



Eurofound

# Working conditions in Tanzania

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## Introduction

Despite the global economic crisis, growth appears to have remained positive in many countries and high in some developing countries. Yet this does not create a sufficient number of new and better jobs that can lead to a reduction in poverty. In many developing countries, unemployment is rising, a large proportion of the labour force is paid wages below the poverty level, and the majority of non-agricultural employment is in the informal economy. It is therefore not surprising that, in recent years, there has been a shift of focus from exclusive interest in economic growth to a broader concern with improving the quality of work.

Indeed quality of working life is integral to both human and socioeconomic development. The notion of quality of working life has shifted from an exclusive focus on certain dimensions of paid labour – primarily working hours, wages and maternity protection – to including a wider range of elements of both paid and unpaid work, especially how to balance work and family life. It also encompasses the intersection between the labour market and the lives of workers that take place beyond paid work. Yet these issues are to be fully integrated into the most prominent policy responses to the globalised economy (for example, mainstream economic policies at the national and global level).

Governments across Africa have called forcefully for action to meet these challenges. The African Union Extraordinary Summit on Employment and Poverty Alleviation in Africa (Ouagadougou, September 2004) overwhelmingly endorsed the **ILO's Decent Work Agenda**, which emphasises the creation of quality jobs. Mozambique's poverty reduction strategy (2006–2009) and the strategy for employment and training (2006–2015) reflect this.

As a response to this pan-African initiative, a new pioneering survey was undertaken to document the current status of working conditions in selected sectors in Tanzania and to draw attention to related policy gaps. The survey was carried out based on the global version of the **European Working Conditions Survey** which had been developed jointly by the International Labour Organization (ILO)<sup>1</sup> and the European Foundation for the Improvement of Living and Working Conditions (Eurofound). A similar survey was also implemented in Mozambique.

### 1. National context

The United Republic of Tanzania is among the poorest countries in the world. The effects of the high level of poverty and poor social conditions are illustrated by social indicators such as life expectancy and mortality rate (Table 1).

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<sup>1</sup> This report draws on *National profile of working conditions in the United Republic of Tanzania* (ILO, 2009).

Table 1: Key social and employment indicators for the United Republic of Tanzania, 1996–2006

|  | 1996        | 2001        | 2007         |
|--|-------------|-------------|--------------|
| <b>Employment-to-population ratio</b> (% , age group 15 years or above)          |             |             |              |
| <i>All</i>   | 86.0        | 84.3        | 78.2         |
| <i>Men</i>   | 88.4        | 86.4        | 80.5         |
| <i>Women</i>   | 83.7        | 82.2        | 76.1         |
| <b>Employment status</b> (% of total employment)                                 |             |             |              |
| <i>Wage and salaried workers</i>   |             | 6.9         | 10.5         |
| <i>Self-employed workers</i>   |             | 89.3        | 78.1         |
| (Self-employed in the non-agricultural sector)                                   |             | (5.4)       | (10.0)       |
| <i>Contributing family workers</i>   |             | 3.8         | 11.4         |
| <i>All</i>   |             | 100.0       | 100.0        |
| <b>Employment by sector</b> (% of total employment)                              |             |             |              |
| <i>Agriculture</i>   |             | 82.1        | 76.5         |
| <i>Industry</i>  |             | 2.6         | 4.3          |
| <i>Services</i>  |             | 15.3        | 19.2         |
| <i>All</i>   |             | 100.0       | 100.0        |
| <b>Labour productivity</b> (GDP per person employed, constant US1990 USD at PPP) | 1,006       | 1,110       | 1,312 (2005) |
| <b>Gini index</b>  |             | 34.6        |              |
| <b>Working poor</b> (% of total employment)                                      |             |             |              |
| <i>USD 1 or below (per day)</i>  |             | 62.9        |              |
| <i>USD 2 or below (per day)</i>  |             | 94.8        |              |
| <b>Gross domestic product (GDP) per capita</b> (constant USD 2000)               | 245         | 272         | 330          |
| <b>Trade</b> (% of GDP)  | 48.2        | 41.0        | 43.4         |
| <b>Earnings from tourism</b> (USD million)                                       | 322         | 725         | 1,315        |
| <b>Life expectancy at birth</b> (years)  | 49.9 (1995) | 46.8 (2000) | 46.3 (2005)  |
| <b>Population</b> (growth rate, %)   | 2.6         | 2.5         | 2.5          |
| <b>Fertility rate</b> (birth per woman)  |             | 2.7         | 2.5          |
| <b>Births attended by skilled health staff</b> (%)                               |             |             | 65.0         |
| <b>Mortality rate</b> (under age 5 years; per 1,000 births)                      |             | 83          | 86           |

Note: USD 1 is equivalent to €0.76 (as at January 2012).

