movement. Downward movement was the most prominent trend in the ranking by women in Wazabanga. The prominence of ‘non-movers’ reflects that between 1999 and 2009, there was little socioeconomic mobility across the research sites. These findings are in line with other documented poverty trends in mainland Tanzania – as outlined in Table 1 – which highlight the stubbornness of poverty despite sustained economic growth.

### 5.3 Upward mobility and moving out of poverty

#### 5.3.1 Findings from focus group discussions

While in the minority, there were cases of households experiencing upward mobility and poverty escape. Indeed, 32 of the 144 households were ranked by the focus group discussions as ‘upward movers’ (17 from rankings by women and 26 from rankings by men). Only 14 households were identified as ‘poverty escapers’ (eight from rankings by women and nine from rankings by men).

Focus groups were asked to cite reasons for the well-being classifications attached to households, and for upward, downward or no mobility between classifications. Table 6 outlines the reasons cited for the improved well-being of households that experienced upward mobility between 1999 and 2009.

**Table 6: Reasons for upward mobility between 1999 and 2009**

| Reason                               | Frequency in upwardly mobile but still poor households | Frequency in poverty exiting and upwardly mobile non-poor households |
|--------------------------------------|--|--|
| Agriculture/fish farming             | 6  | 10   |
| Non-farm business                    | 3  | 4  |
| Farm-related trading/business        | 3  | 2  |
| Salaried employment                  | 2  | 2  |
| Remittances from children            | 1  | 0  |
| Renting land for farming             | 1  | 1  |
| Stopped drinking alcohol             | 1  | 1  |
| Death of ill family member           | 1  | 0  |
| Brideprice                           | 1  | 0  |
| Accumulation of livestock            | 0  | 1  |
| Preserving produce for higher prices | 0  | 1  |



This analysis highlights the importance of agriculture/fish farming for upward mobility. It also highlights the importance of non-farm business, as well as (though to a slightly lesser extent) farm-related trading/business and salaried employment.

Looking at what *combination* of factors contributed to upward mobility uncovers interesting trends. In eight cases where agriculture/fish farming was cited as a reason for improved well-being, it is the sole reason given for upward mobility. But in the remaining eight cases (one from upwardly mobile but still poor households, and critically, seven from poverty exiting and upwardly mobile and non-poor households), it is a combination of agriculture/fish farming *with* another activity – most prominently a non-farm business, but also farm-related trading/business and salaried employment, that were cited as the causes of the upward mobility between 1999 and 2009.

### 5.3.2 *Findings from life history interviews*

The life history interviews, and the well-being trajectories that were mapped, offer another source of data for understanding the causes of upward socioeconomic mobility over the life course. The life history interview sample was not representative, so speculating on proportions of upward and downward movers is not useful. What is useful, however, is to seek to understand *why*, in a context where poverty is the overwhelming trend, people experienced upward mobility. What resources, capabilities and events were responsible for improvements in well-being?

Through analysis of all life histories in the sample, the reasons cited for each case of upward mobility over the life course were documented. Table 7 tabulates these reasons.

Agriculture/fish farming again features most prominently. Non-farm business is also important. Physical assets – particularly land and housing – are key (and if ‘purchase of land’ and ‘inheritance of land’ were collapsed into one category, the acquisition of land would rank higher than it currently does). Salaried employment, and favourable marriage (defined as ‘marrying up’, or marrying someone with a better level of well-being), are also factors that feature in upward mobility stories.

**Table 7: Reasons for upward mobility – life history interviews**

| Reasons  | Total |
|--|-------|
| Agriculture/fish farming                                   | 35    |
| Non-farm business  | 33    |
| Purchase/construction of house                             | 25    |
| Favourable marriage  | 23    |
| Salaried employment  | 22    |
| Purchase of land   | 19    |
| Selling labour   | 16    |
| Farm-related business / trade                              | 15    |
| Inheritance of land  | 13    |
| Secondary / post-secondary education / vocational training | 9     |
| Accumulation or inheritance of livestock                   | 8     |
| Inheritance of capital                                     | 6     |
| Labour migration - domestic                                | 5     |
| Loan (institutional)                                       | 5     |
| Remittances from children / children working for household | 4     |
| Government project / initiative                            | 4     |
| Loan (family and friends)                                  | 3     |
| Borrowed / rented land                                     | 2     |
| Improved health of individual or family member             | 2     |
| Political position   | 2     |
| Labour migration - international                           | 1     |
| Division of land / assets in family                        | 1     |
| Rental income  | 1     |
| Support from family  | 1     |
| Improved roads and access to larger markets                | 1     |
| Acquisition of a milling machine                           | 1     |

