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SUSTAINING POVERTY ESCAPES IN TANZANIA

Policy Implications Brief

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This document was prepared by Andrew Shepherd, of the Overseas Development Institute (ODI).

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KEY MESSAGES

- Key factors in achieving sustained escapes in Tanzania include beneficial agricultural policies, and the economic freedom to sell products and services and labor, and access financial services in the market.
- Since 2015 the social policy side of anti-poverty policy has showed signs of being strengthened in the areas of social protection and health insurance; a similar strengthening on the economic side would be welcome.
- The need for a proper social protection policy which can be implemented, and an effective health insurance system is now recognized by government; when well implemented with wide coverage these policies will be of significant benefit to the chronically poor and to reducing vulnerability to ill-health, which will significantly aid sustained escapes. Continuous efforts are needed to ensure these and other large items of public expenditure like education effectively include the poor.
- An additional policy and programming focus should be on preventing the widespread and impoverishing land disputes, between pastoralists and settled farmers, and between women and men. These reflect differential power and the vulnerable status of women, pastoralists and small farmers. The new land policy about to go to Cabinet could be reviewed by a relevant expert to check it does this adequately.
- Land disputes are also linked with corruption by those wishing to secure access to land. This could be a focus for anti-corruption measures.
- Developing economic policies which have positive impacts on poverty is more challenging, though there have been strong foundations in aspects of agricultural policy. This will involve a continued and consistent focus on promoting smallholder agricultural intensification, especially through agro-processing and market development, irrigation, electrification, and finding ways of enabling younger farmers to rent in land. Services for livestock development have been under-emphasized.
- Since diversification is the hallmark of sustained escapes from poverty, there is a need for positive policies to support the emerging nonfarm economy, small towns and migration. This should not be seen as a case of 'either/or' with agriculture; it is rather 'both/and'.
- Financial inclusion has had beneficial impacts on poverty, but asset seizures against debt repayment usually from farmers facing a strong risk environment, have also impoverished some loan recipients.
- The policy context has shifted dramatically in Tanzania since the 2015 elections, with both positive implications for the poor and potentially significant transitional problems which may need mitigation through economic stimulus measures.
- Poverty reduction requires a portfolio response to policy and programming. Current government social policy priorities make sense; economic policies and programs to promote 'growth from below' leave significant gaps to be filled during the coming years, and the two need to be joined up. Ideally this would be done both at central level, through the inter-ministerial working groups, and also at local level. But local governments' capacities to manage local level prioritization and an integrated portfolio approach have not been adequately resourced or staffed. In this situation it may be best to rely on central initiatives, with local governments as stakeholders. Public-private partnerships at regional and local levels can be another way of getting a joined up response to problems which need solving, and can encourage investment.

INTRODUCTION

While many individuals and households escape poverty and remain out sustainably, others escape but then fall back into poverty, while others become impoverished over time and/or remain poor over extended periods of time. Research by CPAN supported by USAID's Center for Resilience investigated the extent and drivers of transitory and sustained escapes from poverty across a series of country studies to better understand the sources of resilience that enable people to sustainably escape poverty given the complex risk environments in which they live.

This brief draws on results of mixed methods research in Tanzania, to offer policy and programming implications for sustained poverty reduction. The data sources that the research draws on are: (i) analysis of the Tanzania National Panel Survey (NPS) ; (ii) key informant interviews in 2017 with a range of policy makers, researchers, development partners and program implementers; and (iii) 24 gender-disaggregated focus group discussions and qualitative interviews with 80 households across Iringa, Dodoma, and Morogoro in 2017/2018 to investigate the pathways of sustainable poverty escapes.

Box I summarizes the findings of the Q² (combined quantitative and qualitative) research to date in Tanzania comparing sustained escapes with temporary escapes and chronic poverty. This research is the evidence base from which the policy and programming priorities identified below have been developed. This brief responds to the question: how can programs be designed and implemented to support sustained escapes from poverty and tackle chronic poverty? What policies are needed to sustain poverty escapes and tackle chronic poverty? Out of the long list of topics outlined in the research summary below, these areas emerged as particularly salient issues out of the quantitative and qualitative analysis of resilience and sustainable poverty escapes:

- **Supporting growth from below** through the rural and urban non-farm economy, balanced with support for smallholder agriculture
- **Developing a health insurance system with wide coverage**
- **Reducing the impoverishment impacts of land conflicts**

Box I: Research findings

The mixed-methods research on sustained escapes in Tanzania (da Corta et al., 2018) revealed the following:

Initial household resource base

- Asset accumulation significantly increases the likelihood that escapes from poverty will be sustained, as according to the regression results. Qualitative fieldwork reveals how sustained escapers increased investments across the board, including in farming, off-farm businesses, housing and transport vehicles for rent, and had high levels of savings (see Section 5).
- Qualitative data reveals the significance of loss of land and other assets due to divorce and inheritance disputes, payment of medical bills, theft, and sale or confiscation of assets to meet debts in driving transitory escapes. Female-headed households were particularly vulnerable to property grabbing by husband's family or theft.

