# Rural Livelihood Structure and Poverty in Tanzania: A Case Study of Mkinga District, Tanga Region

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**Abstract**

This paper explores factors that have linkage between livelihood structure and poverty in Mkinga District, Tanga region. The study uses the data of household heads from selected study area. Chi square test were used to assess the associations of the factors that have significant linkage between poverty and livelihood structure. The results indicates that gender of household heads, marital status, access to finance, dependency ratio and household size were significant factors. Furthermore, rural livelihoods should not be viewed as being directly tied to agriculture and access to land and the solution to rural poverty should not solely be associated with the invigoration of agriculture and the redistribution of land. Instead, it should be viewed in light of a wider conception of access to a range of resources which rural people require to make a living.

**Keywords**: livelihood structure, poverty, inequality, Mkinga district

## 1.0  Introduction

Poverty in most of sub-Saharan African countries is high and on an increase especially in rural areas where majority of people reside. The poverty epidemic is mostly severe in sub-Saharan region and south Asia although its economic growth is huge. Table 1-1 shows the number of poor and poverty rate in East Asia, Europe and central Asia, Latin America and Caribbean, Middle East and North Africa, South Asia and Sub-Saharan Africa from 2005 to 2015.

**Table: 1-1 Distributions of Poor and Poverty Rate in Different Regions from 2005-2015**

|  | No. of Poor (millions) | | | Poverty rate (% population) | | |
|---|---|---|---|---|---|---|
|  | **2005** | **2010** | **2015** | **2005** | **2010** | **2015** |
| East Asia | 304.5 | 140.4 | 53.4 | 16.8% | 7.4% | 2.7% |
| Europe & Central Asia | 16.0 | 8.4 | 4.3 | 3.4% | 1.8% | 0.9% |
| Latin America & Caribbean | 45.0 | 35.0 | 27.3 | 8.4% | 6.2% | 4.5% |
| Middle East and North Africa | 9.4 | 6.7 | 5.4 | 3.8% | 2.5% | 1.9% |
| South Asia | 583.4 | 317.9 | 145.2 | 40.2% | 20.3% | 8.7% |
| Sub Saharan Africa | 379.5 | 369.9 | 349.9 | 54.5% | 46.9% | 39.3% |
| World | 1337.8 | 878.2 | 585.5 | 25.7% | 15.8% | 9.9% |

Source: adopted from (Chandy et al., 2011)

Despite the inspiring economic growth, more than five decades after independence in 1961, Tanzania has been fighting poverty as among the key issues the country needs improvement. In pursuit of this, a number of government programmes, strategies, and projects towards addressing the problem have been put in place, although the country still remains poor with about 84.1% of rural population living below poverty line (both food and basic need poverty line). The significant hope in enhancement of rural livelihood in the future remains low (Ayalneh *et al.*, 2005). Among the challenges which were identified are internal and external shocks such as the war against Uganda to reclaim North-West part of the country (Kagera Region), population growth of around 3% per year, corruptions, poor governance and income inequality in the country (Fleurent, 1980; Li *et al.*, 2012). High population increase creates another challenge for economies to create enough jobs and food sustainability in order to lift many people out of poverty (Malik 2003; Kigadye et al 2008; Li et al., 2012).Available evidences point to the weak redistributive aspect of growth, especially the weak connection with rural areas where the majority of the population resides.

Tanzania's economic growth has not significantly impacted on poverty although in 2000 and 2007 the national headcount decreases by 2.1% (Hoogeveen, 2009). Ali et al., 2007 pointed out that, economic growth does not guarantee all people an equal benefit, since growth itself is not sufficient for poverty reduction. That means if poor or marginalized people are left behind, it will result to rise in income inequality (Ali et al., 2007). High and increasing levels of inequality can reduce the effect on poverty reduction at a given rate of growth. Therefore, inequality has implications for social cohesion and political stability needed for sustainable growth. A number of studies show the increase of inequality in the world income distribution (Fleurent, 1980; Liu, 2006; Anwar, 2007; Tamai, 2009; Cai, 2010; Clark, 2011). It is significant to discuss about inequality because it is useful in measuring poverty and also affect the growth and poverty alleviation in the future (Nissanke et al., 2010). According to 2007 Household Budget Survey (HBS), the basic needs poverty ratio was 33%, representing

only a modest decline of 35% in the 2000/01 HBS. The percentage of population below the food poverty line and the basic need poverty line declined from 22% to 9.7% and 39% to 28.2% from 1991/92 to 2011/12 respectively. Income inequality appears to have remained unchanged as reflected in the Gini Coefficients. The low income and poverty continue to be a critical economic problem for Tanzania especially to rural dwellers. Therefore, it can be concluded that poverty is huge and continues to increase especially in rural areas where majority of population reside (Minot, 2006; Aikaeli, 2010). It is evident that malnutrition, deteriorating health and education sectors, unemployment, increase in criminal cases, increase in external and internal debt, food insecurity due to poor agricultural performance, environmental degradation and vulnerability to diseases such as malaria and HIV/AIDs substantiate extreme poverty in the country ((Poss, 1996; Nchimbu 2005; Salami et al., 2010; Boboye et al., 2012).

