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DISSERTATION

**Gender (in)equality in the Tanzanian labour market:
showing the gap between the legal framework and the evidence
provided by labour statistics**

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ABSTRACT

The research intends to analyse the multifaceted dimensions - economic, legal, statistical - of labour market gender equality, with particular focus on the situation in Tanzania. The link between gender equality and economic growth, together with the relevance of this topic for Sub-Saharan Africa, will be treated first. An in-depth analysis of the Tanzanian labour market will follow, by looking at its positive legal framework on equal opportunity, and by posing the research question: what is the distance between *de iure* and *de facto* labour market gender equality in Tanzania?

The answer will be first formulated by means of descriptive statistics, resulting from the elaboration of data provided by the Tanzania Integrated Labour Force Survey (ILFS) 2006, which shows actual labour market inequality. An econometric analysis will follow. First of all, the determinants of men's and women's wages will be explored through Wage equations. Subsequently, a Neumark Decomposition of gender wage gap will be performed in order to show what part of gender wage differentials can be explained by *observable* variables and what part is due to *unobservable* variables (e.g. labour market discrimination).

The research aims to show that a positive legal framework is necessary, but not sufficient, to grant gender equality in labour markets. Hence, this assessment intends to suggest that the implementation of specific policies is needed in order to dismantle strong cultural beliefs and gender stereotypes that structure not only societies, but also labour markets. As this study intends to demonstrate, this is the case of Tanzania as well. Finally, recommendations on how to improve the existing situation will be formulated, in the light of the research findings.

INTRODUCTION

Gender equality has fundamental relevance not only as a nowadays universal recognised human rights issue, but also as a key determinant for economic development.

From a human rights perspective, it is high time to dismantle gender stereotypes and discriminatory practices that keep women in disadvantaged positions in societies and labour markets all over the world. Not only women empowerment has been recently put at the top of the international agenda, but it has also been recognised that, as long as such a consistent part of the world population is prevented from enjoying equal rights and opportunities, the concept of "sustainable growth" remains a mere chimera. As a matter of facts, women play a central role in socio-economic development in the way their conditions influence those of their children who are the future generations.

At the same time, sound economic arguments for gender equality have been developed. At a microeconomic level, recent literature on time use and bargaining power in the household showed how inequality in care work influences negatively labour market participation (Borjas 2009). This is reflected at macroeconomic level, where labour market gender inequality results in low efficacy of economies that do not employ all their potentials.

Despite the global efforts of the last decades, the race for gender equality has still a long way to go. Women lag far behind men in access to land, credit and decent jobs in both developed and developing countries.

With respect to Sub-Saharan Africa, much of economic activities in the region are managed by women, particularly in agriculture and informal business; despite this, economic opportunities are often markedly different for men and women. This discrepancy poses the urgency for further research on gender issues in order to allow *ad hoc* policies for equality in labour markets to be designed and implemented. It is worth to stress, however, that the lack of available data that characterises African countries is an actual and challenging issue for policy makers and researchers.

The present study intends to contribute to this area of research by analysing labour market gender equality policies in Tanzania from multiple perspectives: namely, from legal, economic, and statistical viewpoints. The choice of a multidisciplinary approach can better allow the comprehension of disparities because gender issues present themselves multifaceted dimensions that cover several aspects of men and women's lives.

In order to thoroughly address the socio-economic problems mentioned above through a sound econometric assessment, the present work is structured as follows.

The first part will firstly introduce the inseparable link between gender equality and economic growth. Subsequently, the relevance of this argument in Sub-Saharan Africa will be illustrated.

The second part will focus on Tanzania, by addressing the current positive legal framework on equal opportunity in force. The question on the distance between *de iure* and *de facto* gender equality will then be opened.

The answer will be given starting from section three, by the elaboration of data provided by the Tanzania Integrated Labour Force Survey (ILFS) 2006, which is currently one of the most complete dataset in Africa. Descriptive statistics will show the nature of eventual labour market inequalities. Afterwards, *wage equations* will study the determinants of wage differentials for men and women. By using the *Decomposition* methodology, an econometric analysis of Gender wage gap will also be included in order to show what part of it can be explained by *observable variables* (level of education, experience, etc.) and what part is due to *unobservable variables*, e.g. labour market discrimination.

The final chapter will elaborate conclusions on the state of play of *de iure* / *de facto* gender equality, and it will assess the equal opportunity programmes put in place by the government of Tanzania. In the light of the findings of the research, essential policy recommendations will finally close this work.

Through the use of an innovative multidisciplinary approach, the present study aims to enrich the blossoming literature on gender equality in Africa, and to provide a sound foundation to encourage the adoption of a gender perspective in the policy-making process.