## 5.4 Escaping poverty

In 19 of the 106 life history interviews, the individual escaped poverty at one or more points in their life. By analysing the life history interviews, we can identify ‘tipping’ factors, or the reasons why the individual managed to move from being ‘poor’ (classifications 1, 2 or 3) to ‘non-poor’ (classifications 4, 5 or 6). Table 8 outlines the tipping factors articulated in the 19 cases of poverty exit.

This analysis highlights the criticality of physical assets (land and/or house), non-farm business, salaried employment and favourable marriage to poverty exit. It also indicates that agriculture only featured when it was *linked with* something. This offers a contrast to the upward mobility analysis contained in Table 7, which looks at *all* cases of upward mobility (even if a person remained poor) and suggests that agriculture on its own is not the factor that moves an individual, or a household, out of poverty in these six research sites. The accumulation of physical assets, and the rural non-farm economy, were the factors critical to moving people out of poverty.

**Table 8: Factors that moved people out of poverty**

| Tipping factor                                  | Frequency |
|---|-----------|
| Purchase of house and/or land                   | 4         |
| Non-farm business success                       | 4         |
| Salaried employment                             | 3         |
| Favourable marriage                             | 3         |
| Loan + non-farm business expansion              | 1         |
| Salaried employment + non-farm business success | 1         |
| Agriculture + non-farm business success         | 1         |
| Agriculture + farm-related business             | 1         |
| Agriculture                                     | 1         |
| TOTAL   | 19        |

## 5.5 Escaping vulnerability

Households in the ‘vulnerable but not poor’ classification were considered vulnerable to moving back into poverty as a result of idiosyncratic and covariant shocks. So what did the life histories reveal about what was needed to not only move beyond poverty, but also *beyond vulnerability*? Looking across the life histories, there were 15 cases where an individual was ‘resilient’ or ‘rich’ at one or more points in their life. Commonalities, in terms of the capabilities and resources these individuals had at these points in their life, can be identified. We see there is much *value in being born non-poor*. 10 of the 15 individuals that were ‘resilient’ or ‘rich’ at one point in their life were born into non-poor households. In three cases, the only time they were ‘resilient’ or ‘rich’ was during childhood. In these three cases, a shock during childhood or youth led to a significant well-being decline and they did not recover to previous levels of well-being at any point in their life. *Multiple sources of income* were also critical to movement beyond vulnerability (commonly combining agriculture with salaried employment and / or non-farm business) and these individuals *owned a number of valuable physical assets* (for example, multiple houses, large land holdings, furniture, electronics, bicycles and livestock).

## 5.6 Rural and urban trends

In the 2007 HBS, Nchinga, Ndite and Kayumbe were classified as rural clusters, and Nkangala, Wazabanga and Kalesa as urban clusters. As Table 1 highlights, according to the 2007 HBS, poverty in both rural and urban areas (excluding Dar es Salaam) had been stubborn over the past decade – neither rural nor urban areas had experienced significant change in poverty levels since 1991/92. Our research concluded relatively similarly in terms of socio-economic mobility. When aggregating the well-being ranking results from the rural and urban clusters, we found ‘non-movers’ to be the most common trend. Comparing the poverty status results of rural and urban areas yields interesting results, however. In both rural and urban clusters, in 1999 and 2009, ‘poor’ was the most common classification for

households. For rural clusters, however, in both 1999 and 2009, 'vulnerable but not poor' was the next most common classification. For urban clusters, 'very poor' was the next most common classification. This challenges the HBS findings which highlight higher levels of poverty in rural areas.

Upward mobility trends identified in the life history interviews do indicate some differences between the rural and urban sites, however. In rural areas, agriculture and fish farming is the most common cause of upward mobility, followed by non-farm business, land purchase, house purchase or construction and favourable marriage. Perhaps unsurprisingly, in urban areas non-farm business was the most commonly cited reason for upward mobility. This was followed by salaried employment, agriculture and fish farming, and the purchase or construction of a house.