Household characteristics

- The fieldwork reveals a clear distinction between sustained escapers and the chronically poor with the latter having more children and a higher number of dependents. This is only partly supported by the regression results which show that an increase in the number of children is associated with a significantly higher risk of impoverishment (but not a transitory poverty escape or chronic poverty) relative to a sustained escape.
- The fieldwork finds that education has been a key factor in sustaining poverty escapes for the current generation of household heads, with secondary education in particular playing an important role in ensuring a household's ability to escape poverty sustainably.

Household activities

- Agriculture figures prominently in most life histories. Households often diversified within the agriculture portfolio by expanding agricultural activities over time and/ or made investments in technologies and new crop varieties to add value to farming (see Section 5). Rarely was engagement in non-farm activities accompanied by leaving agriculture.
- In the fieldwork, sustained escapers made investments to diversify into a variety of non-farm businesses, in contrast to non-farm activities with low start-up costs of the chronic poor, such as engagement in petty trade.
- Life histories revealed that accessing loans from good finance institutions – and then moving up the finance chain to Savings and Credit Cooperative Society (SACCOs) and bank savings and loans - was a key aspect of building the diversified livelihoods required to achieve a sustained escape from poverty.
- Diversification into nonfarm activities among sustained escapers was supported by entrepreneurship, good business partnerships, and stable, mutually supportive spouse relationships.

Household shocks and stressors

- Sustained escapers in the life history interviews remained resilient in the face of economic instabilities. A key reason for this was their high level of livelihoods diversification across agricultural and non-farm activities and their ability to maneuver into new activities and out of unproductive ones.
- For transitory escapers and the chronically poor, by contrast, life histories reveal how the death of a breadwinner, poor health, illness, and associated financial shocks all had a downward push in wellbeing.
- The descent into poverty among those with transitory poverty escapes often occurred amidst concurrent or double shocks.

Household strategies for sustaining poverty escapes

- Stories of sustained escapers point to diversification in livelihoods activities and assets across and within sectors as the bedrock for poverty escapes. They concurrently invest in expansion or value addition to both agriculture and non-farm activities. Diversifying completely out of farming is rare unless the household moves to a city.
- In addition to investing in existing activities, sustained escapers describe how they maneuver into new economic activities as prospects rise (e.g. house and business residence rentals; transport vehicles for crop marketing and transporting people).
- Live histories reveal how investments are supported by beneficial financial inclusion. The pace of borrowing and investing increases enormously as households move up well-being levels.

POLICY AND PROGRAMMING CONTEXT

The Government of Tanzania has focused on poverty reduction as a core objective of policy since 2000, with MKUKUTA I (2005-10) giving birth to the Kilimo Kwanza agricultural policy, and MKUKUTA II coterminous with the 5-year development plan which emphasized industrialization. There was growth throughout this period, and significant poverty reduction from 2007 to 2014, which has been frequently attributed to the strong agricultural growth achieved with the support of Kilimo Kwanza and the Agricultural Sector Development Programmes. It may also be attributed to Tanzania's laissez-faire economy during this period, in which households experienced considerable economic freedom to pursue strategies to take themselves out of poverty, even if the anti-poverty policy framework had challenges. This has included the freedom to compete in markets for products, services, labor and finance. There were also considerable advances made in financial inclusion during this period, with significant beneficial impacts, but also impoverishing effects when assets were seized in payment of debts. This has made Tanzania's an incipient story of 'growth from below'.

Since the elections of 2015 the government has had different priorities, focused on correcting the widespread tax evasion, giving the Tanzania Revenue Authority a new lease of life, on strenuous measures against Tanzania's widespread corruption, and beginning to address social policy formulation. Combined with the centralization of public sector savings in the Bank of Tanzania, these policies have had an unintended effect - reducing the circulation of money in rural areas, a fact which emerged strongly in the Focus Group Discussions carried out for this research.

This problem of money circulation in turn has made it challenging for people who had escaped poverty to sustain those escapes and continue to move in an upward direction, as businesses were closed or run down. However, the Life Histories did not reveal strong impoverishment resulting from this situation. Optimistically, this will be a transitional phase, and the measures taken, combined with the new energy for policy development and implementation will create both an improved investment climate, and government who will also fill the anti-poverty policy space with constructive measures to both tackle chronic poverty and sustain escapes from poverty. There could nevertheless be a need for a re-stimulus to 'growth from below' to prevent the transitional problems developing into a lengthy economic depression and real impoverishment.