Sources: ILO key labour market indicators and other national sources

Economic performance in recent years (before the global economic crisis began) was good, with an average growth rate of 6%, thanks to economic and political stability. Along with increases in foreign direct investments, the booming tourism sector had been one of the major driving forces of economic growth. By 2006, the sector contributed as much as 16% of the country's gross domestic product (GDP) and was categorised as the most vibrant sector, with increasing opportunities for job creation. This partly explains the rapid increase in service employment, which accounts for about 20% of total employment in the country.

The overwhelming majority of workers are working in the agricultural sector, but their proportion of the workforce has rapidly decreased in recent years (from 82.1% in 2001 to 76.5% in 2006). Employment in the industry sector has

increased, although relatively slowly. Because of this sectoral shift towards service employment, the overall share of self-employment has declined and the number of wage and salaried workers has continued to increase. However, this potentially positive development has been accompanied by increases in the category of contributing family workers, which may point to the informalisation of employment, particularly in the urban sector. In addition, the proportion of self-employed people in the urban sector almost doubled between 2001 and 2006.

## 2. Methodology

The scope of the survey was to cover 1,000 households. To allow for the randomness of the selected sample, the team which was led by the University of Dar es Salaam used the unordered list of households whose primary activity is in informal sector and tourism-related activities to create, non-systematically, an order of the list of urban households in the selected wards (or districts). The wards were also randomly selected from a list of urban-located wards in each region. To maximise the tourist-related activities, randomly sampled tourist enterprises, especially in the Northern Circuit and Mikumi areas (which are popular destinations for tourism), were selected. Using small sampling frames, simple random sampling was used to select the respondents, while allowing for over-sampling for the tourism sector. The total of 1,240 households responded to the survey.

## 3. Survey findings

While labour laws have influence in the United Republic of Tanzania with regard to minimum standards, the actual working conditions are often not in line with the legal provisions. The substance of labour law is undermined and employees are subjected to conditions well below the specified minimum working conditions. A survey of the working conditions provides useful insights into the gaps between the law as it stands and the reality of the quality of working life (Table 2).

Table 2: Overview of working conditions, 2009

|  | All  | Male | Female | Tourism sector     |
|--|------|------|--------|--------------------|
| <b>Employment contract</b>   |      |      |        |                    |
| <b>Having a written contract or agreement (%)</b>                                      | 37.7 | 37.7 | 37.8   | 36.5               |
| <b>Contracts having details on</b> (% of respondents who have a contract or agreement) |      |      |        |                    |
| <i>Wages</i>   | 49.4 | 50.0 | 47.9   | 77.6               |
| <i>Hours of work</i>   | 51.9 | 49.2 | 58.2   | 84.2               |
| <i>Holidays</i>  | 30.4 | 26.9 | 38.5   | 73.4               |
| <i>Having a baby</i>   | 21.6 | 13.6 | 21.6   | 64.7               |
| <b>Covered by a collective agreement (%)</b>   | 16.5 | 15.0 | 20.0   | 15.6               |
| <b>Legal awareness</b>   |      |      |        |                    |
| <b>Being aware of legal entitlements (%)</b>   |      |      |        |                    |
| <i>Minimum wages</i>   | 73.7 | 73.6 | 74.0   | 84.5               |
| <i>Working time</i>  | 67.3 | 66.2 | 69.8   | 81.6               |
| <i>Maternity protection</i>  | 62.1 | 55.8 | 77.5   | 81.4               |
| <b>Leave benefits and protection</b>   |      |      |        |                    |
| <b>Benefiting from paid annual leave (%)</b>   | 32.8 | 30.9 | 37.5   | 69.0               |
| <b>Benefiting from paid sick leave (%)</b>   | 52.0 | 47.5 | 63.3   | 79.4               |
| <b>Benefiting from maternity leave (%)</b>   | NA   | NA   | 52.6   | 69.1 (female only) |
| <b>Benefiting from dismissal compensation (%)</b>                                      | 16.2 | 14.0 | 21.6   | 16.4               |
| <b>Contributions to pension funds (%)</b>  | 12.6 | 10.7 | 17.5   | 26.6               |

