

Pelizzo, Riccardo; Katera, Lucas; Mwombela, Stephen; Olan'g, Lulu

Working Paper

Poverty and development in Tanzania

AGDI Working Paper, No. WP/18/011

Provided in Cooperation with:

African Governance and Development Institute (AGDI), Yaoundé, Cameroon

Suggested Citation: Pelizzo, Riccardo; Katera, Lucas; Mwombela, Stephen; Olan'g, Lulu (2018) : Poverty and development in Tanzania, AGDI Working Paper, No. WP/18/011, African Governance and Development Institute (AGDI), Yaoundé

This Version is available at:

<https://hdl.handle.net/10419/191334>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

A G D I Working Paper

WP/18/011

Poverty and development in Tanzania

Forthcoming:

Riccardo Pelizzo

Graduate School of Public Policy;
Nazarbayev University, Astana, Kazakhstan
E-mail: Riccardo.pelizzo@nu.edu.kz

Lucas Katera

REPOA University of Dar Es Salaam,
Dar Es Salaam, Tanzania
E-mail: katera@repoa.or.tz

Stephen Mwombela

REPOA University of Dar Es Salaam,
Dar Es Salaam, Tanzania
E-mail: smwombela@repoa.or.tz

Lulu Olan'g

REPOA University of Dar Es Salaam,
Dar Es Salaam, Tanzania
E-mail: lulu@repoa.or.tz

Research Department

Poverty and development in Tanzania

Riccardo Pelizzo, Lucas Katera, Stephen Mwombela, Lulu Olan'g.¹

March 2018

Abstract

The paper investigates the relationship between development, as measured by the GNI per capita and lived poverty in Tanzania which is measured on the basis of whether and how often respondents go, in the course of one year, without food, water, medical care, cooking fuel and cash income. By using the data collected by Afrobarometer in Tanzania, we are able to create one set of indicators that capture the extension of lived poverty, that is what percentage of the respondents, experiences deprivation, but we also develop a series of indicators that capture the severity of lived poverty, that is how frequently respondents experience this problem. Our statistical analyses reveal that while Tanzanian progress along the developmental path did not have a significant impact on the extension of lived poverty, it made a large and significant contribution to reduce its severity.

JEL Classification: O40; O57; I10; I20; I32

Keywords: poverty, lived poverty, Afrobarometer, development, inequality, Tanzania

1.Introduction

Economic growth, especially when it is sustained for several years, is believed to yield developmental dividends. Sustained strong growth experienced, defined as those periods in which GDP growth has a five-year moving average of at least 3.5 per cent for at least 10 years

¹ Riccardo Pelizzo is an Associate Professor in the Graduate School of Public Policy of Nazarbayev University, Lucas Katera is the Director of Commissioned Works at REPOA, Lulu Olan'g and Stephen Mwombela are Researchers at REPOA.

(Berthélemy, and Söderling, 2001; Arrighi, 2002) are expected to promote socio-economic development and to contribute to poverty reduction.

In the light of this assumption, several studies have attempted to understand how the development of the tourism industry (Goodwin, 2008; Pelizzo and Kinyondo, 2017; Pelizzo and Kinyondo, 2018), the development of the mining sector (Akabzaa, 2009), the development of agriculture (Sarris, 2001), the development of the financial sector (Jalilian and Kirkpatrick, 2002; Tchamyou and Asongu, 2017), the development of telecommunication infrastructures (Roller and Waverman, 2001; Andres et al., 2015; Amavilah et al., 2017; Tchamyou, 2017; Asongu and Tchamyou, 2018), the use of mobile phones (Aker and Mbiti, 2010; Asongu and Nwachukwu, 2016) and women empowerment (Duflo, 2012; Efobi et al., 2018) have contributed to economic growth and development.

In the case of Tanzania, however, the relationship between the development of each of these economic sector, the overall economic performance of the country as measured by GDP growth, its socio-economic development and its ability to curb poverty has proven to be more complex and problematic. The problem, in the Tanzania case, arises from the fact that while the development of (some of) these economic sectors does indeed contribute to GDP, GDP growth, socio-economic development however measured, the impact on the level of poverty is mixed or unclear as it depends on how poverty is actually understood.

Kinyondo and Pelizzo (2018), in a recent study, showed that economic growth did lead to the creation of employment and wealth, to socio-economic development, but it reduced poverty in absolute terms, that is in terms of the number of people who are below the poverty line, but it did not reduce poverty in relative terms, that is in terms of how the purchasing power of the bottom twenty percent of the Tanzanian society improves relative to the purchasing power of the rest of Tanzanian society.

We believe that the puzzle identified by Kinyondo and Pelizzo (2018) is worth investigating and, in the course of this paper, we decided to do so by focusing on how Tanzania's socio-economic development relates to what the scholars and the analysts of Afrobarometer define as 'lived poverty'.