Hence, the question that remains unanswered is why then poverty is still a major issue to most people especially to those residing in rural areas despite of an annual government budget on development expenditure that focuses on poverty reduction. It is evident that, little is documented on specific key issues related to poverty in rural areas of Tanzania (Aikaeli, 2010). Therefore this study aimed at understanding the livelihood structure of the rural family and its impact on poverty. Categorization of poor from non-poor with their characteristics associated with such poverty is deemed useful in refining the understanding of the causes of poverty which is essential for designing more effective policy interventions.
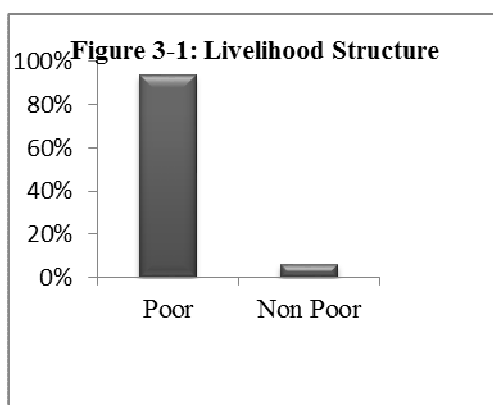
## 2.0 Materials and Methods

A multi stage sampling technique was used for respondents and study area selection. Firstly, purposive sampling technique was employed to select Mkinga district as study area to represent rural livelihood and poverty. Regardless of its strategic location compared to other districts of Tanga region, the district has comparative advantages of big land acreage and water bodies suitable for multi functional livelihood activities. In addition to that, the district is a spring board to the island of Unguja and Pemba as well as a strategic bridge between the coast line of Tanzania and Kenya through the highway and Indian Ocean. Surprisingly the area is poor and underdeveloped with majority of people depending on small scale fishing; trade in fishing and farming as their major source of income, food security and employment. For the purpose of this study random sampling technique was also employed to select 212 household as respondents from two villages in the Moa ward, namely Moa and Zingibari. If the household head was not available, his spouse was interviewed. However, 210 respondents were willing to be interviewed. Chi- Square ($x^2$) test method was used to analyze and examine the variables which were assumed to have a linkage between livelihood structure and poverty. Thus, poverty was assumed to be influenced by age, gender, marital status, education, land size, economic activities, farm ownership, dependency ratio and access to finance.

## 3.0 Results and Discussions
### 3.1 Livelihood Structure and Poverty

After calculating the poverty line, see (Yusuf et al., 2015), researcher identified the structure of poverty status as given in Fig 3-1. This approach intends to explain the characteristics of poor, and non poor. The structure status categorizes non poor as 6% while poor were 94%. Figure 3-1 shows the livelihood structures of the selected area.



Figure 3-1: Livelihood Structure

## 3.2 Results from Chi- Square ($x^2$) test

Table 3.1 shows the degree of significance of association between livelihood structure and poverty in the study area. The results from the table indicate that livelihood structure has positive and significant effects to the five parameters for measuring poverty in the study area as follows:

Gender: Evidence from study area indicates that out of 168 poor household heads, 77% were male and

23% were female, of which all households headed by female were poor. This implies that gender consideration is important for prospective socio-economic interventions because women have been marginalized or ignored in planning and decision making by both institutional framework and culture (Ingen et al., 2002; Mangora et al., 2012). Therefore, gender has a positive and significant effect on poverty in the study area, and that a house headed by a male will increase the probability of being non poor. From most of Tanzanian culture perspectives, men are predominantly been the household head regardless of urban or rural areas, this is because men have more opportunities than women in accessing and utilizing the available resources. Similar results were reported in Nigeria, by Apata *et al.* (2010). They observed that, gender gap in accessing resources in Africa lead to static inefficiency and also reduce possibility of efficient investments in new technologies. Furthermore, women continue to be disadvantaged in Mkinga because almost in all houses visited women were available at their homes or engaging in small business near their home while men were normally working far from their homes; hence empowering women will be essential for rural livelihood improvement.