## Working conditions in Tanzania

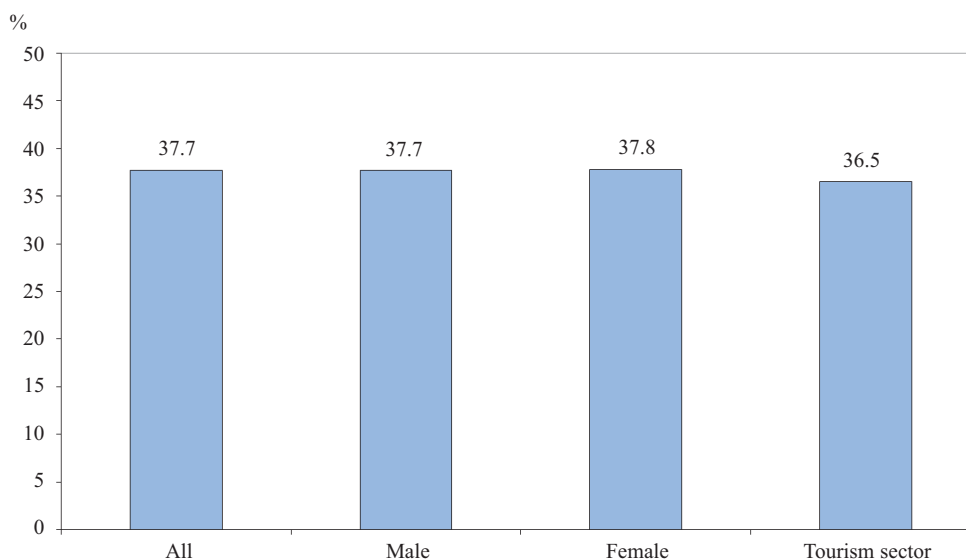
|   | All  | Male | Female | Tourism sector |
|---|------|------|--------|----------------|
| <b>Working time</b>   |      |      |        |                |
| <b>Having more than one job (%)</b>   | 15.0 | 14.4 | 16.2   | 8.8            |
| <b>Weekly working hours</b>   |      |      |        |                |
| <i>Short hours (less than 30 hours)</i>   | 27.6 | 26.7 | 29.8   | 55.1           |
| <i>Long hours (more than 50 hours)</i>  | 62.9 | 64.5 | 59.1   | 36.3           |
| <b>Working hour preference compared with current working hours</b><br>(% of respondents who would prefer)   |      |      |        |                |
| <i>More hours</i>   | 6.2  | 7.3  | 3.6    | 2.6            |
| <i>Same hours</i>   | 73.1 | 71.0 | 78.1   | 83.8           |
| <i>Less hours</i>   | 19.8 | 20.4 | 18.3   | 13.5           |
| <b>Working time regularity</b> (% of workers who have fixed starting and finishing time)  | 55.1 | 57.0 | 55.6   | 80.3           |
| <b>Compatibility between working time and family and social life</b> (% of workers who say that their working time fits family or social commitments) | 75.1 | 77.5 | 81.3   | 75.3           |
| <b>Physical work environment and risks</b>  |      |      |        |                |
| <b>Physical hazards</b> (% of workers who are exposed to the following hazards around 3/4 of the time or more)  |      |      |        |                |
| <i>Noises</i>   | 37.1 | 14.0 | 30.5   | 10.1           |
| <i>High temperatures</i>  | 38.9 | 24.1 | 34.6   | 15.0           |
| <i>Smoke, fumes, dust</i>   | 20.9 | 27.1 | 6.6    | 11.9           |
| <i>Dangerous people (thieves, poachers and so on)</i>   | 23.1 | 23.2 | 23.0   | 8.9            |
| <b>Being well informed of safety risks (%)</b>  | 43.3 | 42.5 | 45.1   | 60.0           |
| <b>The way work is organised</b>  |      |      |        |                |
| <b>Working at high speed</b> (% , around 3/4 of the time or more)   | 53.8 | 55.9 | 48.7   | 77.9           |
| <b>Working to tight deadlines</b> (% , around 3/4 of the time or more)  | 76.6 | 76.9 | 75.8   | 89.7           |
| <b>Having enough time to get the job done</b> (% , 'often' and 'almost always')   | 60.5 | 59.3 | 63.4   | 55.8           |
| <b>More training is needed to cope with the current job</b> (%)   | 53.7 | 54.9 | 50.8   | 22.9           |
| <b>Violence at work</b>   |      |      |        |                |
| <b>Physical violence from people from the workplace</b>   | 15.6 | 18.4 | 8.9    | 10.3           |
| <b>Physical violence from other people</b>  | 25.9 | 28.5 | 19.6   | 18.5           |
| <b>Bullying and harassment</b>  | 14.7 | 15.0 | 14.0   | 17.5           |
| <b>Work and health</b>  |      |      |        |                |
| <b>Work affects your health (%)</b>   | 69.5 | 73.9 | 58.6   | 78.7           |
| <i>Backache</i>   | 53.4 | 60.1 | 36.7   | 62.4           |
| <i>Headache</i>   | 40.9 | 45.2 | 30.4   | 21.2           |
| <i>Muscular pains</i>   | 47.0 | 53.0 | 32.1   | 47.0           |
| <i>Injuries</i>   | 31.9 | 39.9 | 12.1   | 12.9           |
| <i>Stress</i>   | 49.3 | 51.1 | 44.7   | 63.4           |
| <i>Fatigue</i>  | 70.0 | 72.9 | 62.8   | 80.9           |
| <i>Anxiety</i>  | 28.7 | 27.7 | 31.2   | 50.3           |
| <b>Absent due to health problems</b> (% , over the past 12 months)  | 58.3 | 56.3 | 63.3   | 72.0           |
| <b>Earnings</b>   |      |      |        |                |
| <b>Low paid workers; % of workers earning less than...(MZM)</b>   |      |      |        |                |
| <i>Less than 2,000</i>  | 37.9 | 34.7 | 42.6   | 45.9           |
| <i>Less than 5,000</i>  | 72.3 | 69.1 | 77.0   | 83.2           |