We do so because, as Babones, Moussa and Suter (2016) observed in a rather influential article, the poverty thresholds or the poverty lines that are customarily used to assess how many people in a country live above or below such line have little to no conceptual basis and are rather inappropriate to assess poverty as ‘relative deprivation’ which is what Kinyondo and Pelizzo (2018) detected in the Tanzanian case. Hence, to avoid the methodological problems and shortcoming that Babones, Moussa and Suter (2016) denounced in their study, we decided to rely on lived poverty which is measured on the basis of whether and how often respondents go, in the course of one year, without food, water, medical care, cooking fuel and cash income. By using the data collected by Afrobarometer in Tanzania, we are able to create one set of indicators that capture the extension of lived poverty, that is what percentage of the respondents, experiences deprivation, but we also develop a series of indicators that capture the severity of lived poverty, that is how frequently respondents experience this problem. Our statistical analyses reveal that while Tanzanian progress along the developmental path did not have a significant impact on the extension of lived poverty, it made a large and significant contribution to reduce its severity.

The organization of the paper is fairly straightforward. In the first section we provide an overview of the literature on poverty paying particular attention to what scholars had to say about poverty in Tanzania. In the second, we present the data on poverty from various sources (World Bank, Government of Tanzania, Afrobarometer), we estimate the extension and the severity of lived poverty in Tanzania in the 2002-2015 period, and we report the results of our analyses. In doing so we underline that socio-economic development does reduce poverty whose severity, which is a function of systemic conditions, is reduced as a country develops while we note, as we discuss at greater length in the third section, that the extension of poverty in addition to being caused by systemic and structural conditions is also a function of other, highly contextual, factors. Building on our analyses and on the discussion of our findings, in the conclusive section we draw some conclusions and we formulate some recommendations as to how the study of poverty could develop in Tanzania but also how the government and the international community can deploy more effective poverty-reduction policies and strategies in Tanzania.

2.Literature review of poverty especially in Tanzania

Poverty has extensively been investigated, and studies on poverty have generally fallen into one of the following three categories: a first group of studies have been concerned with the conceptualization of poverty (Sen, 1981); a second group of studies focused instead on how poverty could be operationalized and measured (Alkire and Foster, 2011), while a third set of studies has attempted to map poverty, to understand its causes, and to identify policy solutions that could contribute to poverty alleviation (Lipton and Ravallion, 1995).

Scholars working along the first line of inquiry have proposed different ways in which poverty could be conceptualized. For some, like Tiffen (2003), poverty refers to income poverty. For others poverty has been associated with monetary constrains, lack of rights and lack of access to public goods. The fact that poverty can be conceptualized in so many different ways makes it clear that it cannot be simply reduced to a very low income and that it is potentially a multi-dimensional phenomenon. But while some scholars have, in recent years, underlined the multi-dimensional nature of poverty, this multidimensionality has variously understood. For some scholars poverty is a multidimensional phenomenon because it is a manifestation of collective ‘structures of constraint’ which make it difficult for poor households to meet their needs and gain access to collective provisions of services (Baud et al. 2007). Other scholars, however, such as Sen (1981), have suggested that the reason why poverty is a multi-dimensional phenomenon because, to some extent, it has to do with material deprivation, but it has also, to some considerable extent, has to do with the violation of people’s “entitlements”.

The plurality of voices, issues and themes that characterized the study of poverty in the global debates also resonated in the Tanzanian context where scholars have, over the years, focused on how poverty could be measured Narayan (1997), how much poverty there is (HBS 2012, THDR 2014) and where, why there is poverty (Biermann and Moshi, 1997) and on what could be done to reduce it (Bagachwa,1994).

With regard to how poverty could be measured, the literature has advocated using either quantitative or qualitative methods

A World Bank study (World bank 1991) equated poverty with the inability to afford food and went on to rank the various regions. While in recent years new efforts have been made to map

poverty in Tanzania and see how it varies across the various regions, the idea of assessing poverty in terms of the inability to afford food was preserved. The Government of Tanzania, in several of its Household budget surveys, continues to measure poverty also in these terms.

While survey data, such as the ones on food poverty, can provide some valuable information on poverty, some scholars have emphasized that to develop a proper understanding of poverty in Tanzania it is necessary to go beyond quantitative and survey data and gather additional insight into poverty in Tanzania by conducting in depth qualitative analyses. This point has been most forcefully advanced by Campenhout (2006) who noted that while survey and quantitative analyses fail to detect it, the number of women in a household is generally an asset that can contribute to reducing poverty.

Given the plurality of voices in this methodological debate as to how poverty could be measured, it is not surprising that several metrics are employed to measure poverty over time and space. Both World Bank's poverty indicators and the data collected by the Government of Tanzania and presented in its various Household Budget Surveys provide an indication of how poverty varies over time. But considerable attention has also been paid to the spatial dimension of poverty which refers to both the cross -regional variation and the variation across urban and rural settings.

Attention has also been paid to why there is poverty and studies focusing on this question have generally noted that poverty is the result of complex, long-term (Acemoglu, 2003; Arrighi, 1994; Arrighi, 2001; North and Thomas, 1970; Wallerstein, 2015) and short-term conditions (Simler, 2010) which include the pace of economic growth (Arrighi, 2002), whether growth is pro-poor or not ().