PART ONE

The link between gender equality and economic growth in Africa

1.1 Key concepts: sex/gender, equal opportunity and gender equality

When dealing with gender issues, key concepts like sex/gender, equal opportunity and gender equality may appear blurry. They have been acquired from feminist research, mostly in philosophical and political fields, and then applied to other disciplines. As gender issues involve men and women as well as their roles in social environments in a multitude of dynamics, the application of gender perspectives in economic, legal and policy fields is more that needed. The adoption of a gender perspective can provide social sciences with sensitive eye on diversity and can lead to more refined results on the nature of gender differences. This section intends to provide an introductory overview on the main concepts needed for better understanding the practical gender analysis that will follow.

Sex/gender. It is common to think that sex and gender are interchangeable terms given by biological determinism: woman is a female human and man is a male human. The distinction between *sex* and *gender* has been proposed after the Second World War by feminist philosophers¹ in order to capture the ‘human made’ factors that create unnatural differences between men and women. According to this approach, by *sex* we mean just the biological difference given by an individual's reproductive anatomy, hormones, chromosomes and other specific features which have no particular connotations *per se*. On the other side, *gender* is used to point out social and cultural, rather than biological, differences between the sexes: not all the commonly observed behavioural and social traits attributed to men and women are necessarily caused by biological differences. In other words, while *sex* should just be considered as biological data which are basically ‘fixed’, *gender* should be rather viewed as a flux, a process, because it is the result of cultural/social beliefs and structures that are not fixed but can change over time and space. When applied to social sciences, this distinction allows unmasking gender stereotypes that represent significant barriers to both research and socio-economic development.

¹ Simone de Beauvoir in ‘*Le Deuxième Sexe*’ (1958), famously claimed that “one is not born, but rather *becomes* a woman”, meaning that most of the differences between the sexes are culturally and socially made and then acquired by the individuals.

Equal opportunity. Over the last decades, there has been a growing interest in equal opportunity, in particular in the field of employment, education and housing policies. By this term we generally mean an agreement according to which all the individuals in a society should be treated similarly, and exceptions can be done only when justified.² On one hand, it is very common to consider *formal* equal opportunities (or principle of *non-discrimination*) as the prohibition in a selection process to discriminate - without a well justified reason related to the post - on the basis of different grounds: sex, religion, colour, ethnic and national origins, political opinions. On the other hand, the concept of *substantive* equal opportunity has been progressively included in national and international legal systems³ and goes much further than the formal concept in the way it recognises that also the starting point before the competition can be unfair. That unfairness can be due to differences based sometimes on prejudice or social rules that are experienced before the competitions. In case such differences exist, the substantive equality approach suggests to make efforts in order to nullify those unfair environmental disadvantages.

Gender equality. What has been briefly analysed so far will help understand the key-concept of gender equality as the goal of substantive equality between genders, which can be achieved with the help of anti-discrimination law as well as equal opportunity policies. Even though gender equality is currently considered as a fundamental right, complete equality has not been reached in any country in the World. Inequalities in access to education and labour markets, work conditions and pay at work still persist both in developing and developed countries. This unequal situation is supported by stereotyped social structures that take too long to dismantle because they are considered as traditional or even natural, but in reality they are human made.

It is high time to tackle misleading gender stereotypical believes because that has the power to start a virtuous domino effect that can improve human rights of individuals as well as the overall performance of entire economies.

² For instance, we can think about a vacancy for a post of model for male clothes. In this specific case, discriminating a woman in the selection process would be justified, because being a man is an essential requisite for this specific vacancy.

³ By *substantive equality* we mean the effort to overcome pre-existing inequalities, given by negative cultural or social beliefs towards certain groups, that de facto do not allow those group to participate on an equal basis in labour markets and in societies.

The two concepts of formal vs substantive equality are being progressively included in national Constitutions as well as in International Law. In this context for instance, it is essential to quote the ILO Discrimination (Employment and Occupation) Convention, 1958 (No. 111):

http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:511242462915194::NO:12100:P12100_INSTRUMENT_ID:312256:NO

1.2 Gender equality as an essential element of development

Gender equality and economic development move necessarily together. That has been evident since the Industrial Revolutions and those for Civil Rights in Europe and the United States. Beside other social changes like urbanisation, specialisation of labour, creation of classes and the rise of the bourgeois, the access of women in the labour force marked a fundamental revolution: the traditional way of production, based on families with fixed roles for each component, was inexorably shaken. However, the division of household labour has continued to be the core of gender disparities in societies: as long as care and household work is considered as a duty for women, they will not have the opportunity to work outside the household on an equal basis with men. This unbalanced distribution of duties within the household is still spread in all societies, and it actually damages women as well as men. For women, it leads to *less opportunity* to participate in paid work, in other words, to be less economically independent, have less bargaining power within the household and fall in a subordinate position compared to men (Borjas 2009). Furthermore, when women work out of the household, they are more likely to have these paid activities just added to their traditional ones, which is a phenomenon commonly called *double work burden*. On the other hand, as long as men are attributed the only role of breadwinners who work exclusively outside the household, they do not have the *opportunity* to take care of their children, to contribute to family life and enjoy it. Nowadays, it is clear that gender equality is not a question that regards women only: it rather involves women and men in their race towards freedom to follow their desires and capabilities, and express their potential in societies and economies.