|  | All  | Male | Female | Tourism sector |
|--|------|------|--------|----------------|
| <b>Evaluating working conditions</b>                                       |      |      |        |                |
| <b>Working conditions have improved, compared to the previous year (%)</b> | 56.9 | 54.5 | 63.2   | 69.7           |
| <b>Job satisfaction</b>  |      |      |        |                |
| <i>Pay</i>   | 47.1 | 47.7 | 45.8   | 23.4           |
| <i>Amount of work</i>  | 69.3 | 67.9 | 70.0   | 73.4           |
| <i>Working hours</i>   | 68.6 | 67.1 | 71.9   | 70.7           |
| <i>Training</i>  | 45.4 | 43.6 | 49.6   | 70.5           |
| <i>Job security</i>  | 75.0 | 73.1 | 77.7   | 76.7           |
| <i>Workplace safety</i>  | 74.2 | 72.0 | 79.7   | 82.0           |
| <i>Overall</i>   | 69.1 | 67.4 | 73.4   | 74.4           |

### Employment relationships

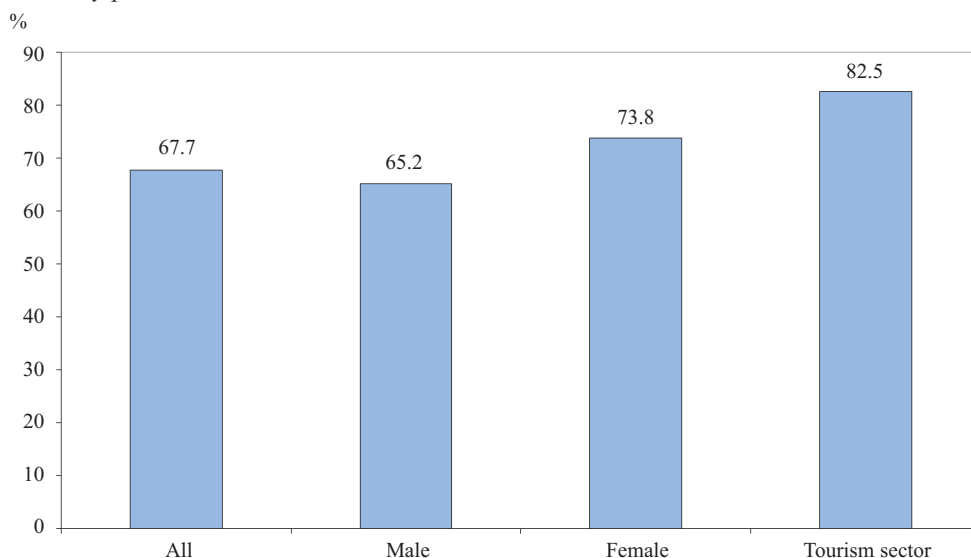
The results of the survey indicate that a majority of employment contracts are casual, verbal or nonexistent. The informal sector is especially dominated by implicit employment contracts. Collective agreements play an insignificant role for informal sector workers, as exemplified by their inability to bargain for shorter working hours. Formal contracts and written contracts are present in very few sectors – namely, public administration, real estate, financial services, transport and communications. The lack of formal contracts (Figure 1) contributes to problems with conflict resolution when worker concerns arise. Less than 40% of workers have a contract or agreement.

Figure 1: *Percentage of workers with a written contract or agreement, 2009*



This informal nature of the employment relationship, coupled with the lack of substantive details in employment contracts, is also related to the fact that a considerable proportion of workers are not aware of their basic legal entitlements in the area of minimum wages, maximum working hours and maternity leave (Figure 2). About one third of workers are unaware of existing legal entitlements, with more men than women reporting lack of awareness. Research shows that legal awareness can make significant contributions to improving actual conditions (Lee and McCann, 2009).