## 5.7 Intergenerational and age trends

We know that wealth and assets (or lack thereof) are often transferred from one generation to the next (Bird, 2007). On the whole, evidence from this study supports this claim: individuals that were born into poor households tended to remain poor, and individuals that were born into non-poor households tended to remain non-poor. In the case of 'poverty exiters', however, no significant intergenerational trends can be identified by looking at the well-being of the individual at birth and early childhood (as a proxy for the well-being of his or her parents at that point in time). In some cases, individuals that moved out of poverty at one of more points in their life were born into poor households. In others, they were born into non-poor households. This does not mean that more in-depth analysis would not uncover trends amongst this group (for example, when it comes to asset transfer at critical points in the life course, such as marriage). Quite simply (and probably due to the small sample size), it just means that in our sample, 'poverty exiters' were born into households with differing levels of well-being.

A trend can be identified when it comes to age, however: in the vast majority of cases, individuals escaped poverty in their twenties or thirties. This was most often the point in the life course when events, resources and capabilities supported upward mobility. This suggests it is at this age bracket where it is most likely that people will move out of poverty and potentially, where policy interventions could be most effective. It also suggests that moving out of poverty in late adulthood or old age may be more difficult.

## 6 Findings: exploring poverty escape narratives

Exploring the life history narratives of those who experienced improved well-being, or moved out of poverty, illuminates this aggregated analysis and illustrates the combinations of factors that drove upward mobility and poverty escape.

### 6.1 Agriculture and asset accumulation

Analysis of life history interviews revealed that agriculture on its own was not cited as a factor that supported movement out of poverty. It was physical assets, non-farm business, salaried employment and favourable marriage that typically ‘tipped’ people out of poverty. But closer analysis of life history interviews shows that agriculture is a key part of the upward mobility story – in some cases, *because of agriculture*, households were able to accumulate the assets, businesses and employment that moved them out of poverty, and in some instances, gave them security to withstand shocks.

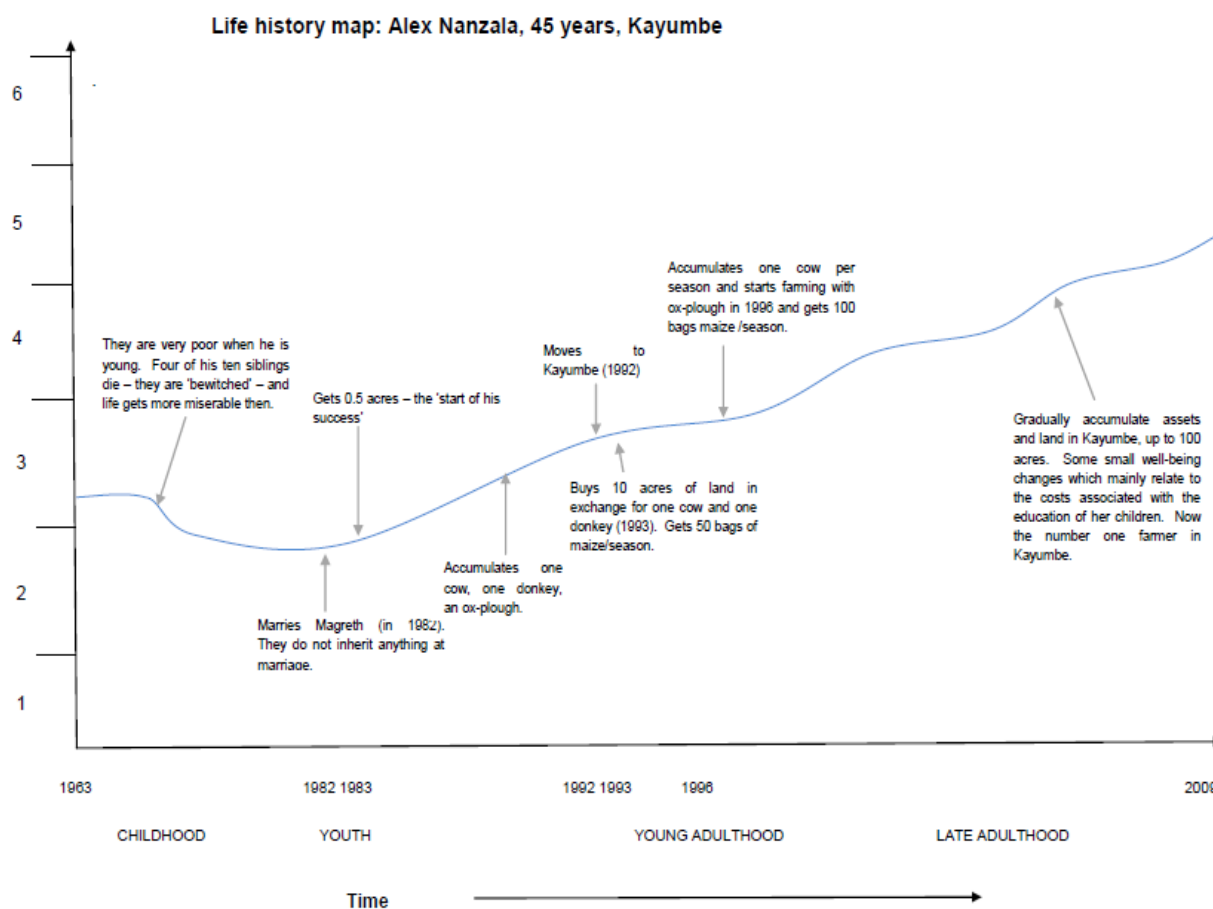
The life history of Alex Nanzala, a 46 year-old farmer from Kayumbe, illustrates how he improved the well-being of his household through the gradual acquisition of physical assets: he moved from owning very little, to now owning 100 acres, eight cattle, two ox-ploughs, a bike and two radios. The accumulation of these assets was not through inheritance, loans, or even dowry, but through sustained agricultural success.

