

**THE AFRICAN CONTINENTAL FREE TRADE AREA:  
ARE WOMEN IN TANZANIA AGRI-FOOD SECTORS IMPACTED  
DIFFERENTLY**

**RESEARCH PROPOSAL**

**Presented to  
JRC/FARA**

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# Background

**Tanzania has been and still is one of the best performing economies in East Africa, reflected in the improvement of its Human Development Index (HDI) (Idris, 2018).**

- The country is transitioning from a lower-income country to a middle-income country, as from July 2020.
- The agricultural sector remains the dominant with a 29.5% of contribution to GDP
- About 60.4% of women earn their livelihoods from agricultural activities (ILFS, 2021). Women make up 70%-80% of the informal trade of agricultural commodities.

**The URT Government wants to significantly increase the number of women and youth employed in agriculture – by targeting an additional 3 million workers in the sector by 2025.**

- The government also plans to increase the rate of growth in the agricultural sector to 10% per annum by 2030 (from around 3% currently).
- If this is achieved, it will be a boon for the livelihoods of workers in the sector.
- This strategy will only work if accompanying policies target the poorest groups in Tanzania

# Background

However, women's position in the agricultural sector, in our opinion, is unequal compared to other groups in the sector

- Women don't have equal access to productive inputs – land, capital, fertilizer, finance.
- Most women work on male-owned land.
- The average area cultivated by women is less compared to men.

According to the World Bank estimation (WB, 2015), if women had the same access to productive resources as men, they could increase yields on their farms by 20–30%. This could raise total agricultural output in developing countries by 2.5–4 percent (FAO, The State of Food and Agriculture 2010–11).

One of the objectives of this study is to show **how pro-gender public policies in the agricultural sectors could contribute to the reduction of gender inequalities in the labour market** (in terms of income and employment) and to figure out how international trade policy would impact **women's economic empowerment**.

- **In this study, we will develop the 2019 gender-oriented Social accounting Matrix for Tanzania Mainland and Zanzibar based on the 2015 Supply and Use Tables**
- **For the purpose of this study, we will introduce a several modification to the 2015 SAM for Tanzania.**
  - (i) The factor of production - labour will be disaggregated by gender. 2015 Integrated Labour Force Survey provides data that introduce proportions of male and female in different sectors.
  - (ii) Households will be disaggregated by male and female headed households. For this purposes, we will use the 2012 Household Budget Survey and the 2015 Integrated Labour Force Survey.
  - (iii) To adequately deal with the AfCFTA, the Rest of the World (ROW) account will be disaggregated into AfCFTA countries and the ROW.
- **UNCTAD statistics, World Development Indicators, World integrated trade solution, and Import and export of goods and services; Government Finance Statistics (GFS) and Tax Statistics report data will be used.**

- The main dataset for the DEMETRA CGE model is the Social accounting Matrix (SAM)

1. In this study, we will develop the 2019 gender-oriented Social accounting Matrix for Tanzania Mainland and Zanzibar based on the 2015 Supply and Use Tables

2015 SUT for Tanzania Mainland:

- 84 industries and 138 products

2015 SUT for Tanzania Mainland:

- 65 industries and 147 products

- Both SUTs are disaggregated to International Standard Industrial Classification of All Economic Activities (ISIC) level 4.
- 2015 SUT for Zanzibar does not contain information about employment compensation (wages). The wages in each sector will be estimated based on data of the 2014 Integrated Labour Force Survey for Zanzibar.

2. Both SUTs will be transformed to the 2015 Input-Output Tables.

3. We will use the RAS method to update 2015 IOT to 2019, with much focus on agricultural sectors and the rest of the world's data (Exports and Imports). The main data sources will be:

- National Accounts Statistics of Tanzania Mainland 2013 - 2021,
- National Sample Census of Agriculture 2019/20,
- Budget Speech 2019-2022 (both URT and Zanzibar),
- Bank of Tanzania Economic Review reports for 2019-2022.

4. Based on updated 2019 IOT we will develop 2019 SAM for Tanzania Mainland and Zanzibar. The elasticity coefficients will be obtained from relevant sources of similar countries such as Tanzania.

5. The factor of production - labour will be disaggregated by gender.

- **2019 Integrated Labour Force Survey** provides data that introduce proportions of male and female in different sectors.

6. **Households will be disaggregated by:**

(i) Rural and urban households based on national per capita expenditure quintiles.

(ii) Male and female headed households.

- For this purposes, we will use the 2019 Household Budget Survey and the 2020 Integrated Labour Force Survey.

7. To adequately deal with the AfCFTA, the Rest of the World (ROW) account will be disaggregated into AfCFTA countries and the ROW.

- **UNCTAD statistics, World Development Indicators, World integrated trade solution, and Import and export of goods and services; Government Finance Statistics (GFS) and Tax Statistics report data will be used.**

## 2019 SAM for Tanzania mainland and Zanzibar

### ▪ INSTITUTIONS:

- Male and Female headed rural and urban households disaggregated based on national per capita expenditure quintiles
- Firms
- Government
- **ROW disaggregated AfCFTA countries and the ROW**

### TAX ACCOUNT:

- **Direct taxes**
- **Indirect taxes (VAT, excise duties)**
- **Import tariffs**
- **Non-tariffs measures**

### ▪ FACTORS OF PRODUCTION **RURAL AND URBAN LABOUR**

- **3 skilled groups based on the educational levels**
- **each labour category will be divided by gender (male&female)**
  - farm and non-farm capital
  - Land

# Simulation Scenarios

**Scenario 1 – Tariff liberalisation scenario in line with AfCFTA modalities:**

- **Effect of the abolition of the tariffs on all imports from the AfCFTA countries (or selected countries)**

**Scenario 2 – Increase in world demand for agricultural products:**

- **AfCFTA demand growth of 2% and 4% extra per year compared to the baseline**

**Scenario 3 – Abolish all agricultural protection (tariffs and quotas) between Tanzania and AfCFTA countries and leave the tariffs unchanged for the ROW:**

- **Under this scenario all programs supporting agriculture sector such as input subsidies, tax incentives for food processors are left in place. This entails total trade liberalisation of Tanzania agriculture sector**

**Scenario 4 – Abolish all agricultural protection (tariffs and quotas) between Tanzania and AfCFTA countries in major export crops sub sectors ( tea, coffee, tobacco, cotton and cashewnuts) and leave the tariffs unchanged for the ROW:**

- **These scenario will reveal the competitiveness of these sub sectors such that effective measures to improve them will be devised**