Figure 2: Percentage of workers aware of their legal entitlements concerning minimum wages, hours of work and maternity protection, 2009

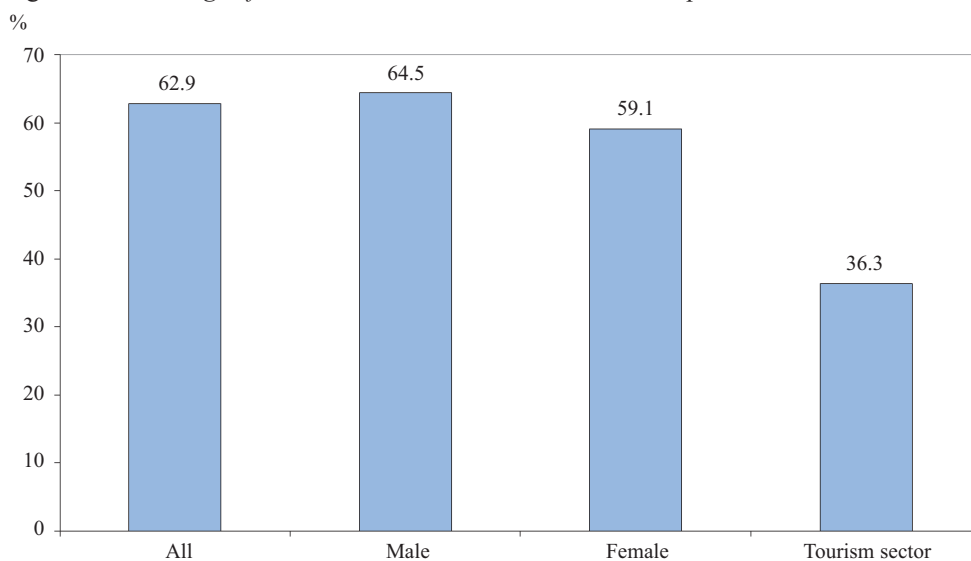


Most workers in the informal economy have little or no social protection and receive little or no social security, either from their employers or the government. When workers are covered by social security, social security deductions often leave them with very little salary on which to live.

### Polarisation of working hours

Under the law, employees may work a maximum of 45 hours per week, with a maximum of 50 hours overtime in any four-week cycle. Overtime payment is legislated as one and a half times the basic wage. In reality, however, working hours are polarised between very long and short hours (workers working short hours tend to be, effectively, underemployed). For instance, 63% of workers are working more than 50 hours per week (Figure 3), while another 28% are working fewer than 30 hours. Only a rather small minority of workers are working ‘standard’ hours: between 30 and 50 hours.

Figure 3: Percentage of workers who work more than 50 hours per week, 2009



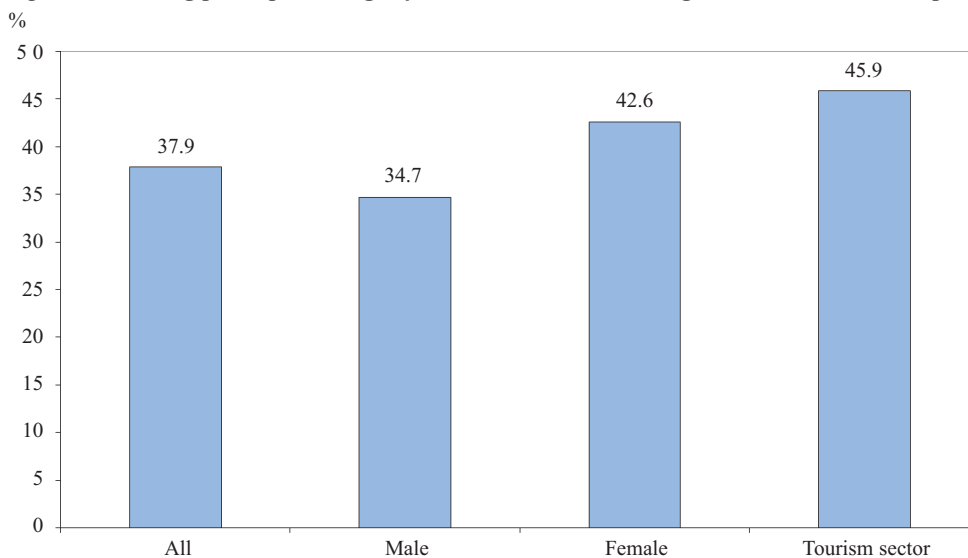
In the services sector, the legislated three eight-hour shifts are often collapsed into a two-shift day, so employees often end up working for 72 hours per week. Additionally, few employers adhere to the overtime pay legislation, and very few employees receive their lawfully provided breaks. The proportion of workers who have a regular pattern of working hours is also relatively low.

Weak collective bargaining in the informal sector affects workers' ability to negotiate their working hours. Furthermore, the very low pay that workers receive makes it difficult for them to refuse long hours, because extended hours often mean opportunities for additional earnings.

### Widespread incidence of low pay

The minimum wage in the United Republic of Tanzania varies depending on occupation; the average for workers over 18 years of age is 80,000 Tanzanian Shillings (TZS) per month (about €37.5 as at January 2012) with a statutory minimum for overtime of time and a half. However, the benefit of this regulation does not reach a considerable proportion of workers (Figure 4). More than a third of workers report receiving low pay. In 2006, the Integrated Labour Force Survey found that 35.6% of the labour force was working for wages below the nationally-defined poverty line (National Bureau of Statistics, 2007). Additionally, there is inadequate payment for overtime work, working during holidays or working at weekends.