#### Box 1. Alex, 46

After marriage, Alex started farming on 0.5 acres of land. He cultivated onions, tomatoes, maize and beans and through savings he accumulated, he bought one cow and one donkey. He moved to Kayumbe to ‘*experience his own life*’ in 1992, where he sold the cow and donkey and bought ten acres of land. Land was cheap then – he noted it is much more expensive now because of population growth, as well as the migration of Sukuma pastoralists to the area. He was farming maize and ground nuts and every season after harvesting, he bought a cow. He was getting around 50 bags using the hand hoe, but in 1996 he started farming with an ox-plough, and was able to double his yield to 100 bags of maize per harvest. Now, on a good season, he can get 150 to 200 bags of maize, using two ox-ploughs. He sells maize as he needs to – mainly when he needs money to pay costs associated with sending two of his children to secondary school – but he tries to keep stock to sell when he will fetch good prices. A key factor in his agricultural success was that he did not have to buy fertiliser. He considered it too expensive, at around 35 000 or 50 000 TSh per bag and instead used manure from cows (note that few other farmers in Kayumbe do this). While he acknowledged it was hard work to transport the manure, he was convinced it was worth it, and his hard work had made him the best farmer in the village.

*Alex, Kayumbe, Rukwa.*

Figure 2: Life history trajectory for Alex Nanzala, 46 years, Kayumbe



The life history of Fatuma Ntanda, from Nchinga, also sheds light on how agriculture can support the accumulation of physical assets, which in turn helps people move out of poverty. It also highlights how women's access to land can support upward mobility and economic empowerment.

### Box 2. Fatuma, 45

Fatuma was born into a 'vulnerable but not poor' household in 1964. She was married when she was around 16 years old, and gave birth to her first child. But in 1990, her husband divorced her because she was not conceiving a second child. Her well-being fell drastically. Following the divorce, her grandmother gave her two acres of land, and she started farming cashew nuts on the land. She worked hard at farming, and in 2001 was able to build a house of her own. She continued to farm – maize and rice as well as cashew nuts – and in 2007 was able to buy another house. At this point she moved out of poverty and again into the 'vulnerable but not poor category'. She felt her life was better since the divorce – she was able to work hard and buy things she needed, unlike when she was married and had to seek consent from her husband. She had benefited from a credit scheme called the Credit Scheme for Income Generating Activities (CSIGA). She used credit to buy sulphur to spray her cashew nut trees.