As gender equality has come to attention, there has been an exploding literature showing that gender differences in access to assets, employment, education and time burdens, due to unbalanced distribution of work in the household, have negative impacts on a date economy. According to economic theory, development and growth depend on assets and their returns. The latter depend on a multitude of 'environmental' factors, such as how efficiently assets are actually utilized, the level of technological progress and how stable and encouraging the institutional context is. Gender issues will naturally come into play in the way all these factors influence growth (Ellis et al. 2007). Gender inequality can assume different forms: disparities in the access to paid activities and in treatment at work, disparities in the access to assets and financial services, discriminatory law and/or cultural rules that prevent women and men from participating in employment on an equal basis. All these factors related to gender inequality are to be considered as concrete *limits to growth*,

because they reduce the pool of skills available to employers and imply lower competitiveness. Nevertheless, discrimination towards such a significant part of population in access to assets is easily associated to less innovation and productivity.

It is evident that strong microeconomic and macroeconomic arguments indicate that the promotion of gender equality is essential for inclusive and sustainable economic development; therefore, including the gender dimension in development programmes is more than needed.

1.3 Gender equality in Sub-Saharan Africa

Gender equality has been internationally recognised as an essential element of sustainable development and poverty reduction. It has been included as third Millennium Development Goal, and it is intrinsically related to the other goals: Child Health, Maternal Health, Combat HIV/AIDS, End Poverty and Universal Education. In addition, gender equality is an overarching goal of the ILO Decent Work Agenda that aims at promoting employment creation, social dialogue, social protection and rights at work *for all*.⁴ Despite global efforts, gender equality is still far from being reality.

In Sub-Saharan Africa, much of economic activity is in the hands of women. They are particularly overrepresented in agriculture, informal business and low remunerated jobs; therefore, economic opportunities appear hugely different for men and women. Data concerning developing regions show that, in 2008, there were 96 girls for every 100 boys enrolled in primary school, and 95 girls for every 100 boys in secondary school. The share of women employed outside agriculture remains as low as 20 per cent (Hausmann 2011). African countries generally perform poor in economic and political participation, as well as in health conditions and education attainment (World Economic Forum 2011). However, with regards to the economic participation and opportunities index by the World Economic Forum, there are some surprising exceptions, e.g. Lesotho (#2), Burundi (#4), Mozambique (#9), Namibia (#31), Uganda (#42), South Africa (#58), Tanzania (#63). The ranking shows how countries perform with regard to labour force participation and earnings for work of the same value between women and men. It is worth noting that the mentioned countries present particular good conditions for gender equality in terms of relative stability of governments,

⁴ ILO Decent Work Agenda (15/06/2012): www.ilo.org/global/about-the-ilo/decent-work-agenda/lang--en/index.htm

adoption of equal opportunity legislation and implementation of development programmes in cooperation with international partners as well. Another fundamental element that encourages research and *ad hoc* interventions on gender equality is the cooperation between governments, NGOs and international organisations. However, the empirical literature is still scarce. The major obstacle to obtain accurate empirical evidence on the nature, extent and root of labour market gender inequality is the lack of data that characterises research on African countries. Relatively little is known and, consequently, the available information is often not enough detailed to design effective policies. The little available evidence shows that women generally perform worse labour market outcomes than men in terms of unemployment, underemployment, lower access to paid employment, and earnings gaps. This poor performance can be explained by a combination of several determinants: lower human capital endowments and under-provision of basic public goods and lack of adequate infrastructure services. However, most of these disparities could be given by social and cultural norms that attribute the burden of household responsibilities almost exclusively to women and promotes labour market discrimination based on gender. In the African context, the double work burden of women is exacerbated in rural areas where the lack of infrastructures and other essential services creates the need for greater work related to the survival of the household. Hard and unpaid essential work, like wood and water collection, is attributed mostly to women, and it represents an additional barrier to their involvement in paid employment.