Last but not least, a fourth line of inquiry has sought to advance our understanding of what could be done to reduce poverty in Tanzania and, in doing so, particular attention, in the Tanzanian context, where the majority of the population lives in rural areas, was devoted to studying rural poverty. Ellis and Mdoe (2003) analysed the impact of asset accumulation on the livelihood of rural population, Osberg and Bandara (2012) noted that without improvements in productivity the slow growth in the agricultural sector may fail to contribute to poverty reduction, Mueller noted that the, in itself exploitive, "kibarua" labor contributes to poverty alleviation, while

REPOA (2018) administered two surveys to investigate how the government-managed cash transfer programs in rural settings contribute to both empowering women and reducing poverty—thus suggesting that by empowering women, households make better economic/financial decisions, and this, in turn, could contribute to alleviating poverty.

While the studies on rural poverty have lamented that the growth of the agricultural sector does not translate, automatically, into poverty reduction, some recent analyses (Kinyondo and Pelizzo, 2018) of the growth-employment-poverty nexus have noted that economic growth, that is GDP growth, creates employment opportunity, reduces poverty in absolute terms (that is, in the number of individuals who could be regarded as poor either on the basis of World Bank estimates or on the basis of the estimates generated by the Government of Tanzania), but not in relative terms as the purchasing power of the lower segment of the population has decreased relative to the purchasing power of the rest of the Tanzanian population. In other words, growth raised the income per capita, it ensured a larger number of individuals would be above the poverty line however measured, but it failed to reduce the income inequality in the country—which means that the poor have not benefited from Tanzania’s economic growth as much as those who are or were already better off.²

In the remainder of this paper, instead of focusing on poverty in absolute terms as reflected by the number of people living below the poverty line or on poverty in relative terms as reflected by the purchasing power of bottom twenty per cent of the Tanzanian population, we will try to get a new insight on the relationship between growth or rather development and lived poverty. In doing so, we will consider two aspects of lived poverty -its extension and its severity- and we will explore how each of these two facets is related to and possibly affected by Tanzania’s progress along the developmental path.

² There are two ways in which this paradoxical outcome could be explained. First, wealth needs to be created before it can be redistributed, hence Tanzania may have to experience strong economic growth for several more years, to reach the developmental stage in which it can successfully and equitably redistribute the wealth it created. Second, growth failed to curb poverty in relative terms or inequality because it was not pro-poor.

While the evidence at our disposal does not allow us to say which of these two explanation is correct, it is clear that they have very different policy implications. If the first explanation is correct, what Tanzania needs is more growth and more development regardless of what the main driver of growth may be. If the second explanation is correct, the policy implications are very different, for one would have to conclude that not only Tanzania needs more growth but that the growth must be more pro-poor than it has been for the past fifteen years.

3.Data analysis

Given the wide range of studies that has attempted to understand the causes and the correlates of poverty, considerable attention has been paid to operationalizing and measuring poverty.

The World Bank' World Development Indicators database provides considerable information on poverty in Tanzania. We focus on three alternative measures of poverty, namely the poverty headcount ration at 1.90 dollars a day (2011 PPP) as percentage of the populations, the poverty headcount ratio at national poverty lines (% of the population) and the poverty gap at 3.20 dollars a day (2011 PPP), measured as percentage of the population. The data are presented in Table 1.

Table 1. Poverty in Tanzania

Year	the poverty headcount ration at 1.90 dollars a day (2011 PPP)-5 population	the poverty headcount ratio at national poverty lines - % of the population	poverty gap at 3.20 dollars a day (2011 PPP)-% of population
1999			22.3
2002			20.3
2005	86		16.9
2007	55.1		
2008			14.9
2010			13.4
2011	49.1	28.2	12.1
2013			9.9

Source: World Bank, World Development Indicators

The government of the United Republic of Tanzania also tracks poverty in the county. The Tanzanian National Bureau of Statistics, for example, in Household Budget Surveys, tracks poverty by assessing Tanzanians' basic needs and food poverty). See Table 2.

Table. 2 Poverty trends in Tanzania (% below poverty based on national poverty line)

Poverty line	1991/92	2000/01	2007	2011/12
Basic needs	38.6	35.7	34.4	28.2
Food poverty	21.6	18.7	16.6	9.7

Source: URT, Household Budget Surveys, several years

These data are rather interesting because they show, consistently, that no matter how one measures poverty, poverty in Tanzania has declined. And the fact that these sets of data display a consistent trend provides a clear indication of the fact that these data series cross-validate one another.

Interesting as these data may be, they only provide an indication of the percentage of Tanzanians who are affected by poverty, or who are poor, but they provide little to no indication of the severity of the poverty that these individuals may actually experience.

The Afrobarometer, a pan-African, non-partisan research network that conducts public attitude surveys on democracy, governance, economic conditions, among others in several African countries including Tanzania has collected information on lived poverty. There have been six rounds of surveys conducted in up to 37 countries between 1999 and 2016. The latest round (Round 7) of surveys are still being finalized in some countries (the round began 2016 and is expected to be concluded this year). Afrobarometer's methodology is conducting face-to-face interviews in the language of the respondent's choice with nationally representative samples.

In Tanzania Round 7 was conducted in May 2017, where by 2,400 adult Tanzanians were interviewed, that sample size yields country-level results with a margin of error of +/-2 at a 95% confidence level. Fortunately, Tanzania has been involved in all seven rounds of the Afrobarometer, previous surveys were conducted in Tanzania in 2001, 2003, 2005, 2008, 2012, and 2014 which provides for rich reservoir of information.