KEY AREAS OF FOCUS FOR PROGRAMMING AND POLICY

The 2011/12 Household Budget Survey indicated that Tanzania had been reducing poverty over the period of the financial crisis more rapidly than previously. This can be attributed to economic growth, and especially the agricultural growth supported by Kilimo Kwanza. This brought public private partnerships into agriculture, and promoted both smallholder farming and medium- and large-scale ventures, as can be seen in the example of the Southern Agricultural Growth Corridor of Tanzania (SAGCOT), dubbed Kilimo Kwanza in Action – Box 2 below. The qualitative research reveals how agriculture remains at the core of sustained escapes from poverty, providing the economic basis for the diversification which typically sustains those escapes, and how farm households have the economic freedom to respond to market incentives. Conserving this economic freedom is important.¹

The analysis of the companion paper tells us that while there has been a relatively high incidence of sustained escapes from the severe poverty measured by the National Panel Survey, poverty at higher poverty lines (e.g. \$1.90) remains dauntingly high and is reducing slowly. The qualitative research suggests that the (at best) stagnation and impoverishment experienced since 2015 may mean that the next Household Budget Survey (2018) may not continue to show significant poverty reduction (KII). Based on the field research, a hypothesis would be that other aggregate indicators will also be affected.

Choosing what to focus on consistently to maximize results on poverty is not easy in this environment, where so much needs to be done or improved. The complexity of the situation may have contributed to positive decision-making in the past. Here are some suggested priorities, based on the reported research.

1. The fact that there is a good number of sustained escapes going on, even if from a low level of wellbeing, can be built on. Conserving agricultural producers' economic freedom is essential – to sell into markets of their choice, to have access to financial providers, and sell their labor freely and fairly. Measures which support smallholder agriculture markets and production will help, as will further strengthening of financial inclusion, creating a system within which financial providers at different levels can operate. Irrigation is especially helpful.
2. Measures which promote the nonfarm rural economy will support the business diversification which characterizes sustained escapes from poverty. Since MKUKUTA II the government has promoted industrialization. However, formal sector jobs are rare and can also be precarious. Employment and self-employment for the majority continues to depend on the informal economy, and most sustained escapes are informal sector based. Measures which can promote this are discussed in this brief.
3. The government's current social policy priorities of getting a social protection policy in place, which will create a national system, and its desire to see a Rwanda-style health insurance system, will both help tackle chronic poverty and health-related impoverishment. The challenge will be to implement them at scale. There are other reasons for impoverishment, some of which require concerted government action at local as well as national level: pastoral-settled land conflicts is an important one of these. This is discussed in this brief. Criminality and access to justice is another, not discussed here (Twaweza, 2017).
4. Chronic poverty and impoverishment are strongly characterized by difficult intra-household relationships. A number of policy areas can contribute to improving gender relationships at the bottom of the income distribution, of which improving access to land is discussed in this brief.
5. Getting good quality primary education was noted as a challenge, with implications for how much primary education could improve the life chances especially for the poorest children (Twaweza, 2018); and the access poor children get to higher levels of education is a second challenge which would enable them to take and keep their households out of poverty. There are many dimensions to this issue, which lie beyond the scope of this brief.

¹ This is one of three factors which has lain behind Southeast Asian countries' successes in reducing poverty (Henley, 2016; Mellor, 2017)

6. Continuing to monitor and find ways of enhancing the inclusion of poor (and vulnerable) people in social protection, health (including sexual and reproductive health), education and economic services remains critical.

There are thus several potential areas of policy and programming to sustain those escapes from poverty that are being made, and to tackle chronic poverty. Here we focus on measures to promote the informal sector and especially the rural nonfarm economy, while also maintaining a dynamic focus on agricultural and livestock development; and measures to protect, especially lessons on developing a health insurance system; and tackling two other sources of impoverishment: land conflicts; and the gender-based inequalities which keep many poor households poor.

SUPPORTING GROWTH FROM BELOW: THE RURAL AND URBAN NON-FARM ECONOMY, BALANCED WITH SUPPORT FOR SMALLHOLDER AGRICULTURE

Problem statement: *Sustained poverty escapes require an economic environment conducive to both smallholder agriculture and a developing rural nonfarm economy. Tanzania has had a succession of agricultural policy initiatives, such that consistency has become a problem; but a paucity of initiatives to promote the rural nonfarm economy. This is despite the importance of diversification to sustaining escapes from poverty revealed in this research and elsewhere (Christianssen et al, 2013).*

What can be done?