With regard to equal rights in labour markets, much efforts have been done in several African countries like Tanzania that have adhered to international labour standards by ratifying the most relevant Conventions. For instance, out of 54 ILO members in Africa, 51 has adhered to the fundamental ILO Convention on Equal Remuneration, 1951 (No. 100) and 53 to the ILO Convention on Discrimination (Employment and Occupation), 1958 (No. 111)⁵. However, evidence shows that it is the implementation and the enforcement of this positive legal framework to be more problematic, mainly because of the resistance of discriminatory tribal and customary laws. In addition, many rural and remote areas are not even reached and covered by national law. Therefore, Africa presents peculiar characteristics that make it a challenging ground for gender equality, which assumes a crucial role in African economic development models when there is the willingness to take the human factor into account.

⁵ Equal Remuneration Convention, 1951 (no. 100):

http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:305994684756937::NO:12100:P12100_INSTRUMENT_ID:312245:NO

Discrimination (Employment and Occupation) Convention, 1958 (No. 111):

http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:511242462915194::NO:12100:P12100_INSTRUMENT_ID:312256:NO

The present study intends to enrich the recent literature on gender equality in Africa with an innovative multidisciplinary approach that links economic analysis and human rights issues by adopting an holistic perspective inspired by the human development approach (Amartya Sen 1999).⁶ The driving idea of the research is that creating effective opportunities for women can improve the state of human rights but also unlock the full economic potential of nations. The effort towards gender equality that has been made recently in Tanzania can undoubtedly confirm this hypothesis.

⁶ Human development, as first theorised by Amartya Sen, is the process of enlarging people's *choices*, so called '*capabilities*'. Their three essential choices are to lead a long and healthy life, to acquire knowledge and to have access to the resources needed for a decent standard of living. Additional choices, highly valued by many people, range from political, economic and social freedom to opportunities for being creative and productive and enjoying personal self-respect and guaranteed human rights. The more choices individuals have in a specific country or region, the higher is its level of human development.

PART TWO

The case of Tanzania: context and legal framework on gender equality

2.1 A positive legal framework on gender equality

Apart from being one of the most stable countries in the geo-political area of Sub-Saharan Africa, Tanzania presents peculiar characteristics that make it an interesting case of study with regard to development issues and gender equality.

Historically, Tanzania was first a German, then a British colony. In 1964, the Republic of Tanzania was born by the union of Tanganyika with Zanzibar, and the name 'Tanzania' is actually a *portmanteau* given by the union of Tanganyika and Zanzibar. The prime minister Julius Nyerere stayed in power with his party Chama Cha Mapinduzi (CCM) until 1985 and transformed the new State in a rural socialism called *Ujamaa*. This model of rural units with collective property of means of production aimed to dismantle the economic, political and cultural structure of colonialism and replace it with African traditions mixed with socialism, in clear opposition against international capitalism. As a matter of fact, this system did not allow the country to develop properly and Tanzania had never reached the desired auto-sufficiency (Gentili 2008). Democratic elections started taking place in the '90s and Tanzania is now a unitary Republic.

As it has been previously highlighted, one of the essential elements of development is generally a positive institutional environment, which should be able to ensure the rule of law and built effective cooperation with other local and international partners in order to promote appropriate policies. However, it is also essential to encourage a cultural environment that supports those efforts. The question whether law comes before social change and concur in building societies, or it develops together with social and structural changes, is still open. In any case, the government of Tanzania has recently showed an increasing commitment to development issues as well as interest for gender equality. What makes Tanzania an interesting case of study is that it has been at the forefront of creating a positive environment for gender equality by developing a legal framework that covers a large range of issues, namely, equal opportunity, equal pay, and even time use and maternity/parental leave.

Tanzania's commitment to gender equality is clearly indicated in its Constitution and in the laws which ratify major international instruments promoting gender equality and human rights, such as the Human Rights Declaration (1948); the United Nations Convention on the Elimination of all Forms of Discrimination Against Women (1979); the Convention on the Rights of the Child (CRC) (1989), which has a special focus on girl child; the Beijing Platform for Action (1995) on women's economic and political empowerment, education and training; the Vienna Human Rights Declaration (1994); the Millennium Declaration and Development Goals (MDGs), with MDG-3 on gender equality and women's empowerment.⁷ Tanzania has also ratified both the most important ILO Conventions on equal opportunity and treatment in employment, namely the Equal Remuneration Convention, 1951 (No. 100), and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111),⁸ which forbid, respectively, differences in pay for work of equal value and unjustified different treatments on the basis of several grounds, sex included.⁹

The fact that Tanzania has ratified international conventions is of primary importance. In the first place, this means that national legislation must comply with the contents of the treaties. For instance, if a national law establishes that women and men must be paid differently for the same work, or that a category of people must be discouraged to apply for a certain job, that law is in contrast with international treaties and must therefore be abolished. Second, international law might request the implementation of policies in order to achieve a certain target. For example, both aspects of the principle of equality, namely *formal equality* and *substantive equality* are embedded in the ILO Discrimination Convention (n. 111). In particular, equality in its substantive conception requires to implement policies in order to dismantle the barriers that prevent specific categories from participating in labour markets on an equal basis.