Figure 4: *Working poor: percentage of workers who are earning less than TZS 80,000 per month, 2009*



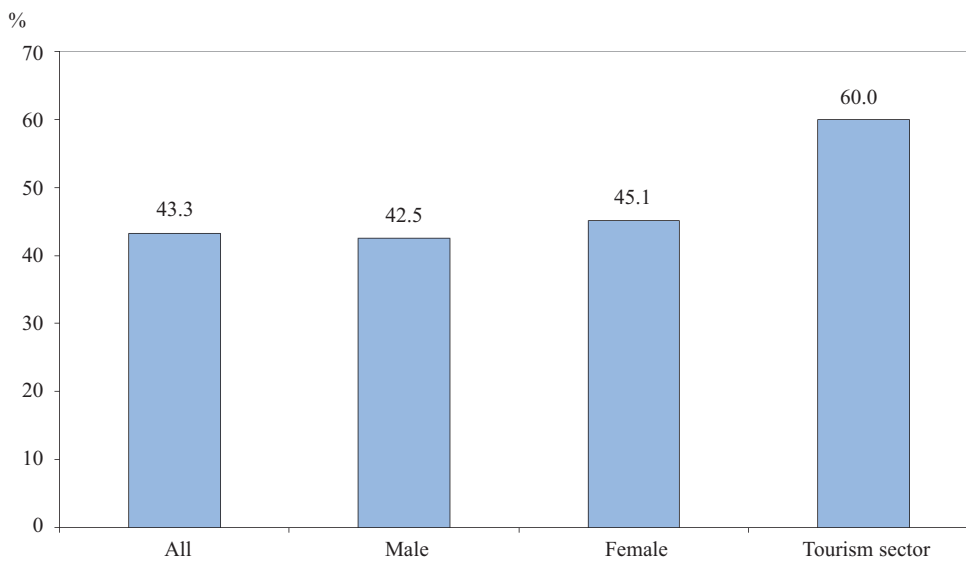
Women are paid comparatively low wages because they are concentrated in the lowest paying jobs, such as domestic services (including work in private houses).

### High exposure to physical risks at the workplace

Survey respondents say that they are exposed to various types of physical risks including loud noises and high temperatures. They are often vulnerable to risks from dangerous people (such as thieves and poachers). Workers also widely report inadequate safety and health standards and environmental hazards. However, they are often poorly informed of the risks at work (Figure 5), which means that they are not well prepared to cope with them.



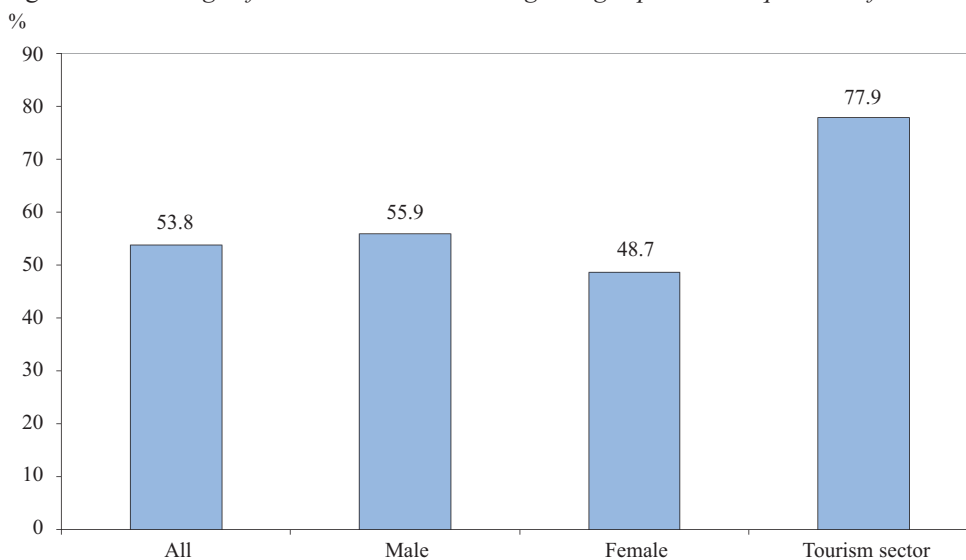
Figure 5: Percentage of workers who are well informed of safety risks, 2009



### Work intensity

Working hard under pressure characterises working life for the majority of workers. They are not only working at high speed (Figure 6), but also under tight deadlines. As a result, the overwhelming majority report that they do not have enough time to get their jobs done. This time pressure at the workplace appears to be related to skills mismatch; many believe that they need more training to cope with their current jobs.