There has been rapid growth of employment in the rural nonfarm economy since 2000, mostly in the informal sector. There are poor households with nonfarm businesses and others where the nonfarm business has played a critical role in growing prosperity. It would be a mistake to think that supporting all nonfarm enterprises in the same way would be a good idea. Approximately 25% of micro-, small and medium enterprises (MSMEs) have higher labour productivity than average, and account for a large proportion of the output of the MSME sector as a whole – this is the ‘in between sector’ (Diao et al, 2018). For these more dynamic firms, which have potential to generate employment and increase productivity, it is worth considering what sort of support exists and what would be relevant. For example, skills training and business education can be helpful. In addition, savings from employment or inheritance would provide the start-up capital for most businesses and would continue to improve small business access to financial services (Katega and Lifuliro, 2014). This is one focus of the second Tanzania Financial Inclusion Strategy.

Financial inclusion

Exploring ways to make financial inclusion less punitive, through repayment insurance for example, in situations where farm households face predictable and significant risks would also help to prevent impoverishment. Loans can kill: where risks are high, as in farming, unpaid debts can lead to impoverishing asset seizures. The development of crop insurance to help farmers manage risks has been a slow process (Key Informant Interview, November 2017).

Financial inclusion is critical to sustaining escapes from poverty. There are financial providers which poor people find helpful, characterised by ease of access, low interest rates, low collateral requirements and entry fees. Most of the sustained escapers benefited from these and benefitted regularly – often several times a year. Providers with the opposite characteristics, and very strict collateral recovery processes, where houses, farms and other assets can be sold leading to temporary escape and impoverishment, and those Micro-finance Institutions (MFIs) with high entry costs or requirements which are too high for the poor, were not so beneficial. Clearly reform of the latter, mostly Village Co-operative Banks (VICOBAs) and SACCOs, is necessary.

Creating a financial service ‘ladder’, in which providers communicate with one another, going from ROSCAs (rotating credit associations), VICOBA (village banks) and SACCOS (co-operative credit societies) through MFIs to the commercial banks would be a useful innovation as it would enable people to transfer from one institution to another without the risk of ‘taking a loan to pay a loan’. 6 out of 10 Tanzanians have access to financial services – an extraordinary achievement in a short time. However, most of this remains focused on mobile money transfers - only 17% use mobile network loans, and 7% bank loans (World Bank, 2017). Getting people to the SACCOS level on the ladder is important for achieving sustained escapes – the loans available at this level are larger.

Tanzania’s 2017-22 Financial Inclusion Framework focuses on deepening financial services as well as continuing to improve access especially for women and youth. This responds to many of the issues raised in a 2015 policy brief on financial inclusion of the poorest in Tanzania, but not others which are likely to be necessary to reach the poorest. The special measures include: improving financial literacy, tackling gender inequality in access, expanding agent and bank branch networks, reducing bank transaction costs, improving and extending mobile signal, introducing tiered know your customer requirements. The first of these needs a stronger focus. The main opportunities for deepening inclusion in favour of the poorest include: digital payment of conditional cash transfers, linking savings groups with formal financial services, mobile money savings accounts, and new easy access bank accounts (Smith and Scott, 2014; CPAN, 2015a; CPAN 2015b). The first two of these could be brought more strongly into the financial inclusion strategy.

Institutional development for the nonfarm economy

Institutionally, the rural nonfarm economy still has no ‘home’ in government, though there may be many projects operating on a local basis, and for years there was an attempt to support the formalisation of businesses’ property rights so they could attract collateral-requiring finance (MKURABITA). It is long overdue to create an institutional home with strategies to enable the rural nonfarm sector to grow alongside agriculture, and enable the participation of poor people (Katega and Lifuliro, 2014). This new institution could work out what the binding constraints are for the in-between sector, and for other businesses with lesser transformation potential, and what to do about them. Key constraints can include: access to capital and business and technical skills, having suitable premises for the business, inadequate infrastructure and unreliable transport; and also the level of demand for the product/service provided. Some of these constraints are faced more by women than men; women are often confined to the lowest entry barrier and lowest productivity trades as a result.

Few countries have taken this step, however. India’s Rural Development Ministry is a massive example; China relied on its local governments to promote Township and Village Enterprises. In the absence of a new institution, coalitions of government agencies, local and regional government, finance providers, NGOs, business advisory services and local or regional private sector associations will be needed to push this agenda forwards – a difficult prospect, given that it is no one agency’s mandate.

Agricultural policies

By comparison, Tanzania has an active record of promoting inclusive agricultural development and agricultural markets, processing, and storage. There is a wide range of marketing and value chain initiatives which need evaluating. The Southern Agricultural Growth Corridor of Tanzania (SAGCOT) is a major one (Box 3). From this experience, the value of improved public-private partnerships at regional or local level has been demonstrated, in terms of bringing in investment especially in agro-processing and agricultural development. Irrigation can be especially beneficial, but may not always be accessible to small farmers (Box 4). Making it accessible is a major way of helping agriculture work for poverty reduction.