In order to understand the implications of international labour standards at national level, we can analyse the Tanzanian legislation through the lens of the ILO Decent Work Indicators on Legal Framework. Together with the Statistical Indicators,¹⁰ they are tools that help assess the state of the achievements of the goals of the Decent Work Agenda by country and allow transnational comparison (Ghai 2003).

⁷ Gender equality on the government of Tanzania's website (1/07/2012):

<http://www.tanzania.go.tz/gender.html#Legal Capacity>

⁸ The link to the text of ILO Conventions 100 and 111 can be found in reference n. 5 at page 9 of this research.

⁹ The grounds of non-discrimination are: race, sex, religion, colour, nationality/ethnic origin, social origin, political opinion.

¹⁰ List of ILO Decent Work Indicators (Statistical and Legal):

http://www.ilo.org/integration/resources/mtgdocs/WCMS_115402/lang--en/index.htm

Equal opportunity and treatment. The relevant legislation for mainland Tanzania is the Employment and Labour Relations Act, 2004 (ELRA),¹¹ which entered into force in December 2006, and the Employment and Labour Relations (Code of Good Practice) Rules, 2007.¹² Section 7 of the ELRA provides protection against direct and indirect discrimination in employment policies or practices on all grounds set by Convention No. 111, and it requires employers to promote equal employment opportunities. The ELRA also includes additional grounds of discrimination such as nationality, tribe or place of origin, marital status or family responsibility, disability, HIV/AIDS status, age, and station in life, which the Government has indicated that it considers to be covered by the Convention. The responsible body for guaranteeing the application of labour law is the Labour Commissioner's Office, which has regulatory and inspectorate powers. According to the ELRA, employers are also required to register plans to promote equal opportunity and to eliminate discrimination in the workplace with the Labour Commissioner and that affirmative action measures are permitted. In the public service, the Public Service Management and Employment Policy prohibits overt or unintended discrimination against women, persons with disabilities and other vulnerable groups in recruitment processes.

Equal remuneration of men and women for work of equal value. The relevant legislation include the Employment and Labour Relations Act, 2004 (ELRA), and the Employment and Labour Relations (Code of Good Practice) Rules, 2007. The ELRA prohibits discrimination based on sex with respect to remuneration and requires employers to take positive steps to guarantee equal remuneration for men and women performing work of equal value. In addition, the Labour Institutions Act, 2004,¹³ created Wage Boards which are charged with the specific responsibility regarding minimum remuneration.

Maternity leave. At international level the relevant ILO Conventions, Maternity Protection Convention, 2000 (No. 183),¹⁴ and Part VIII (on maternity benefits) of the Social Security (Minimum Standards) Convention, 1952 (No. 102),¹⁵ have not been ratified yet. However, the Employment and Labour Relations Act of 2004 (ELRA) provides legal coverage for maternity

¹¹ Tanzania Employment and Labour Relations Act No. 6 of 4 June 2004:
http://www.ilo.org/aids/legislation/WCMS_125591/lang--en/index.htm

¹² Further reference on Employment and Labour Relations Acts are available on ILO NATLEX website:
http://www.ilo.org/dyn/natlex/natlex_browse.details?p_lang=en&p_country=TZA&p_classification=01.02&p_origin=COUNTRY&p_sortby=SORTBY_COUNTRY

¹³ Labour Institutions Act, 2004:
<http://www.kazi.go.tz/wp-content/uploads/2011/07/Labour-Institutions-Act-7-2004.pdf>

¹⁴ Maternity Protection Convention, 2000 (No. 183):
http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:412832187462325::NO:12100:P12100_INSTRUMENT_ID:312328:NO

¹⁵ Social Security (Minimum Standards) Convention, 1952 (No. 102):
http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:4216787836956531::NO:12100:P12100_INSTRUMENT_ID:312247:NO

leave. Maternity leave benefits started to be implemented in 2005 and they are provided for by National Social Security Fund (NSSF) Act, 1997, and the Local Authority Pensions Fund (LAPF) Act, 2006, as well as National Social Security Policy, 2003. The benefit is equal to 100 per cent of the insured woman's average daily wage in the 6 months before the 20th week of pregnancy. The benefit is paid for 12 weeks in one or two instalments: 4 weeks before and 8 weeks after childbirth.