*Fatuma, Nchinga, Mtwara*

## 6.2 Combining agriculture and non-farm activities

The analysis of both the well-being rankings and the life history interviews reveals that non-farm livelihoods and opportunities are key drivers of poverty escape. In many cases, these activities were found to be not an exception, but a compliment, to agriculture. As Kessy (2010: 47) notes, in rural contexts in Tanzania, households use non-farm enterprises as a way of tapping the complementarities between the agricultural cycle and household (including non-farm) enterprises. There is inter-dependence between capital sources from the sales of agricultural produce and capital that comes from non-farm enterprises (and vice versa).

The story of Hilari demonstrates how the combination of agriculture and non-farm business supports poverty escape.

### Box 3. Hilari, 41

Hilari's well-being started to improve after he left the family home as a young man. He was producing cotton, and with the profits he built a house, bought a bicycle and paid bride price to marry his wife. Once married, he continued with cotton production, and in 2005, with capital he saved (TSh 1 200 000), he started a shop in Wazabanga village where he sold petrol, diesel and engine oil. This business really helped improve their well-being, and they moved into the 'vulnerable but not poor' category within the community. He had good relationships with richer households, and was able to borrow cash with no interest on the loan. He now found himself in a position where he could lend cash to friends and other traders with no interest. He collaborated with friends and other traders to hire lorries to transport goods from Magu to the larger market at Wazabanga. He offered casual labour work to poor people to work on his farms and could afford to pay for pesticides and fertiliser in cash. He noted that the costs for producing cotton were going up, while the price of cotton was declining. He was able to cope with these price changes because of his petroleum business, which remained successful and profitable.

*Hilari, Wazabanga, Mwanza*

The life history of Zaituni also illustrates how diversified livelihoods support upward mobility.

**Box 4. Zaituni, 38**

At marriage, Zaituni and her husband Hussein owned nothing but one goat. But they had strong social networks, which gave them access to productive activities: Zaituni had access to her mother's farm, and Hussein had access to income generating activities such as casual labouring and selling clothes through his stepfather. Over the last 20 years, they managed to move from being 'poor' to 'resilient'. One reason for this is that Hussein encouraged his wife to keep working: while she is now 'resilient', she continued to sell samosas and textiles, work on their farm and even do some casual labouring (which many women poorer than her would be too proud to do). As well, her husband had good entrepreneurial skills and had been able to move between different livelihoods: as markets fail in one livelihood, he moved to another.

For example, from one goat he bred a herd, which they sold to get capital to open their own second hand clothing business. The profits from the business were used to buy a house and large plot. He took a loan from his step-father, repaid in instalments over five years, which enabled Hussein to buy a cashew farm and later get a loan from a private company, which enabled him to buy a shop and motorbike. When profits failed in his clothing business (as the price of cashew fell, destroying the disposable income of local farmers), Hussein decided to invest in their hitherto unproductive cashew farm. They spent three solid months making it productive and were rewarded with a bumper harvest, which he sold and used to repay a private loan, and purchase a small cassava/maize farm. More recently, Hussein began trading textiles and electronics in Mozambique, where he has relatives. He uses a tractor or trailer to transport his exports. He also imports low priced goods from Mozambique that are very expensive in Newala, such as sugar, soap, oil, and clothing. He also buys US dollars in Mozambique and sells them in Newala town.

*Zaituni, Nkangala, Mtwara*

The experience and decisions of Zaituni and Hussein demonstrates how agriculture and non-farm business were used in a complimentary way to maintain and improve well-being. Jonas's story shows how non-farm business has been central to the improved well-being of his family.