Box 2: Southern Agricultural Growth Corridor of Tanzania (SAGCOT): Harnessing the private sector for food security, improved nutrition, inclusivity and environmental sustainability

SAGCOT requires investors in this breadbasket agricultural region to adjust their business models to include smallholder farmers, as well as medium and large. It has had successes promoting processing linked to agricultural producers, and removing the bottlenecks (including seed production e.g. potatoes, and taxes e.g. on livestock feed), experienced by investors and farmers. Its strategy is to stay close to the private sector, and its efforts would benefit from a more consistent long-term policy framework for agriculture.

Source: Key Informant Interview, November 2017

Box 3: The role of irrigation and renting land in upward mobility out of poverty

Bahati Maanguko M, 46 grew onions by renting in 0.5 acres of land. He used the profits to finance a small shop. This shop, and a rented-in onion farm enabled savings which he used in 2005 to purchase 5 acres of farm land. He also purchased an irrigation pump. He paid TSH 250,000 for 5 acres of land and TZS 350,000 for the irrigation pump. He explained: "...As profit increased from my business, also the capital to invest in agriculture increase. I stopped renting land and I bought five acres of land of my own and irrigation pump because in here we do irrigation farming ... I could not cultivate it all per year, I used 2 acres for onions and may be 1 acre to grow maize for food per season..."

He used profits to then further expand his shop from selling food items to also include clothes, hand-bags and shoes, then to rent out bicycles. He used savings to send his children to school. He stopped farming due to limited time for supervision of farm activities and the same running business. However, his well-being kept on rising as he could build two good houses (both made of bricks and roofed with iron sheet). One was a rental house and with 3 rooms rented by businessmen for opening their own shops. He could earn TZS 180,000 per month at a rate of TZS 60,000 per room. By 2013 he was among few people who were living at level 5.

Source: Da Corta, 2018

One fault line where it is worth exploring alternatives, is the fertiliser voucher scheme (Box 4), which has not succeeded in reaching many small farm households, and has led to indebtedness. It is likely that going green and promoting the use of manure and compost may help to reduce debt levels especially for smaller farmers, while still increasing productivity. Smallholder livestock development, however, remains neglected with inadequate veterinary and extension services. Perhaps the recent splitting of the ministry of Livestock from Agriculture will give the sector a new lease of life.

Box 4: Redesigning the National Agricultural Inputs Scheme (NAIVS) to be more inclusive

Poor access to farming inputs was found to be another key factor associated with chronic poverty and impoverishment in the rural communities studied. Further, poor farmers sell at low prices just after harvesting because they cannot store produce or transport it to distant market places where demand and prices are high.

Enhancing access to agricultural inputs is one solution by redesigning the National Agricultural Inputs Scheme (NAIVS) during the implementation of the Agricultural Sector Development Strategy II (ASDP II) (2015/16 - 2024/25) in order to make sure that the scheme reaches poor farmers: (i) expand the package to cover more than 1 acre to enable movements out of poverty; (ii) expand to other crops than maize; (iii) consider organic fertilisers given the reluctance of some farmers to use chemical ones; and (iv)

subsidize further for extreme poor farmers, especially women who cannot afford even the subsidized price (Gine et al, 2015).

Farmers need a special approach to finance because of the risky nature of farming. They need pre-harvest financing so that they can afford to buy inputs and avoid involvement in ‘tied loans or rental agreements,’ where they have to sell much of their produce at early (lowest) prices at high interest rates (half the crop). In order for MFI services to have greater impacts on farm households’ crop income, three policy responses are proposed: (i) formation of specialized agricultural microfinance banks (or divisions of existing micro-finance institutions) to deal with the unique credit needs of farm households; (ii) continuing investment in agricultural processing to alleviate price volatility ; (iii) continued investment in infrastructure - social, agricultural, and transportation infrastructure - to further enhance agricultural trade and transportation.

Policy inconsistency has also been a feature of Tanzanian agricultural policy, especially with respect to maize and sometimes other crop export markets, which are banned from time to time as a food security measure. This can lead to price collapse. Programmes and institutional arrangements come and go as well. This creates uncertainty among producers, processors, and price fluctuations. There is need for a more durable, long term, cross-party agricultural policy framework. In principle, this is available in the National Agricultural Policy (2013), which also stresses the inclusion of women and youth, something which earlier programmes were unable to achieve (Isinika and Nsuya, 2016).