Parental leave. Section 34 of the Employment and Labour Relations Act of 2004 (ELRA), states that an employee is entitled to at least three days of paid paternity leave if the leave is taken within seven days of the birth of the child and the employee is the father of the child. At least four days of paid leave are accorded in case of sickness or death of the employee's child, as well as in case of the death of the employee's spouse, parent, grandparent, grandchild or sibling.

The ELRA appears to be the main legal tool for gender equality in employment in Tanzania and, together with the supervision of the Labour's Commissioner Office, it puts in place a quite comprehensive system of promotion of empowerment policies to fight gender inequalities as well as of protection from discrimination based on sex. However, workers in remotes rural areas or in informality, which has a very large share in the economies of Sub-Saharan Africa and nonetheless in Tanzania, are not covered by national law and sometimes they are not even aware of their rights; therefore, once such an advanced equal opportunity legal framework has been put in place, the knowledge of its existence needs to be spread in order for essential labour rights to reach all the workers in the country.

2.2 *De iure* versus *de facto* gender equality

At this point, a question raises necessarily: do the legal framework and the political context for gender equality coincide with actual labour market gender equality?

Despite the reform of the legal system, the massive effort to cover all the workers and promote a change of mentality towards gender inequality, as a matter of facts, the gap between the ideal situation contained in the legal system and reality is still huge.

A crucial point to see how culture shapes societies and economies is the division of work in the households, which are the place where unbalanced gender socio-economic structures are thought and learned, and then emanated to other fields of social life and economic sectors. The following chart by the ILO shows the disparities of workload for men and women in the household in 2006:

Table 2.1. Combining work, family and personal life - Time use statistics (2006)

Activities	Time spent per day, in minutes		Male-female difference in minutes
	MALES (A)	FEMALES (B)	
Employment for establishment	90	35	55
Primary production	180	163	17
Services for income	6	7	-1
Sub-total 'economic' work	276	205	71
Household maintenance	52	170	-118
Care of children, sick	11	35	-24
Community services	9	7	2
Sub-total unpaid 'household' work	72	212	-140
Learning	87	75	12
Mass media use	18	8	10
Sub-total human capital development	105	83	22
Social and cultural	130	95	35
Personal care/maintenance	858	846	12
TOTAL	1441	1441	0

Source: International Labour Organisation (ILO), 2006.

Not surprisingly, gender disparities in the distribution of work in the household are expressed in time use: 71 minutes of difference in paid work in favour of men and 140 minutes more for women when considering unpaid household work. These differences in time use have direct effects on the time spent for human capital development (22 minutes more for men) and social and cultural activities (35 minutes more for men). In other words, women work more in terms of minutes, but they earn less and enjoy less free time.

A recent sociological study on 'Division of labour and gender equality in Tanzania' (Feinster 2010) shows interesting findings by elaborating data collected from a sample of male and female secondary and university students. According to this research, men have more traditional expectations on gender roles in the household than women, who seem to have egalitarian aspirations. However, this view is to be expected mainly from educated women: things are likely to be different for indigenous and rural families, where men are even prevented from performing domestic work because it is considered as not appropriate for them at all. The existence of stereotyped gender roles would not be problematic if only it did not mean that women actually work more than men and have less power and economic independence compared to them. Female respondents seem to be aware of that, in fact, the majority of them stated that they have learned their gender role in the household since they were children, when they used to wake up before their male siblings to help their mothers. In Tanzania gender norms regarding the division of labour seem to revolve around the needs of men, but there are some exceptions to rules that can be made in certain circumstances. Even though men are normally not allowed to enter the kitchen, they are allowed to cook whenever the women of the household are all absent. It seems that cultural norms forgive enough to allow men to feed themselves when it is essential, but they are not enough to give men and women equality (Feinster 2010).

In any case, cultural norms and customary laws are not really biologically determined by sex, therefore, they are subject to change over time. The true challenge is to formulate appropriate legal and policy tools to really drive that change towards gender equality.

PART THREE

Gender disparities in the Tanzanian labour market as shown by labour statistics

3.1 A descriptive analysis of the labour market from a gender perspective

Over the last decade, Tanzania has performed high economic growth by intensifying finances and increasing exports, and this economic improvement was supported by extensive structural reforms. GDP growth per annum has almost doubled from 4.1 per cent in 1998 to 7.4 per cent in 2008, with per capita GDP increasing from \$323 in 2001 to \$440 in 2008 (at current exchange rates).¹⁶ Even though after 2008 Tanzania has been affected by the global crisis, its results in terms of economic growth appear surprisingly impressive. Its economy has been driven mainly by mining, construction, communications, and the financial sector. Moreover, manufacturing, transport and tourism have performed solid growth rates, too. The service sector has been developed as well, and it now constitutes 47 per cent of total value-added in the economy.