**Box 5. Jonas, 38**

When Jonas was a child, his father was an assistant supervisor for the construction of the Catholic mission and church in Makazi (which is near Kayumbe). He went to school, but finished in standard 7 as he failed to pass the secondary school entrance exam. When he left school, he started gardening sugar cane, carrots and onions with a hand hoe, using skills he had used from agricultural education at school. His business was profitable. After a while, he started learning how to fix radios, and slowed down his farming business to do more with electronics. He was earning enough to dress, eat well and travel to bigger towns when he needed to, and the work was easier than gardening with a hand hoe. After getting some money together, in 1989 he moved to Sumbawanga, a larger town in Rukwa, and started working in an auto workshop. He was not paid – he actually paid the mechanic to train him. He was using savings to pay for the apprenticeship. If he needed more money, his father would sell one of his pigs. After two years, he left, and married in 1990. He did some work as casual labourer for the construction of the health clinic in Kayumbe, and was farming two acres of land that his father had given to him. He was also dealing in bicycles and trading sugar. He did this up to 1998, and during this time, things were difficult. He had started a family and they were not able to save. In 1998, the family migrated to Mbala, Zambia. In Mbala, he continued trading sugar. He also worked in a garage, using the mechanic skills that he had acquired. Life was good there – he was working hard, and the pay was enough to ensure the family was eating three meals a day. He was saving money and exchanging money at the border to make a profit. They returned to Makazi in 2005, as his father retired and called for him. In Makazi, he established a motorcycle shop. He is renting a place for the shop and the business is profitable. He does not have to pay any taxes because he is not selling goods – he is just selling his labour to fix motorcycles. He is optimistic about what the future holds for his business because in Makazi, more people, such as agricultural extension officers and policemen, are acquiring motorbikes. His business brings in between 5000 and 10,000 TSh per day - he takes home 5000 TSh and if he makes more, he pays his helper and buys some spare parts.

*Jonas, Kayumbe, Rukwa*

### 6.3 Salaried employment and education

Salaried employment was identified as a key contributor to upward mobility and poverty escape. In many cases, post-primary education was a pre-requisite for the salaried employment people attained. The narratives in the life history interviews indicated that post-primary education was highly valued, primarily because this level of education may lead to a salaried job.

Khali Makumburi's life history shows how formal education can help improve well-being, and help a person move out of poverty. It also highlights a trend that was observed across a number of life histories – education attainment was in many cases an intergenerational phenomena.

**Box 6. Khali, 38**

During Khali's childhood, his father was a primary school teacher and a farmer, and his mother sometimes sold local brew for additional income. They were a 'poor' household. He finished his primary education in 1977, and became independent. These times were hard. His first business was buying and reselling second hand clothes from missionaries in the village and while the income was enough to survive, it was not enough to acquire assets. He started agricultural college and in 1985, after graduation, he was employed in Ruvuma region. Three years later he went for diploma studies, and was posted to the Newala district in the Mtwara region as the agricultural extension officer. At this time, his salary was low and he had to remit funds home to his father, who was getting old and depended on him. He married in 1992, and after this, his life gradually improved. He was able to buy some assets – a mattress, a radio and a bicycle. He continued with his salaried work and in 2004 he was promoted. He was also selected as the secretary for the food security committee in the district. In 2009, he was selected to be a coordinator for the WISE organisation project, and appointed as the coordinator of a new cassava value chains initiative in the district.

*Khali, Nkangala, Rukwa*

These opportunities led to the gradual improvement in his well-being, and the activities that were 'additional' to his job helped him acquire assets such as a television, music system and satellite dish, as well as care for a number of dependants (for example, his sister died and he had to cover the schooling and upkeep expenses for his three nephews). His education was critical to the upward mobility of his family.

The life history of Dafrosa Liku, a 52 year old woman from Wazabanga, also highlights how formal education, and salaried employment, can support poverty exit.

**Box 7. Dafrosa, 52**

Dafrosa was born into a 'poor' family, and married when she was 18 years old. Around this time, she was elected a TANU Branch Secretary, and started applying for other employment and professional training opportunities. Eventually, in 1977, she was employed as an Assistant Nurse Trainee at a government referral hospital in Mwanza. In 1983 and 1984 she pursued other formal training and became a qualified nurse. This employment proved to be critical in helping her maintain her level of well-being when she left her husband in 1980 – he was drinking too much alcohol and having affairs with other women. She re-married in 1982, and experienced an improvement in well-being because her new husband was better off. Her salaried employment enabled her to access loans, which helped her acquire assets. For example, in 2007, she took a loan of TSh 900 000 from the National Microfinance Bank and used it to start building a fourth house. She felt this access to credit had enabled her to improve her life and one of the reasons she was successful with being awarded loans was because her employer endorsed her loan applications.

*Dafrosa, Wazabanga, Mwanza*

The life histories of Faraji Namande and Ashura Mzee, a married couple from Nchinga, illustrate how salaried employment – as well as agriculture and non-farm business - can help move people out of poverty. Faraji and Ashura only recently moved into the 'vulnerable but not poor category'. The 'tipping point' for them was that Ashura was employed as a volunteer (but salaried) teacher at Nchinga Primary School.