DEVELOPING A HEALTH INSURANCE SYSTEM WITH WIDE COVERAGE

Problem statement: *Illness particularly of an adult breadwinner involves a double shock, the loss of the earning during the period of illness, and also that of the adult who cares for the sick person. Medical care drains the savings which are necessary for sustaining escapes from poverty, and for the chronically poor involves the sale of assets. Death, or disability of a breadwinner can make it impossible to engage in potentially remunerative economic activities. The absence of effective protection against such eventualities reduces the scope for sustained escapes from poverty, and deepens the poverty of the chronically poor.*

What can be done?

Tanzania has Rwanda next door which has achieved over 80% coverage of its population with health insurance, compared to Tanzania’s 28% coverage by the Community Health Insurance Fund. In Rwanda, this has had a significant impact on sustained escapes from poverty, effectively removing the major source of downward pressure (Box 6). There are still challenges with this system in Rwanda (e.g., the sustainability of cost of subsidising premiums for the poorest; the choices which poor people have to make between paying premiums, educating their children, and constructing modern houses, for example, means that some people who do not get their premiums subsidised but are still poor, find it difficult to participate and benefit.) However, with such a rich and largely positive experience at Tanzania’s doorstep it would be difficult to avoid adopting the same approach, and it is to the post 2015 government’s credit that it has been serious about introducing legislation.

In developing the new policy, the Inter-ministerial Development Committee (a committee of permanent secretaries) accepted government paying for the poor (previously local governments were supposed to subsidise the poor, but they didn’t in many cases), approved the mandatory nature of the scheme, such that the rich can’t opt out, and approved the standard minimum benefit package. The outstanding issue was whether to have one or two schemes. The idea of maintaining two schemes is to support the building of the ‘informal’ structure before integrating with the formal (KII, November, 2017).

Box 5: The impact of Rwanda’s health insurance

Rwandan life histories are unique. In comparable Tanzanian life histories, we usually see a high number of respondents suffering the pauperising load of medical costs and loss of an adult income through illness and accident. In the Rwandan life histories, we saw much less downward mobility due to ill health.

This is largely due to the increasing availability of health insurance together with proximity of health facilities, and public works which cushion shocks for the very poor. The near absence of the pauperising impact of ill health was striking. For instance, Emmanuel (LH 18) survived a bad motorcycle crash which could have left him permanently disabled and pauperised the family in terms of medical costs. Instead his fractures were healed in a hospital and though he complains of minor medical costs the family prospered after he was healed. We did see instances of those who sold land who didn't have health insurance (before health insurance legislation) such as for giving birth – and those who didn't have insurance (e.g. Joram) but the frequency of pauperising periods of ill health was fewer. This is confirmed in the national household panel data results, with having health insurance significantly associated with escaping poverty.

Source: Dacorta et al, 2018; Simons, 2018

REDUCING THE IMPOVERISHMENT IMPACTS OF LAND CONFLICTS

Problem statement: *There are three sources for impoverishing land conflicts:*

- (i) *Climate change is leading to pastoralist herds moving into areas previously unused for grazing, and this is leading to conflicts with settled farmers. The research only included perspectives of the settled farmers, who see the pastoralists as the aggressors, who can use the considerable power of the assets they hold to buy support in government. However, there is evidence of a significant and widespread degree of impoverishment associated with conflicts over land – caused by crop losses, and indirectly, reduced output of commercial crops and processed products (like sugar), leading to employment loss. There are clearly two sides to this story, and it will be important to find approaches to mediation and solutions which both prevent impoverishment and permit pastoralists to adapt to climate change.*
- (ii) *Issues to do with husband-wife relationships, and property grabbing by wider family members, were noted repeatedly and consistently over a long period in our findings among the chronic poor: it seems a main driver of keeping people poor (often severely poor). By comparison with the chronically poor, the narratives of even temporary escapers (i.e. being unable to stay out of poverty, having escaped) as well as people being impoverished, are more diverse when they account for falling (back) into poverty. Women in households making sustained escapes from poverty renegotiate their marital relationships to acquire greater equality – either by developing an independent asset base, or by separating and going it alone, with support from their networks (Da Corta, 2018). Recurrent issues requiring renegotiation, which can be supported by state or other actors include: asset ownership, norms around decisions on family reproduction; and mutual support of husbands and wives.*
- (iii) *The inability of especially young farmers to access land, which strongly constrains their ability to escape poverty, as accumulating land to cultivate is an essential part of the process of escaping poverty for most poor Tanzanians. This represents an inter-generational conflict of interest.*

What can be done?