This information allows one to assess not only the extension but also the severity of poverty. Respondents are in fact asked to report whether and how often they went without food, water, medical care, cooking fuel and cash income. The percentage of respondents who went, at least once, without food, water, medical care, cooking fuel and cash income provides an indication of how widespread poverty is in the country. But the Afrobarometer data can also be used to assess the severity of poverty.

Respondents were in fact to indicate how often they went without food, water, etc. The frequency with which they experienced such deprivation provides an indication of the severity of their lived poverty. To measure the severity of poverty we created a 4-point scale that takes value 1 when the deprivation was experienced only once or twice, 2 when it was experienced several

times, 3 when it was experienced many times and 4 when it experienced all the times/always. By computing the average response we estimate the severity of lived poverty along each of these dimensions and over time since the Afrobarometer data, in this regard, were collected in 2002-03, 2005-06, 2008-09, 2011-13 and in 2014-15.

A possible objection to disaggregating the extension of poverty from its severity is that, the two dimensions may not be independent from one another. If this were, in fact, the case, the correlation analysis should yield strong, positive and statistically significant coefficients because if the two dimensions of poverty are related to one another, as one increases, the other increases accordingly. Yet, our correlation analyses indicate that the extension of poverty is not related, in a systematic way, to its severity. All the correlation coefficients are statistically insignificant, in some cases (food, medical care) are fairly weak, and in one case (cooking fuel) are negative.

Table 3. correlations. Extension and intensity of poverty (sig.)

		food	water	extension Medical care	Cooking fuel	Cash income
	Food	.113 (.856)				
	Water		.408 (.495)			
Severity	Medical care			.048 (.939)		
	Cooking fuel				-.462 (.434)	
	Cash income					.382 (.526)

What do the Afrobarometer data tell us? They tell us that Tanzanians are more likely to go without cash income than going without cooking fuel, that lived poverty increased from 2002-03 to 2011-13, that it declined in 2014-15 and yet remained somewhat higher than it had been in in the 2002-03 period in spite of the fact that the Gross National Income (GNI) per capita, from 2002 to 2014, had increased from 310 to 920 US dollars.

Table 4. Percentage of Tanzanians experiencing lived poverty

Gone without	2002-03	2005-06	2008-09	2011-13	2014-15
Food	44.4	53	53.48	55.25	40.6
Water	48.4	62.2	54.76	62	49.4
Medical care	54	56	55.1	71.4	56.8
Cooking fuel	30.7	32.2	39.2	41.5	34.8
Cash income	75.3	84.3	85	88.9	81.6
Average	50.56	57.54	57.51	63.81	52.68

The fact that Tanzania experienced several years of rapid economic growth and that its wealth, as measured by GNI per capita nearly tripled, was not enough to prevent poverty from increasing. This conclusion is also supported by the fact that once we correlate the GNI per capita with the percentage of Tanzanians who went without food, water and so on, we find (table 5), that the correlation coefficients are generally weak, negative in some cases, and always statistically insignificant. The meaning of these findings is clear: development does not have an impact on the extension of poverty.

Table 5. Correlation. GNI per capita and the extension of lived poverty (sig.)

	food	water	Medical care	Cooking fuel	Cash income
GNI per capita	-.142 (.820)	.016 (.980)	.491 (.401)	.623 (.261)	.522 (.362)

While the percentage of Tanzanians who experienced lived poverty is unrelated to the level of the country's well being, the severity of poverty is strongly related to the country's development. The correlation analysis in this regard reveals that, with the exception of the percentage of individuals who go without cash income, in all the other cases, there is a strong, negative, and often statistically significant relationship between Tanzania's GNI per capita and the severity of lived poverty. In fact, as Tanzania grew richer, the severity of lived poverty, however measured, declined.

Table 6. GNI per capita and the severity of lived poverty (sig.)

	food	water	Medical care	Cooking fuel	Cash income
GNI per capita	-.916 (.029)	-.850 (.068)	-.772 (.126)	-.936 (.019)	-.312 (.610)

4. Discussion

The data at our disposal do not allow one to speculate as to why an increasingly higher GNI per capita failed to reduce the number of people who experience poverty. It is however possible to formulate some educated guesses.

First of all, one of the reasons why the number of people experiencing poverty is not clearly, strongly, linearly, significantly related to the level of Tanzania's well being may be that the probability that an individual experiences poverty (lack of food, water, medical care and so on) may be caused by contextual conditions.

A drought and/or the contamination of water sources/resources may force at times some individuals to go without water; the closing down of a medical center or a hospital may be the reason why some individuals may at some point be forced to go without medical care; the absence of proper transport and distribution may prevent some individuals from getting access to their much needed cooking fuel.

Each of these factors, just like many other factors of this sort, may reduce the availability of these basic needs and, therefore, the reason why an individual is unable to purchase these goods and services and has to go without them, is not his or her poverty, an inability to afford these goods, but it is their unavailability.

The fact that there is a clear outlier in the series of data concerning the percentage of respondents who went without medical care, or the fact that in two cases the percentage of people who went without water peaked at around 62 per cent, seem to support our guess concerning the possible impact of contextual conditions on the extension of lived poverty.