Figure 6: Percentage of workers who are working at high speed three-quarters of the time or more, 2009



### Work–family balance, leave benefits and maternity protection

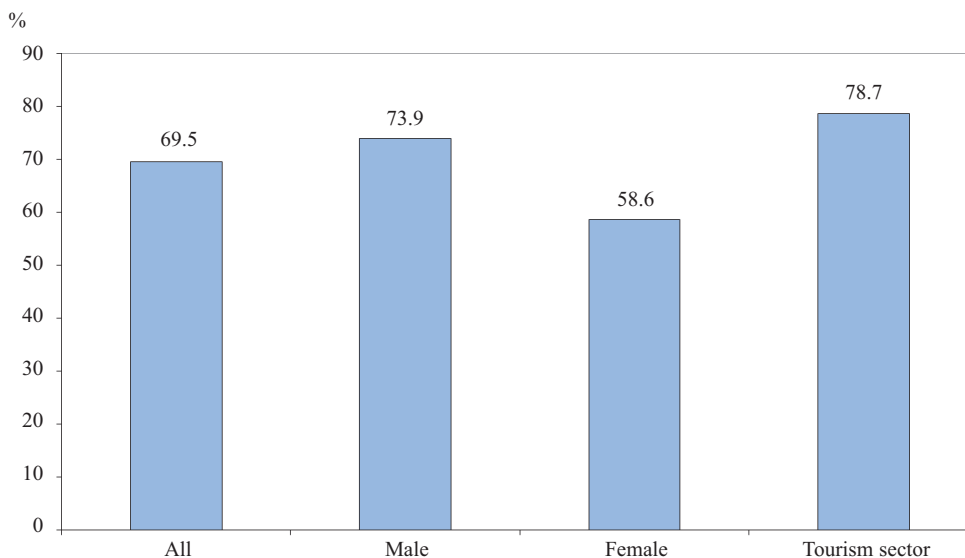
While the great majority of workers, both men and women, think that their working time is largely compatible with their family and social commitments, the extent to which they can benefit from different leave schemes remains limited. Only one-third of workers can take paid annual leave, and slightly more than half of workers have paid sick leave. Similarly, around half of women can take maternity leave when the need arises.

It is also widely reported that daily breast-feeding breaks are not given to working mothers with babies. The most frequently reported reason for this non-compliance with the law is that the long distance between workplaces and workers' residences makes the statutory two-hour breast-feeding breaks impracticable. Ackson (2009) notes that, in many instances, workers depend on collective agreements that allow flexibility of time in order to accommodate breast-feeding.

### Influence of work on health

About 70% of workers believe that their health is affected by their work (Figure 7). Overall fatigue, hearing problems and backache are the most commonly cited negative health effects of work. Respiratory problems, stomach ache, irritability, anxiety and headache are other key health problems mentioned by the respondents. One important consequence of these health effects is the high incidence of absence resulting from health problems. Over a period of 12 months, 58% of workers were absent from work at least one day for health-related reasons.

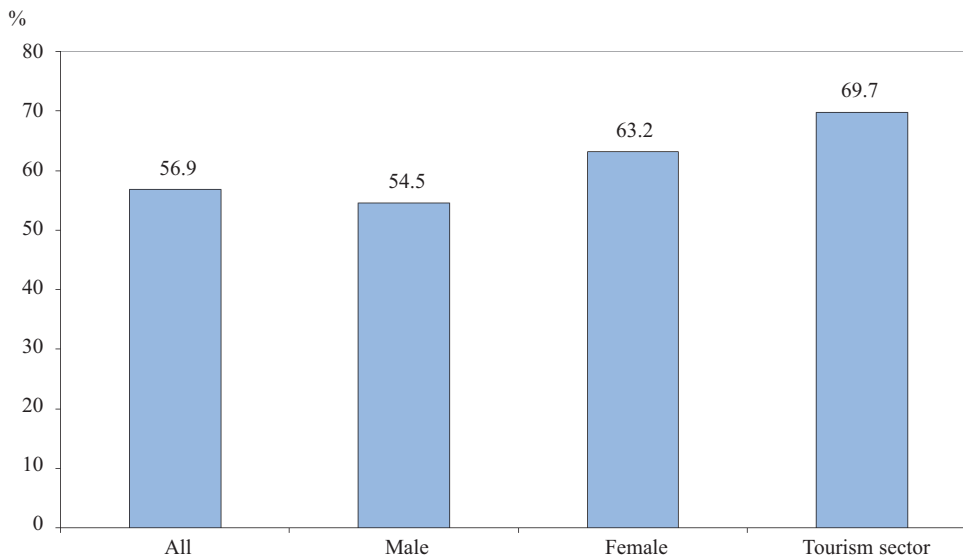
Figure 7: Percentage of workers who report that work affects their health, 2009



### Workers' perception of their working conditions

Among all workers, 57% feel that their working conditions have improved (Figure 8). Women workers are more positive than male workers about recent developments. At the same time, 70% of workers overall are satisfied with their current working conditions. However, the majority of workers are unhappy with pay and training.