A review of land policies in the light of the conflicts and pressures for land for investment was initiated in 2015, and led to a 2016 draft Land Policy, which was being debated in 2017 (Belair, 2017; Policy forum, 2017). One issue was that it proposed urban and village plans but did not include grazing plans. This policy has been revised following consultation and in mid-2018 was out for further restricted consultation before going to Cabinet for decision. A review of this policy by a relevant expert with respect to whether it deals adequately with these three sources of impoverishment (pastoral-farmer conflicts, property grabbing against widows, separated and divorced women, and inability to access land for rent by young people) would be useful.

Pastoral-farmer conflicts

Settled farmers need protection against incursions from pastoral livestock owners, who seem to hold most of the cards in the conflicts arising from competition over land, with both groups being squeezed and spreading into new lands. Since the pastoralists are responding to climate change and the pressures they face, this can only be achieved by a new and dynamic approach to land use planning which recognises and actively reconciles different interests in land. A recent analysis suggested that the root cause is insecure land tenure, coupled with corruption surrounding access to land and settlement of conflicts and disagreements (Keenja, 2017). Revitalization of pastoral institutions may also be required (Reda, 2015).

West Africa and especially Nigeria is where the problem has been most acute, and where there have been the longest running attempts to solve these issues, but recently a 'Learning Route' through Kenya and Tanzania was organised by IFAD for Nigerian stakeholders wanting to learn from East Africa. This identified joint programming and joint land use planning with all major stakeholders as being the key to conflict management. These would demarcate routes and agree time schedules for grazing. When negotiations break down, there needs to be a trusted court of appeal. A conflict resolution policy framework can also help. These recommendations form a useful starting point for this issue in Tanzania.

Now that the Ministries of Agriculture and Livestock have been divided, the chances of developing a robust negotiation of such a framework may have increased. Tanzania's current anti-corruption drive could also work on ways to reduce the occurrence of corrupt decisions on land and conflict resolution. Corruption may be impeding the emergence of new forms of land management and conflict resolution.

Several local governments acting together would need to adopt an active approach to managing these conflicts, with the participation of organisations of farmers and herders, since pastoralists may cross local government boundaries. HakiArdhi is Tanzania's home-grown solution to land conflicts, operational since the land commission of the early 1990s, and set up as an institute to grow awareness of, and public engagement in land issues. It tracks what is happening around the country and intervenes to resolve conflicts (Box 7).

Box 6: HakiArdhi's land conflict resolution work

In trying to solve land conflicts in Kilosa district, HakiArdhi organized a meeting with community members to develop a grassroots led, participatory strategy for land management to be implemented by the community and under leadership of community chosen members. They also formed a commission with farmers and pastoralists to promote dialogue in the community and come up with solutions to address land conflicts. This commission will work with two HakiArdhi members that are Kilosa district residents.

Source: Key informant Interview, December 2017

However, such conflicts can be difficult to resolve: enmities are so great and sometimes long standing that it can be difficult to get the disputing parties to talk. Situations can be dynamic, with fast changes as pastoralists move in and out of areas. This issue should be deeply worrying as it has the potential to threaten the peace and stability Tanzania has generally experienced since independence.

Action against property grabbing

Separated, divorced and widowed women need protecting against property grabbing by their in-laws; this can be partly through legislation, but laws need to be implemented, and there are conflicts of laws with customary law sometimes recognising men's rights but not their wives'. Again, Rwanda is setting an example on these issues, where local state officials are responsible for making sure that men allow women

equal property shares. While there are ways around the law in Rwanda, social norms are beginning to change, and women's rights to property are more often respected than previously (Da Corta et al, 2018). This requires a clear preference for modern over customary law, which in turn requires a social movement to mobilise against the powers of 'tradition', as well as a capable and motivated implementing machinery, which Rwanda currently has.

These fights intensify as growing land scarcity and cost of rental and land drives desperate people to fall on traditional patriarchal normative entitlements to land (male and man's relatives). Women facing such cases easily become impoverished: they lack the justice and support they need to regain the property. One key policy imperative is to update marital land rights and develop new thinking on local forums for settling these disputes. Creating further awareness among women and men on women's rights in Tanzania's inheritance laws and providing legal assistance to women will help create a conducive environment for effective implementation and reinforcement of these laws.

Achieving greater gender equality in access to land for the poorest is a significant challenge – women's movements and gender equality strategies often do not specifically take into account the issues faced by the poorest women, such as their exclusion from asset ownership, renting land, financial services, and associations (Bird, 2017). Interaction between development organisations focused on women with those focused on poverty are needed to develop strategies, if organisations do not already do this internally. Then they can work with local stakeholders (local governments, CSOs, local leaders) on these deeply embedded, normative issues. This issue is something HakiArdhi is aware of. It could be a new focal area for a number of organisations active at grassroots level. There are CSOs working on poverty which do not work on gender, and vice versa. It would be good to blend the two. Their actions would need to be complemented by policy recognition and special measures to ensure that women can access legal services and be aware of their land rights.