**Box 8. Faraji & Ashura, both 35**

Faraji had previously moved out of poverty – from 1996 to 2000 he was a clerk at Nchinga Primary Cooperative Society, where he bought cashews on behalf of the society. With his income, he bought a bicycle, started a kiosk and paid bride price. This moved him into the ‘vulnerable but not poor’ category. But in 2002, due to a poor season, his kiosk business collapsed and his well-being declined. In 2004 he married Ashura (his first marriage had ended) and they worked together improving their crops and as a result, their well-being. In 2005, they built a bigger house with three rooms. A little later, he bought a bicycle. In 2007, Faraji started her job at Nchinga Primary School. She qualified for this job because she completed form IV at secondary school. As a volunteer teacher, her wages were variable and much less than the qualified teacher. The wages were, however, more than they were earning through agriculture. She has been applying to go to teachers’ college, so she can attain a certificate in education, as this would result in her being employed on permanent and pensionable terms, but she not yet had any success.

*Faraji and Ashura, Nchinga, Mtwara*

The life histories also highlighted how much people valued post-primary education for their children – even if they had not been given educational opportunities themselves. Many people expressed their feelings that the world was changing, and that non-agricultural employment would lead to a better life for their children. For example Hilari Ndasi left school when he was 11 years old. His parents did not go to school at all. Yet he had prioritised education for his children: all of his seven school-aged children were in school, and the eldest had moved on to secondary school, where he was in form 4. In his words:

“What young people should do to improve their life is educate themselves, so that they can use the education for self-employment or salaried employment.”

*Hilari, Wazabanga, Mwanza*

Alex Nanzala and Magreth Machikira felt similarly. They both left school once finishing primary school, and as discussed above, had moved out of poverty through hard work in agriculture and asset accumulation. They had decided to prioritise the education of their children: one child had been to teachers college and was now a primary school teacher, one child was in form 4 at secondary school and the youngest child was in form 3 at secondary school. Magreth noted that the annual cost per student for secondary school was 100,000 TSh – but she felt it was a worthwhile investment. She said:

“I hope by sending my children to secondary school they will not have to be farmers and have the same life we had...they may be able to have a better type of employment.”

*Magreth, Wazabanga, Mwanza*

## 6.4 Favourable marriage

Favourable marriage was identified as a ‘tipping point’ in some cases of poverty escape. Typically, it involved a woman ‘marrying up’ - marrying a man with a better level of well-being. For example Joyce Magembe, from Wazabanga, considered her marriage the reason she moved out of poverty. Joyce had enjoyed a happy childhood, but when she was 14 years

old, her mother passed away. After this, her father re-married and she had a harder life. After she finished primary school, she married. Her husband – who was much better off than her - paid a brideprice of ten cows and five goats, plus 200,000 TSh and he was given two acres of land by his parents at marriage. They worked hard at farming cotton and food crops, and were eventually able to establish a shop.

Mwandaidi Halidi, from Nchinga, also considered a favourable marriage as a key factor in her move out of poverty. She was first married when she was 13 years old, and during this marriage she was 'poor'. In 1980, her and her husband divorced – he was drinking and he didn't buy her new clothes when she bore a third child. She recounted, *'I was so angry that I left him because that was a sign that he was tired of me.'* She married again in 1982, and experienced a vast improvement in her well-being. Her new husband was much better off, and they worked together growing cashew nut, enjoying great agricultural success and food security to a point in which she was 'resilient'.

## 7 Conclusion and policy implications

This paper has examined a longitudinal qualitative data set from six research sites in mainland Tanzania to understand why and how people experience upward mobility and move out of poverty. While our evidence – and the evidence of others – suggests that many people are stuck in poverty in Tanzania, there are cases of households experiencing upward socio-economic mobility in recent decades. There are also cases (though fewer) of households who have managed to escape poverty.