Despite recent development, about 75 per cent of the population live in rural areas and agriculture still appears as the main activity of a consistent portion of population.¹⁷ The majority of the activities are carried out in the informal economy and most of the production is made by households that work for subsistence; therefore, the agricultural sector does not express all its economic potential. Poverty is pervasive and in 2009 one-third of Tanzanians lived below the basic needs poverty line of \$1 a day. Poverty rates appear higher among rural households (37.6 per cent) compared with households in Dar es Salaam (16.4 per cent) and in other urban areas (24.1 per cent).¹⁸

Taking into account the essential characteristics of the Tanzanian economy briefly described above, this chapter will explore the main features of gender inequality in the Tanzanian labour market. The analysis will be done by using the information provided by the Integrated Labour Force Survey (ILFS) 2006, which is the most recent available. It is worth

¹⁶ World Development Indicators database, World Bank, <http://data.worldbank.org/indicator> (07/07/2012).

¹⁷ Tanzania Integrated Labour Force Survey (ILFS) 2006.

¹⁸ World Development Indicators database, World Bank, <http://data.worldbank.org/indicator> (07/07/2012).

noting that in Sub-Saharan Africa most of the time data are not collected on a regular basis and often low quality does not permit consistent analysis. This lack of information is a concrete obstacle for researchers and policy designers. In this context, the Tanzania ILFS 2006 is one of the best surveys in terms of completeness of information, and it allows studying the peculiar features of gender inequality in the labour market as well. The investigation starts by looking at the Employment-to-population ratio, then, the analysis explores differences in sectors and occupations in which men and women are most involved.

Employment-to-population ratio by gender and geographic area. In Tanzania, the employment-to-population ratio is high for both men and women, about 85-90 per cent. This result indicates that few people aged over 15 are either unemployed or inactive (studying full-time, sick, retired or engaged in reproductive or community activities).¹⁹ This percentage is not surprising in the context of Sub-Saharan Africa, where unemployment is practically inexistent as people usually take any job available. That is also due to the fact that social security and assistance programmes do not cover the entire population, because of both governments’ low capacity and large persistence of not-registered work that does not provide rights to social security.

Table 3.1 Employment-to-population ratio, age 15-64, by Gender and Geographic area

Area of Residence	(%) Male	(%) Female	(%) Total
Rural	91.4	90.4	90.9
Urban	82.2	71.6	76.7
Total	88.7	84.9	89.7

Source: Tanzania Integrated Labour Force Survey (ILFS) 2006.

Table 3.1 shows also that the Employment-to-population ratio for males is higher than for females across all areas. In addition, the difference between rural (90.4 per cent) and urban (71.6 per cent) areas is larger for women. Differences in engagement in productive

¹⁹ As defined by the 13th International Conference of Labour Statisticians (ICLS, 1982), the ILO definition for *Employment* considers as “employed” any individual above a certain age (>15 years old) who has worked for profit at least one hour in the reference period (last week). It comprises also individuals who have a job but in the reference period were absent from work.

The literature on gender analysis points to three common roles in work:

- *Reproductive roles* include child care and domestic work, which are usually performed by women who are required to reproduce and maintain the labour force. Even if it is work, it is generally distinguished from productive work as it does not show in any country’s GDP;
- *Productive roles* comprise any type of pay, profit, barter work done by both women and men;
- *Community roles* are undertaken mainly by women at the community level as an extension of their reproductive roles to maintain scarce resources of collective consumption such as health care, water and wood, education.

It is worth noting that these definitions are still debated and leave room for different interpretations. For instance, in the Tanzania ILFS 2006 home use (water and wood collection activities), normally delivered by women and unpaid, are considered as productive work.

activities (market work) are often explained by differences in workload in the household. However, this explanation alone does not tell enough about the huge difference in employment of women in rural and urban areas. Hence, it is necessary to search for further elements of comparisons, for instance, social structures and system of production in urban areas could require less female labour than in agricultural areas. Furthermore, it is probable that in urban areas jobs are more various and require different skills as well as higher qualifications. In this case, different employment incidence might be due to differences in *human capital* between men and women, which are differences in stock of competences, knowledge and personal attributes embodied in the ability to perform work and produce economic value. Thus, it is necessary to introduce *education level* as a substantial variable in our research.

Employment-to-population-ratio by gender and education level. Table 3.2 reveals lower participation for women at all education levels.

Table 3.2: Employment-to-population ratio, age 15-64, by Gender and Education

Education level	Male (%)	Female (%)	Total (%)
No education	90.1	87.1	88.1
Incomplete Primary Education	79.1	77.1	78.2
Complete Primary Education	97.6	96.1	96.8
Secondary Education / Advanced	82.2	74.2	78.8
Total	90.5	88.8	89.6

Source: Tanzania Integrated Labour Force Survey (ILFS) 2006.