Youth access to land through renting

Finally, measures which enable youth to rent land, so they have a chance to escape poverty, are required. One way this is already happening is investing in irrigation, and then renting out small farms – 1 hectare or less – for onion or tomato growing, which are capable of providing an economic base for greater prosperity. Currently less than 5% of Tanzania's land is irrigated. More finance is needed, support for farmer-initiated irrigation, and fair water allocation. Public-private partnerships have produced some investment, but success 'depends on combined efforts of many different individuals and institutions such as the ministries of water and agriculture, water boards, large-scale agricultural firms, farmers and their organisations, commercial banks, donors and non-governmental organisations' (Wiggins, 2017).

The government can also steer donors and NGOs to support economic opportunities, for example for crop processing enterprises. Sunflower in Tanzania's dryer regions has been a great success, with much local processing providing employment and self-employment.

TOWARDS A PORTFOLIO RESPONSE AND SUSTAINED POVERTY REDUCTION

This research reveals that there is no 'silver bullet' for promoting sustained poverty escapes. There are conditions for people who escape poverty to avoid falling back into it; and other conditions to continue their upward progress. The measures reviewed above have focused on a few leading promoters of sustained escapes and leading constraints. Development programming aims to help people escape poverty and stay out of it; if key sources of impoverishment are not addressed in parallel or in an integrated way, progress may be temporary: this is one example of where a portfolio approach to policies and interventions is needed.

Building resilience, or sustaining poverty escapes requires that programmes are co-ordinated and ‘speak to each other’. Farm and nonfarm programmes; financial inclusion and insurance; programmes to get poor children through education from pre-school to secondary/tertiary or TVET; and across a much wider range of policies and programmes it is necessary to evaluate programme outcomes so that poor people are not asked to ‘contribute’ too many times over and face trade-offs with saving for human capital development or business investment.

Examples from this paper where co-ordination is vital include promotion of the rural nonfarm economy; and development of irrigated small-scale farming. At policy level, integration can be achieved by the Inter-Ministerial Development Committee, at Permanent Secretary level; supported by existing or newly established Inter-Sectoral Working Groups and Technical Working Groups, which include director and operational level civil servants as well as other co-opted members from civil society or the private sector (Box 8). This has proved a useful mechanism, for example, in advancing the health insurance policy discussion (KII).

Box 8: Inter-ministerial working groups

Nutrition is an example where there has been a group convened in the Prime Minister’s Office, and involving many stakeholders. Lessons from its operation include the importance, but also the difficulty of getting agreement on a Common Results Framework, at different levels – policy and implementation; while bringing people together, having a common legal and policy framework, and resource mobilisation and financial tracking were less problematic (Scaling Up Nutrition, 2015).

There are then challenges for implementation, particularly for identifying entry-points for interventions; and risks of programmes falling into the trap of ‘trying to do everything’. Strategies need to recognise this complexity, and develop both appropriate programmatic focus, as well as the necessary links with other programmes or with broader policy implementation.

In Tanzania this can in theory best be done at local government level, so that variation in situations, needs and capacities can also be taken into account. However, a recent assessment of local government suggests that the ‘decentralisation by devolution’ strategy pursued since the 1990s has not succeeded in creating a viable set of local institutions which can deliver services accountably or in which citizens have trust (Mdee and Thorley, 2016). The following may contribute to this challenge: (i) the continued central control of local government authorities, especially as the opposition controls more authorities, and the reluctance of the centre to devolve expertise; and (ii) the inequality in financial allocations which disfavors poor rural areas, for example, because they have fewer enrolled pupils in school – on which the capitation grant is based, with negative results in terms of service delivery for the rural poor (Tidemand, 2015).

In this context, it is perhaps best to recognise that governmental development programming will remain centralised, to support existing good initiatives (like the health insurance programme), strengthen the work of the Inter-Ministerial Development Committee, and the supporting Inter-Sector Working Groups; and for development partners to work with government to produce other good programmes, with enhanced monitoring and evaluation for learning as well as accountability, and to involve local government authorities as stakeholders where relevant and necessary.

SAGCOT (Box 3 above) illustrates the potential of another solution – the public-private partnership – to developing a portfolio response. SAGCOT has been able to activate a number of stakeholders to support agricultural development in diverse ways in southern Tanzania. This is a partnership of government, development partners, and the private sector, but with a regional focus and a significant degree of autonomy from all of these stakeholders. This could be a model for other regions or localities. Ways to include the poorest farm households, and women headed households at the centre of such ventures need to be incorporated in the design of the partnership. This could be through the inclusion of relevant CSOs or representative organisations, but also by continually assessing whether programs developed can reach them.

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