

Tanzania



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77%

Population below international poverty line

€36

per month

Agriculture minimum wage

€114

per month

Rural living wage

€152

per month

Urban living wage

€165

per month

Rural living income

65%

Agricultural workforce

29%

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 (36 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 317,779 Tanzanian shillings (114 EUR) per month. The estimate is comprised of a net living wage of 272,701 Tanzanian shillings (97 EUR) per month, plus 45,078 Tanzanian shillings (16 EUR) per month for social security expenses and tax. This is the wage required for workers in a typical rural area of Tanzania to afford a basic but decent standard of living. 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 425,608 Tanzanian shillings (152 EUR) per month. This value is comprised of a net living wage of 361,338 Tanzanian shillings (129 EUR) per month, plus 64,270 Tanzanian shillings (23 EUR) per month for social security expenses and tax. The estimated urban living wage is 4.3 times the agricultural minimum wage in Tanzania.^[11]

Living income

The Anker Living Income Reference Value for 2020 for rural Tanzania is estimated at 458,092 Tanzanian shilling (165 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. The Anker Living Income Reference Value turned out to be 2.6 times the income of a typical rural family of 5.5 with 1.73 full-time workers earning the agricultural minimum wage.^[12]

What's happening

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, 2020.

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, 2020.

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, 2020.

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 (2020). <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>