

CONCLUSION OF PHDR, 2005

This Poverty and Human Development Report, 2005, points to significant achievements of the past few years, especially in primary education and in health outcomes for young children. It is not a coincidence that basic education and health were the main priorities of the Poverty Reduction Strategy and its associated financing. The new strategic framework, MKUKUTA, is broader, with greater focus on growth and on governance. The analysis of this report suggests that growth and governance merit much greater attention to ensure a more rapid reduction of poverty, to generate broad-based growth, and to deliver more equitable access to services and opportunities.

Even though primary education enrolment has achieved national targets and under-five mortality rates have fallen, there are still significant disparities, geographically and socially. Access to teachers, health services, improved water supplies and other essential services and amenities is inequitable. Rural households are disadvantaged compared with their urban peers. And it is in the rural economy where growth has been weakest.

Improved rural growth will depend on increased productivity and quality in agriculture. It will depend on greater private investment in agriculture by private business and by smallholders themselves who need to be more effectively linked into an integrated system of production involving access to improved inputs, extension, transport, processing and marketing. Such integrated systems can be strengthened and made more widely accessible to smallholders to encourage increased production and added quality to their produce.

There is much the Government can do to provide an enabling environment to encourage this development to take place. Macroeconomic stability must be sustained, more investment needs to be directed to improving rural infrastructure, action should be taken to reduce the cost of doing business, regulatory mechanisms must be strengthened. Government's own capacity needs to be enhanced to keep up with global changes to help the economy thrive within the international environment in which it is operating.

Improvements in the rural infrastructure are critical – roads, power, communication, water – and they are given greater priority in MKUKUTA. The more widespread use of cost effective technologies, especially in road improvements and maintenance and the provision of improved water supplies, will be an important part of a strategy to ensure equitable access.

Associations of producers can play a critical role in safeguarding the interests of smallholders, and they can also ensure a steady supply of produce for processing and marketing. Investment in co-operative producers' associations can be encouraged so that vertically integrated enterprises of production, processing and marketing add value to members' produce. The democratic development of such associations needs to be promoted.

The equitable provision of essential services is important for enhancing the capabilities of otherwise disadvantaged poor people to participate in and benefit from social and economic development. Strengthened local authorities' management is necessary, with greater financing through formula-based allocations, and with more equitable deployment of staffing for social services. Stronger co-ordinated efforts to improve economic and social conditions and the provision of essential services would do much to reduce the state of generalised insecurity in which many poor Tanzanians live, and would underpin a strategy for social protection, which is a goal of MKUKUTA.