

Tanzania



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What's happening

74%

Population below international poverty line

€41

per month

Agriculture minimum wage

€143

per month

Rural living wage

€192

per month

Urban living wage

€214

per month

Rural living income

65%

Agricultural workforce

26%

Agriculture share of GDP

4

high

Risk to workers' rights

Context

Tanzania has a population 58 million people,^[1] with 66%^[2] of citizens living in rural areas. The agricultural sector employs about two thirds of all the workers in Tanzania.^[3] A sector that accounts for 29%^[4] of the nation's GDP.

Smallholder family farms represent 83% of all agricultural holdings in Tanzania and contribute to 75% of the nation's agricultural output. The average plot size for smallholders in Tanzania is 1.2 hectares and typically consists of crop production. Livestock and poultry production are a very important second source of income for smallholder family farms. Additionally, many smallholder farmers supplement their incomes with off-farm employment, which typically accounts for an average of a third of the annual household income. Nonetheless, roughly 39% of smallholders in Tanzania live below the national poverty line.^[5]

The top crops grown by farmers in Tanzania are maize, cassava, sweet potatoes, bananas, sugar cane and paddy.^[6] Tanzania's top export commodities in terms of value are cashew nuts, sesame seed, wheat, tobacco, maize and tea.^[7]

Wages

Minimum wage

The minimum wage in Tanzania varies by employment sector and sets a minimum wage of 100,000 Tanzanian shilling (41 EUR) per month for agricultural services.^[8] Although the various minimum wages are above the national poverty line, they are below the World Bank standards for extreme poverty. In addition, many employees do not have formal contracts and therefore lack legal protections.^[9]

The Global Living Wage Coalition has developed **3 Reference Value studies** for rural Tanzania, one for living wage and one for living income, based on the Anker methodology.

Living wage

The Anker Living Wage Reference Value for rural Tanzania is estimated at 330,250 Tanzanian shillings (143 EUR) per month. This is the wage required for workers in a typical rural area of Tanzania to afford a basic but decent standard of living in 2022. The estimated reference value turned out to be over 3 times the agricultural minimum wage.^[10]

As for the Living Wage Reference Value for urban Tanzania, this is estimated at 446,071 Tanzanian shillings (193 EUR) per month, 4.4 times the agricultural minimum wage in Tanzania in 2022.^[11]

Living income

The Anker Living Income Reference Value for 2022 for rural Tanzania is estimated at 495,629 Tanzanian shilling (214 EUR) per month. This is the living income estimate for a typical family in rural Tanzania to cover the monthly cost of a basic but decent standard of living.^[12]

What's happening

RESOURCE

Fairtrade living Income Reference Price for cashew ↻

A Fairtrade LIRP indicates the price needed for an average farmer household with a viable farm size and an adequate productivity level to make a living income from the sales of their crop. This study was done in cooperation with Johnny Cashew and Lidl Nederland in 2022.

RESOURCE

Living Wage Reference Value, Rural Tanzania ↻

Living wage estimate for workers to be able to afford a basic but decent standard of living in a typical rural area of Tanzania. Global Living Wage Coalition, 2022.

RESOURCE

Living Income Reference Value, Rural Tanzania ↻

Living income estimate, or estimated monthly cost of a basic but decent standard of living, for a typical family in rural Tanzania. Global Living Wage Coalition, 2022.

RESOURCE

Living Wage Reference Value, Urban Tanzania ↻

Living wage estimate for workers to be able to afford a basic but decent standard of living in a typical urban area of Tanzania. Global Living Wage Coalition, 2022.

RESOURCE

Assessing coffee household income



Assessment of household income of

coffee farmers in seven origins to improve strategy, policy and Fairtrade's Minimum Price.

Footnotes

1. World Bank. (2019). <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=TZ>
2. World Bank. (2019). <https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS?locations=TZ>
3. World Bank. (2020). <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=TZ>
4. World Bank. (2017). <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=TZ>
5. FAO. (2018). <http://www.fao.org/3/i8356en/i8356EN.pdf>
6. FAO. (2018). http://www.fao.org/faostat/en/#rankings/commodities_by_country
7. FAOSTAT. (2018). http://www.fao.org/faostat/en/#rankings/commodities_by_country_exports
8. WageIndicator Foundation (2023). <https://wageindicator.org/salary/minimum-wage/tanzania>
9. U.S. Department of State. <https://www.state.gov/reports/2019-country-reports-on-human-rights-practices/tanzania/>
10. Global Living Wage Coalition and Anker Research Network (2020). Anker Living Wage Reference Value: Rural Tanzania 2020. <https://www.globallivingwage.org/wp-content/uploads/2020/08/Rural-Tanzania-LW-Reference-Value.pdf>
11. Global Living Wage Coalition. 2020. Anker Living Wage Reference Value: Urban Tanzania 2020. https://www.globallivingwage.org/wp-content/uploads/2020/11/Urban-Tanzania-LW-Reference-Value_FINAL.pdf
12. Global Living Wage Coalition and Anker Research Network (2020). Anker Living Income Reference Value: Rural Tanzania 2020. <https://www.globallivingwage.org/wp-content/uploads/2020/08/Rural-Tanzania-LI-Reference-Value-.pdf>