Marital status: Results from the study area revealed that, marital status of the households influences his/her livelihood structure to be poor or non poor. The situation might be influenced by common traditional norms and believes of most coastal areas residence, that women especially the married have few opportunities outside their home because men are perceived to be the main providers of household consumables. In focus group discussions, women were very active in contributing on how polygamy was among the factor in contributing poverty in the area. This is because, if a man has more than one wife, he is responsible to divide the income of the household equally among the wives. In fact, the household head is unable to share the income equally as he receives very little. The situation implies that, there is a positive and significant relationship between marital status and poverty in the study area. Indicating that, the more a man increases the number of wives the higher the probability of being poor, since the husband will be the main provider of his families.

In connection to the above point, Rumbewas, 2005 supported this view in his study done in three villages in Papua. He argued that, the view seemed to be accepted as it has an association with poverty occurring in certain villages. This phenomenon normally happens when customs or religion was denied and the people acted free. The rate of divorce is also high among the marriage in the study area, the women find themselves with the burden of taking care of the children without proper support from their ex husbands. This situation makes women in the area more vulnerable to poverty than men.

The results from the study shows that, more than 50% had no access of borrowing money from either financial institutions or even from neighbors. According to financial capital theory, access to finance services facilitates households' improvements in productive base. Therefore, in this context access to finance is perceived as enhancing increase and diversification in income that make less risk through food security increase, housing condition, health, water and sanitation. This result also implies that, there is positive relationship between access to finance and poverty in the study area. Therefore, an access of household to the financial institution might influence his or her possibility of being non poor. Although the study area is about ±25 km to the district head quarter and 45 km to Tanga city where a number of financial institutions such as banks and SACCOSS are situated, majority of people do not have access or willing to acquire loan because majority avoid interest charges as it is restricted in Islamic religion. Furthermore, Dupas et al., (2012) in his study observed that, cultural aspects in poor developing countries like Tanzania is significant in making decision to borrow and usage of the loan. Therefore, culture of an individual involves many questions and discussions in the micro loan debate.

In connection to the above paragraph, informal credit rotation in rural and urban areas in many developing countries is very common as explained by John (2001). In his discussion he identifies different names of informal rotating credit in different countries such as Dyanggy (Cameroon), Chilemba (Uganda), Cheetu (Srilanka) and Upatu (Tanzania). These associations play a big role in providing capital and savings to its members. For example, on weekly or monthly basis, a member can collect up to $25 depending on the agreements between members and spend according to her/his needs.

Dependency ratio: Results from the study indicates that there was also positive association between dependency ratio and poverty in the selected area. According to the Law of the child Act, (2009) No. 21 part II section 4 (I) of Tanzania, people aged below 18 are regarded as minor. The 60 years are the compulsory retirement age for formal employed workers. This might indicate that many households have more people in their families who are not at the level of contributing to the family.

Household size: The result shows a positive association between household size and poverty in the selected area. 63% of the poor respondents, household sizes range from 5 to 8 members with average members of 7. According to Tanzania Population census conducted by NBS in 2012 this number is higher than the national average household size of 4.4. The more the household members the higher the labor force to the family and vice versa. On the other hand, if the household size is high, and the labor force is low, there is a tendency of household to be poor. Statistically the 1% decrease in the household labor force could automatically decrease the household per capital income. Therefore, poverty in households is possible to occur when the number of income earners is less than the number of family members.

**Table 3.1 Chi-square Data Output Showing the Linkage between Variables of Rural Livelihood Structure and Poverty in the Study Area**

| Variable | $x^2$ Value | Df | Asymp. Sig. (2-sided) |
|---|---|---|---|
| Economic activity | 8.299 | 10 | 0.600 |
| Age | 4.659 | 6 | 0.588 |
| Gender | 5.400 | 2 | 0.067* |
| Marital status | 13.515 | 6 | 0.036* |
| Education | 1.771 | 4 | 0.778 |
| Access to finance/borrowing | 8.833 | 2 | 0.012* |
| Dependency ratio | 79.608 | 54 | 0.013* |
| House hold size | 17.297 | 4 | 0.002* |
| Farm ownership | 0.711 | 2 | 0.701 |
| Land size | 6.238 | 4 | 0.182 |

Source: field data 2014

## 4.0 Conclusions and Recommendations

While addressing the poverty in the country, the issue of integrated approach which recognizes the peoples to take control of their own destinies and policies together with non corrupt government is important. Hence, poverty can be fought by having strong institutions and equitable means of sharing available resources. Although, Chi square results negated the expected results of economic activities to either contribute or have linkage to poverty among the households, occupation of household has a direct bearing on the poverty and general livelihood of the people. Therefore, considerable potential for diversification strategy on rural livelihood transformation cannot be disputed in order to enhance livelihood of rural poor community. Finally, political commitments to include social economic development is needed to advocate efforts of reducing poverty because available evidences point to the weak redistributive aspect of growth, especially the weak linkages with rural areas where the majority of the population lives.

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