Obviously the number of people experiencing lived poverty is not simply the result of contextual factors, it can also be affected by people's disposal income. We can test this proposition by exploring the relationship between the percentage of respondents who report going without cash income with the percentage of respondents reporting that they had gone without food, water, medical care and cooking fuel.

By correlating these data we find that, the correlation between these variables yields positive, strong but statistically insignificant coefficients. The fact that these coefficients are strong and positive supports the claim that lived poverty is affected by lack of disposable income (or poverty), but the fact that these coefficients fail to achieve statistical significance may be evidence of the fact that the relationship between poverty/lack of disposable income and the various dimensions of lived poverty is mediated by the contextual conditions we have alluded to. See table 6.

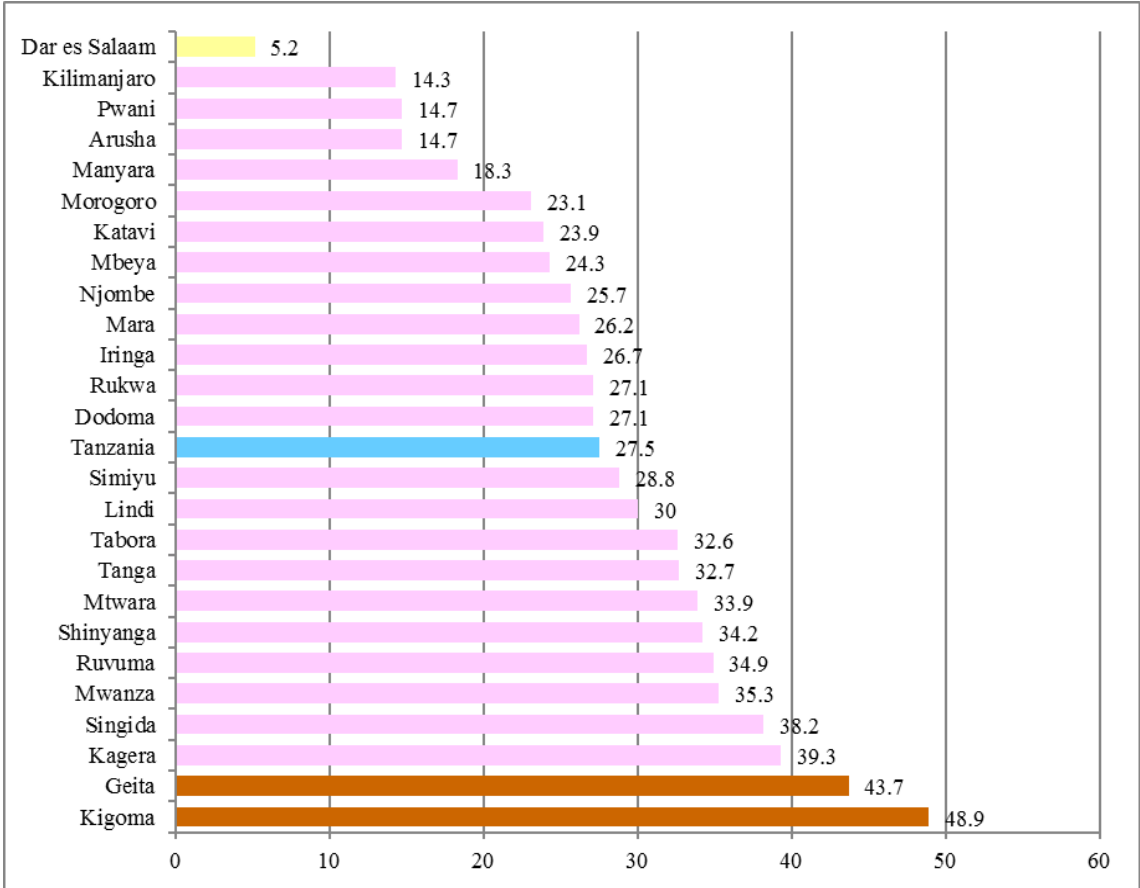
Table 6. Correlation. Unavailability of disposal income and the dimension of lived poverty (sig.)

Percentage of respondents going without-> ↓	food	water	Cooking fuel	Medical care
cash income	.755 (.140)	.815 (.093)	.827 (.084)	.710 (.179)