Figure 8: *Percentage of workers who report that their working conditions have improved compared to the previous year, 2009*



## 4. Policy considerations

The key findings of the new working conditions survey were presented and discussed in a two-day national tripartite workshop on 13–14 April 2009. This workshop adopted the national policy statement which identified key areas for policy actions.

### Job quality as a policy goal

The preservation and advancement of good quality jobs will be integrated into all employment-related policies. In particular, efforts to create jobs will attend to their quality as well as their quantity. These efforts will reflect the standards for decent working conditions established by the Employment and Labour Relations Act 2004 and the international legal standards.

### Gender equality in working conditions

Policies and practices on working conditions will be reviewed to ensure that they do not have a disadvantageous impact on women and take into account their disproportionate representation in low-quality jobs. Certain steps will be taken in this area.

- It is noted that certain legislative measures, most notably the Labour Institutions Act 2004, do not require that women be adequately represented on statutory bodies and do not specify the numbers of women that must be appointed to these posts. Although there are women appointed to the wage boards for different sectors, there is currently no statutory requirement for gender balance. The government will introduce such a requirement for the wage boards.
- The provisions of the Employment and Labour Relations Act 2004 on maternity protection will be amended to ensure that new mothers are sufficiently protected and, in particular, that they can return to the same terms and conditions at the end of the maternity leave, as well as to specify a minimum duration of entitlement to breastfeeding breaks.

### Remuneration and working time in the tourism sector

New remuneration and working time policies will be developed in the tourism sector, to protect employees and advance efficiency.

### **Training in the tourism industry**

Standardised training requirements will be established for workers in the tourism industry, all of whom will be required to attend an accredited tourism institution.

### **Enforcement of working conditions laws**

All stakeholders will seek to uphold the working conditions standards in the Employment and Labour Relations Act 2004 and related measures, particularly those outlined below.

- The resources available to the labour inspectorate, whether financial, technical or human, will be reviewed. As part of this process, the wages of labour inspectors will be examined with the objective of ensuring the retention of competent and skilled staff and averting any risk of corruption. This initiative will be accompanied by efforts to enhance the reliability of labour inspection, for instance through the development of a code of ethics and conduct and of a mechanism to ensure the reliability of inspectorate reports.
- Recognising the efforts of the labour inspectorate to review its forms and procedures to ensure that they adequately cover working conditions, this work will be intensified. As part of this process, the inspectorate will consider whether complementary forms of enforcement (for example, incentives, training and telephone helplines) can be introduced.
- The use of the ‘ministerial exemption’ in sections 39 and 100 of the Employment and Labour Relations Act 2004 and the Labour Institutions Act 2004 respectively will be reviewed to determine whether these powers are useful or further procedural protections need to be put in place.

### **Working conditions in the ‘informal economy’**

- All the stakeholders will recognise the expansive coverage of working conditions laws and pursue the objective of ensuring that these legal measures are equally extensive in practice. To this end, the principle of universality will underlie the application of labour laws, in an assumption that the law is intended to cover the vast majority of Tanzania’s workers. These efforts will take into account the ILO Employment Relationship Recommendation 2004.
- The question of whether workers classified as self-employed are genuinely independent will be analysed and efforts made to support the organisation of self-employed workers.
- The ministry responsible for labour matters will liaise with other relevant institutions with the goal of integrating working conditions into policies on the informal sector. In particular, working conditions issues will be taken into account in programmes on the formalisation of informal establishments.
- The government will consider the possible application of section 98(3) of the Employment and Labour Relations Act by determining whether certain categories of workers are particularly likely to be excluded from the protection of labour law, such as the informal sector.
- Efforts will be made to include in national policy organisations that represent informal workers – for example, the Association of Small Traders (Vibindo) the Conservation, Hotels, Domestic and Allied Workers Union (CHODAWU) and the Tanzanian Union of Industrial and Commercial Workers (TUICO). Equally, efforts will be made to integrate working conditions, and specifically the application of the relevant legal standards, into the work of these organisations, and to support the self-organisation of ‘informal’ workers.

### **National Tripartite Committee on Working Conditions**

A national tripartite committee on working conditions will be established with the goal of monitoring working conditions in Tanzania through policy review, research, training and information dissemination. To facilitate this process, the committee will be established as a committee of the Labour, Economic and Social Council (LESCO) and will therefore be constituted by representatives of the government and of organisations representing the interests of employers and

workers. Given the need to incorporate research expertise and representatives of workers in the informal economy, certain sittings of the committee will include the participation of academic researchers familiar with working conditions and their regulation, and bodies that represent workers in the informal economy.

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**EF/10/95/EN**