What can we learn from these cases of success? We learn that agriculture is a key factor in supporting upward mobility in mainland Tanzania. This is unsurprising; given agriculture is the primary livelihood for most Tanzanians. But critically, we find it is non-farm businesses, the accumulation of physical assets (such as land and housing), salaried employment and favourable marriage - some of which agriculture plays a role in supporting - which are most effective at moving people out of poverty. When it comes to moving beyond vulnerability, these findings hold. Those that manage to move beyond vulnerability often have multiple sources of income and own a number of valuable physical assets.

What are the broad policy implications of this? What could be done to support more households to escape poverty?

**Agricultural development should remain a priority:** The majority of poor people in Tanzania are farmers, and supporting agricultural growth - as articulated in Tanzania's 'Kilimo Kwanza', or 'Agriculture First' strategy - should remain a priority. As Mashindano *et al.* (2011) suggest, there is an urgent need to develop and implement effective agriculture programmes, which support and transform smallholder agriculture and increase agricultural growth. But as Shepherd (2011) highlights, output markets are critical and improvements here could potentially have a bigger impact. Local purchase and storage schemes, for example, would help moderate seasonable fluctuations, as well as support local food security by reducing food price inflation.

**Rural industrialisation requires greater attention:** Rural industrialisation would support business and employment growth through local, domestic and foreign investment. This requires infrastructure investment, particularly in roads, transport and energy (low levels of electrification are a significant constraint for businesses in rural Tanzania). This is in line with the recommendations of Ellis (2009), who has argued that promoting non-farm employment and sustainable urban growth is a more sound option than promoting a 'green revolution' in the liberalised agricultural market context of sub-Saharan Africa.

**Promote asset accumulation:** Asset accumulation – particularly the accumulation of land – is central to the poverty escape story in rural Tanzania. Policy needs to support this accumulation processes, by ensuring people can access land, as well as ensuring equitable distribution. The interests of the poor need to be protected. The interests of women also need high consideration – and life histories featured in the paper have highlighted how land access and ownership can support women’s upward mobility. As da Corta and Magongo (2011) highlight, women remain significantly disadvantaged when it comes to land access and ownership – the result of entrenched customary law practices and cultural norms around asset ownership. While women have rights under the 1999 Land Policy, awareness among women, the judiciary and local leaders remains low.

**Support business development:** Policies need to facilitate and support, rather than impede, entrepreneurship and business development needs. Programmes that enhance the marketing and business skills of micro-entrepreneurs should be encouraged.

**Promote access to credit:** Loans – from family or social networks or through institutions such as credit societies and banks – play a role in enabling people to enhance productivity, both in agriculture and non-farm business. But taking a loan was viewed by many as a source of significant risk, and as a result people were reluctant to borrow. Improving financial literacy, and reducing risk associated with loans, may increase demand for credit, and support agricultural and business expansion. Shepherd (2011) proposes adding a small premium to insure against defaulting may be one way to address this, if the costs can be spread widely enough.

**Support secondary and vocational education:** Post-primary education is considered by many as the key to a salaried job – which as our evidence suggests can be a route out of poverty. As life histories featured in this paper show, upwardly mobile families are prioritising the post-primary education of their children – and hope that their children won’t have to struggle as farmers. But this is an unattainable option for most poor households. Finding ways to increase access to secondary and vocational education – through bursaries, lowered fees and more schools (which would lower transport and accommodation costs) would in the short term increase access to post-primary education.

**Protect assets against shocks:** Central to upward mobility is *acquiring assets*. But as Kessy and Tarmo (2011) note, *protecting assets* against shocks is also critical - and failure to do so can result in fast and detrimental downward mobility. Social transfers have been flagged by Shepherd (2011) as a policy option for helping people smooth consumption during shocks, as well as promote livelihood development by enabling people to preserve assets and take investment risks. Some pilot programmes are in operation, and a draft National Social Protection Framework was established in 2009.

Resources to respond to these broad recommendations are of course limited, and institutional constraints hamper the effectiveness of existing policies in these areas. But our research does – through systematic analysis of our qualitative data set - point to factors that support upward mobility and poverty escape. Corresponding policy areas can and should continue to be identified, explored and acted upon.

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### **The Chronic Poverty Research Centre**

(CPRC) is an international partnership of universities, research institutes and NGOs, with the central aim of creating knowledge that contributes to both the speed and quality of poverty reduction, and a focus on assisting those who are trapped in poverty, particularly in sub-Saharan Africa and South Asia.

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