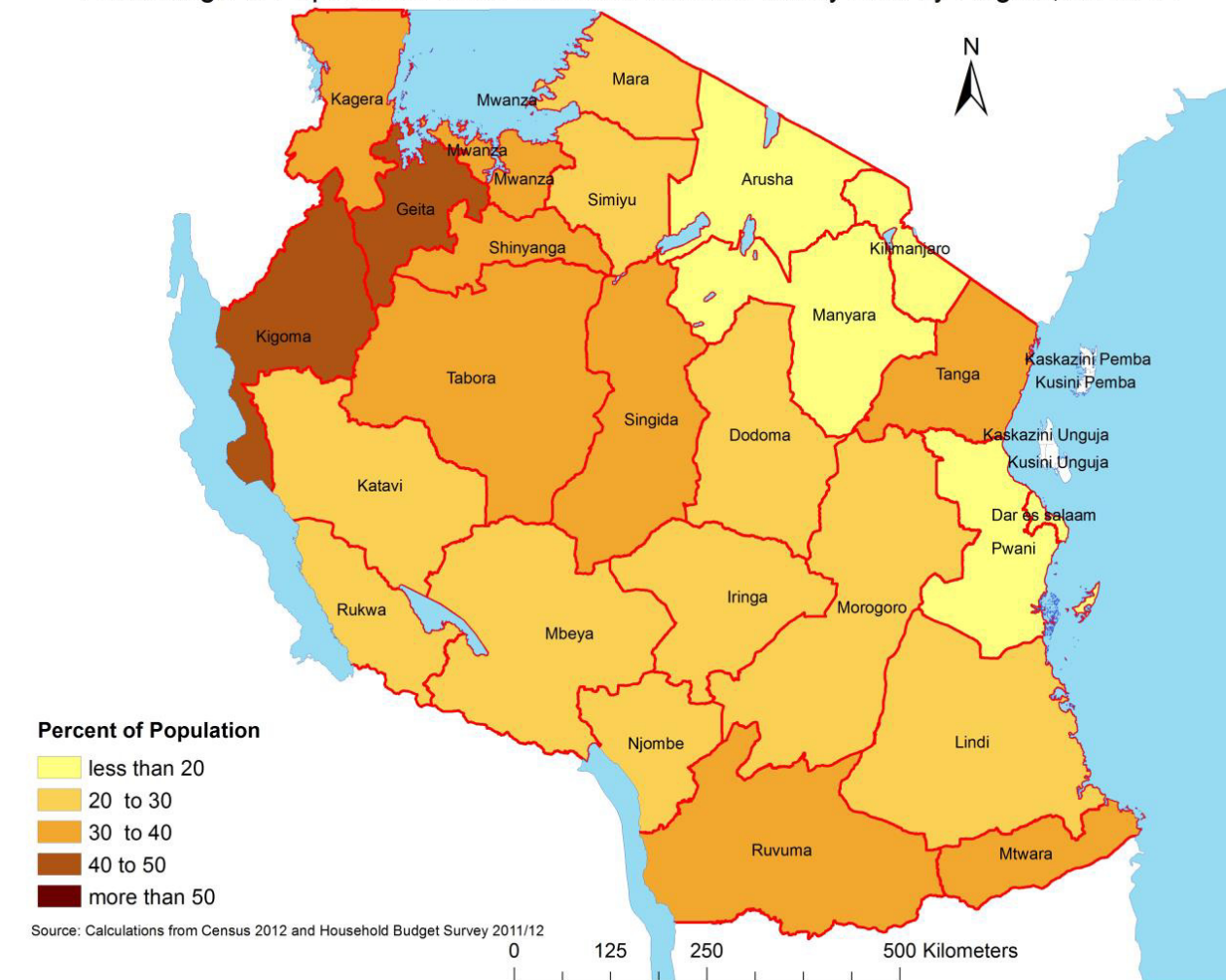
The second reason why Tanzania's growing wealth did not translate, automatically, into a reduction in the percentage of people experiencing lived of poverty may have to do with the fact that while Tanzania, overall, has become richer some regions have been more economically successful than others or, to say the same thing in a slightly different way, some regions have been less economically successful than the country as a whole. According to calculations using the HBS (Household Budget Survey) 2011/12 and Census 2012, the Tanzania national average poverty headcount (percentage of population below the basic needs poverty line) is 27.5%. The region with the highest poverty headcount is Kigoma (48.9%), followed by Geita (43.7%) and Kagera (39.3%). The regions with the lowest poverty headcount are Dar es Salaam (5.2%), followed by Kilimanjaro (14.3%) and Pwani (14.7%).

The poverty headcount rate describes the percentage of poor in the population i.e. those living below the basic needs poverty line – BNPL (consumption expenditure below TZS 1,216 per day within Tanzania Mainland). It is measured by the “Head Count Ratio” which indicates the proportion of either households or population which had monthly consumption expenditures less than the observed poverty line. It attempts to define the absolute minimum resources necessary for long-term physical well-being in terms of consumption of goods. The BNPL is estimated using the cost of a minimally nutritious, low-cost diet which delivers a minimum of 2,200 calories (Kcal) per day for basic balanced diet together with an allowance for additional amount for essential non-food expenditure (e.g. health, transport, education, clothing, utilities) which is required to provide an overall basic needs standard of living. Persons or households which have per capita incomes or expenditure below the basic needs poverty line are then classified as living in poverty.

Poverty Head Count



Percentage of Population Below the Basic Needs Poverty Line by Region, 2011/12



Hence, because of these regional differences, the country’s overall progress along the developmental path may not have had a homogenous impact across Tanzanian regions. And this of course could go a long way to explaining why, in spite of the fact that Tanzania’s GNI per capita has nearly tripled in a little more than a decade, the percentage of Tanzanians experiencing lived poverty has not declined more markedly.

A third reason why the extension of poverty may not have decreased in spite of a rapidly growing income per capita is that, as Kinyondo and Pelizzo (2018:176) reported the level of income inequality in 2011-12 was as high as it had been in 1991-92, which means the greater level of wealth in this period did not become more equitably distributed. Worse, while rural areas

experienced in this period a modest decline in the level of inequality -the Gini coefficient declined from 0.33 in 1991-92 to .29 in 2011-12 in rural areas - it increased substantially in urban areas -from 0.30 in 1991-92 to .35 in 2011-12. And while inequality in the rural areas were experiencing very modest growth, which was not sufficient to provide the means to tackle poverty.

Contextual factors, regional differences, and inequality may have prevented Tanzania's overall progress along the developmental path from reducing the percentage of people who experience lived poverty.

Yet, while Tanzania's greater wealth had little to no impact on the extension of poverty, it had a strong, uncontroversial, impact on the severity of poverty.

It is not difficult to understand why this may be the case. The individuals who experience severe poverty, that is those individuals who often go without food, water, cooking fuel and medical care, don't do so for those random, occasional, contextual reasons that affect the supply of goods and services. They experienced severe lived poverty because they cannot afford to purchase what they need. The frequency with which lived poverty is experienced is a clear consequence of the disposable income that an individual enjoys. As the income increases, the frequency with which lived poverty is experienced declines. And this is precisely what happened in Tanzania. As the income per capita rose, the severity of poverty declined accordingly.

5. Conclusions

In contrast to what the literature had generally assumed, that is that socio-economic development and poverty alleviation are two sides of the same coin, and that, as a result, go hand in hand, a recent analysis of economic growth, employment, development and poverty in Tanzania (Kinyondo and Pelizzo, 2018) problematized the relationship between development and poverty alleviation.

The problematization of this relationship was due to the fact that while developmental progress was in fact associated with, and was possibly responsible for, a decrease in the number of people living under the poverty line, that is with a decrease of poverty in absolute terms, it did not lead to a decrease in poverty as 'relative deprivation' or, to use the expression employed by Kinyondo and Pelizzo (2018), to a reduction of poverty in relative terms.

The purpose of this paper was to investigate this puzzle by exploring whether, how and to what extent socio-economic development affects ‘lived poverty’, that is the fact that individuals may go without food, water, medical care, cooking fuel and cash income.

Using the survey data collected in several waves by the Afrobarometer from 2002-03 to 2014-15, we computed the percentage of individuals who experience lived poverty and how this percentage varies over time. We also measured the severity of lived poverty on the basis of the frequency with which an individual experiences ‘lived poverty’ and how such severity varies over time. After estimating the extension and the severity of poverty, we explored whether changes in the extension and in the severity of poverty were related to and possibly affected by Tanzania’s progress along the development path. By doing so we found that while the severity of poverty, which is a function of structural and systemic conditions, declined as Tanzania developed, the extension of poverty did not.

We believe that the findings presented here and discussed in the course of the paper have several, related, implications. First of all, development is good for poverty. As a country develops, wealth is created, it is somehow redistributed, and this reduced the frequency with which the individuals from the poorest segments of society may experience poverty. Given this strong, inverse, relationship between development and the severity of lived poverty, the government of Tanzania, the international community, the donors, may wish to take steps to ensure that Tanzania will be able to make, in the coming years, additional progress on the developmental path as this will allow Tanzania to tackle, reduce and possibly eliminate the structural and systemic conditions that are responsible for the severity of poverty in the country. Second, our analyses showed that the extension of poverty is not affected by Tanzania’s progress along the developmental path. This finding is possibly due to the fact that Tanzania’s level of socio-economic development is not yet sufficient to contribute to a reduction of the number of people who experience, at least once year, lived poverty. If this is the case, as Tanzania becomes richer, the extension of poverty will decline accordingly. But in the paper, we noted that there is another reason why we fail to detect a systemic relationship between development and the extension of poverty in the country and that is that the extension of poverty is to a, possibly, large extent the result of highly contextual conditions.

In order to reduce the extension of lived poverty, it is essential to understand what contextual conditions are responsible for it. The Tanzanian government, with the help of the international community, will have to tackle and hopefully eliminate such conditions. The next generation of poverty studies in Tanzania will have to identify what are these contextual conditions, because without rigorous research and compelling findings, it won't be possible to adopt and implement evidence-based poverty reduction policies and measures.

Bibliography

Acemoglu, D. (2003). Root causes. *Finance and Development*, 40(2), pp.27-43.

Akabzaa, T., (2009). Mining in Ghana: implications for national economic development and poverty reduction. *Mining in Africa: regulation and development*, pp.25-65.

Aker, J. C., & Mbiti, I. M. (2010). Mobile phones and economic development in Africa. *Journal of Economic Perspectives*, 24(3), 207-32.

Alkire, S. & Foster, J. (2011). Counting and multidimensional poverty measurement. *Journal of Public Economics*, 95(7-8), pp. 476-487.

Amavilah, V., Asongu, S. A., & Andrés, A., R., (2017). Effects of globalization on peace and stability: Implications for governance and the knowledge economy of African countries, *Technological Forecasting and Social Change*, 122(September), pp. 91-103.

Andrés, A. R.,Asongu, S. A., & Amavilah, V. H. S., (2015). The impact of formal institutions on knowledge economy. *Journal of Knowledge Economy*, 6 (4), pp.1034–1062.

Arrighi, G. (1994). *The long twentieth century: Money, power, and the origins of our times*. Verso.

Arrighi, G. (2001). Braudel, capitalism, and the new economic sociology. *Review (Fernand Braudel Center)*, 24(1), pp. 107-123.

Arrighi, G. (2002). The African crisis: World systemic and regional aspects. *New Left Review* 15, pp. 5-36.

Asongu, S.A, & Nwachukwu, J. C., (2016). The Mobile Phone in the Diffusion of Knowledge for Institutional Quality in Sub Saharan Africa, *World Development*, 86(October), pp.133-147.

Asongu, S. A., & Tchamyu, V. S., (2018). Human Capital, Knowledge Creation, Knowledge Diffusion, Institutions and Economic Incentives: South Korea versus Africa. *Contemporary Social Science*. DOI: 10.1080/21582041.2018.1457170.

Babones, S., Moussa, J. S., & Suter, C. (2016). A Poisson-based framework for setting poverty thresholds using indicator lists. *Social Indicators Research*, 126(2), pp. 711-726.

Baud, I., Sridharan, N. & Pfeffer, K. (2007). Mapping Urban Poverty for Local Governance in an Indian Mega-City: The Case of Delhi. *Urban Studies*, 45(7), pp.1385-1412.

Berthélemy, J-C., & Söderling, L. (2001). The role of capital accumulation, adjustment and structural change for economic take-off: Empirical evidence from African growth episodes. *World Development* 29(2), pp. 323-343.

Duflo, E. (2012). Women empowerment and economic development. *Journal of Economic Literature*, 50(4), pp.1051-79.

Efobi, U., Tanankem, B., & Asongu, S., (2018). Female Economic Participation with Information and Communication Technology (ICT) Advancement: Evidence from Sub-Saharan Africa, *South African Journal of Economics*: Forthcoming.

Ellis, F. and Mdoe, N. (2003). Livelihoods and Rural Poverty Reduction in Tanzania. *World Development*, 31(8), pp.1367-1384.

Ellis, F. and Mdoe, N. (2003). Livelihoods and Rural Poverty Reduction in Tanzania. *World Development*, 31(8), pp.1367-1384.

Goodwin, H. (2008). Tourism, local economic development, and poverty reduction. *Applied Research in Economic Development*, 5(3), pp.55-64.

Jalilian, H., & Kirkpatrick, C. (2002). Financial development and poverty reduction in developing countries. *International journal of finance & economics*, 7(2), pp. 97-108.

Kilama, B. “Where are the poor: Region and District Poverty Estimates for Tanzania, 2012”, Presentation to European Union and World Bank Mission in Tanzania June 2016.

Kinyondo, A. and Pelizzo, R. (2018) Growth, Employment, Poverty and Inequality in Tanzania. *Africology*

Osberg, L., & Bandara, A., (2012) ‘Why Poverty Remains High in Tanzania: And What to Do About It?’ Special Paper 12/3, Dar es Salaam, REPOA

Lipton, M. and Ravallion, M. (1995). Poverty and policy. *Handbook of Development Economics*, Volume 3, Part B,.

Narayan, D. (1997). *Voices on the poor*. Washington: World Bank.

National Bureau of Statistics (NBS) (Tanzania) 2014. Tanzania Household Budget Survey 2011/12. Dar es Salaam, Tanzania: NBS.

- North, D. C., & Thomas, R. P. (1970). An economic theory of the growth of the western world. *The Economic History Review*, 23(1), pp. 1-17.
- Pelizzo, R. & Kinyondo. A., (2017). *Tourism in Africa*, Novate Milanese (Mi), Prospero editore.
- Pelizzo, R. & Kinyondo. A., (2018). *Making Tourism Work for Tanzania*, Saarbruecken, LAP Verlag.
- REPOA. (2018). Assessment of Women's Empowerment in the Productive Social Safety Net Program in Tanzania, Report Submitted to the IDRC, Dar es Salaam, Tanzania.
- Roller, L. H., & Waverman, L. (2001). Telecommunications infrastructure and economic development: A simultaneous approach. *American economic review*, 91(4), pp. 909-923.
- Sarris, A. (2001). *The role of agriculture in economic development and poverty reduction: an empirical and conceptual foundation*. The World Bank.
- Sen, A. (1981). *Poverty and famines: an essay on entitlement and deprivation*. Oxford: Oxford university press.
- Simler, K. R. (2010). The short-term impact of higher food prices on poverty in Uganda, Washington, World Bank, Policy Research Working Paper 5210.
- Tchamyou, S. V., (2017). The Role of Knowledge Economy in African Business, *Journal of Knowledge Economy*, 8(4), pp. 1189–1228.
- Tchamyou, V. S., & Asongu, S. A., 2017. Information Sharing and Financial Sector Development in Africa, *Journal of African Business*, 18(7), pp. 24-49.
- Tiffen, M. (2003). Transition in Sub-Saharan Africa: Agriculture, Urbanization and Income Growth. *World Development*, 31(8), pp.1343-1366.
- UNDP (United Nations Development Programme) (2014). *Economic Transformation for Human Development*. Tanzania Human Development Report. Dar es Salaam.
- Van Campenhout, B. (2006). Locally Adapted Poverty Indicators Derived from Participatory Wealth Rankings: A Case of Four Villages in Rural Tanzania. *Journal of African Economies*, 16(3), pp.406-438.
- Wallerstein, I. (2015). *Modern World-System in the Longue Duree*. London: Routledge.
- World Bank (1991). *Towards Sustainable Development in the 1990s*. Tanzania Economic Report.