The greatest gender disparity is found among individuals with secondary and advanced education, where the distance between genders in employment is about 8 points. This fact is an evidence for gender disparities in high skilled occupation, and it shows the existence of a *glass ceiling*. The latter expression has entered into economists and policy makers' vocabulary to refer to the seen, yet unbreakable, barrier that impedes women from rising to the upper levels in employment, regardless of their qualifications or achievements. The glass ceiling can be constructed by cultural beliefs and gender stereotypes that attribute the role of paid workers to men in quality of breadwinners. In cases like Tanzania, where women have recently started to advance in their careers and still fight against prejudice and stereotypes, the glass ceiling might be explained as well by the absence of support and trust by the colleagues at the workplace.

Time-related underemployment by gender and education level. This statistics could show gender labour market disparities in the amount of hours of productive work that men and women are willing to take, but nevertheless do not actually perform. Time-related underemployment is usually due to the fact of holding a part-time job despite the availability to work full-time.²⁰ Another reason could be over-qualification that is the situation when the education and experience of workers are beyond the requirements of the job they have, and the labour market does not utilise all its potential human capital.

Table 3.3 Time-related underemployment by gender and education level

Education level	Male (%)	Female (%)	Total (%)
No education	16,3	12,4	13,4
Incomplete Primary Education	14,7	12,3	13,7
Complete Primary Education	14,2	12,6	13,5
Secondary Education	6,9	9,5	8,0
Advanced	3,6	4,1	3,7
Total	14,0	12,4	13,2

Source: Tanzania Integrated Labour Force Survey (ILFS) 2006.

Despite the fact the employment-to-population ratio for men is higher than for women, Table 3.3 shows that men's underemployment is also higher. The reason why women might not be willing to work more hours in productive work is possibly the fact that they already work full-time, being involved more than men in reproductive and community work as well. It is remarkable that underemployment at higher education levels, namely secondary and advanced education, is much higher for women. This means that the satisfaction of men towards their working time and workload at high level is higher than their female counterparts. That confirms the existence of the glass ceiling in the Tanzanian labour market.

Employment status by gender. As an essential indicator for the involvement of men and women in economic activities, Employment status tells what roles, rights and responsibility men and women have at the workplace.²¹

²⁰ As defined by the 13th International Conference of Labour Statisticians (ICLS, 1982), Underemployment refers to workers who, in a reference period of time (usually one week): (1) work and have a job, (2) are willing and available to work more and better. Underemployment is considered as a measure of full employment and reveals inefficiency in the labour market.

²¹ According to the 15th International Conference of Labour Statisticians (ICLS, 1996) the basic criteria to define *Status in employment* are (1) the type of economic risk that the worker faces, (2) the type of authority over establishments and other workers that the job-holder has as an explicit result of the employment contract.

Table 3.4 Employment Status by Gender

Employment Status	Male (%)	Female (%)	Total (%)
Wage employees	15.3	6.1	10.5
Employers (non-agricultural)	2.6	1.0	1.8
Own accounted (non-agricultural)	10.0	8.2	9.1
Unpaid family helpers (agricultural)	8.1	7.7	7.9
Unpaid family helpers (non-agricultural)	1.5	5.3	3.5
Self-employed in agriculture	62.4	71.7	67.2
Total	100.0	100.0	100.0

Source: Tanzania Integrated Labour Force Survey (ILFS) 2006.

Table 3.4 reveals that seven out of ten employed females work on their own farm compared to six males out of ten, confirming that agriculture is the main sector of activity of women. Men are more represented as paid employees and self-employed in non-agricultural activities, which are also more profitable sectors. The percentage of male and female as unpaid family helpers in agriculture is quite balanced. Once again, the largest disparity is founded in non-agricultural activities, where female unpaid family helpers are 5 times more than their male counterparts. This evidence allows to suppose different interpretations of gender roles in rural and urban areas that attributes distinct workload to women in households. Women in urban areas who are involved in non-agricultural activities, are more likely than men to work as unpaid family helpers. On the other hand, women in rural areas work more than men as self-employed in their own farm.

Sector of employment by gender. The Tanzania ILFS 2006 also reports on six sectors of employment. Looking at these data from a gender perspective will help check whether agriculture is the main sector of occupation for women, or whether there are actually other areas in which their contribution is relevant.

Table 3.5 Sector of employment by gender

Sector of employment	Male (%)	Female (%)	Total (%)
Central/local government	3.6	1.7	2.6
Parastatal enterprise	0.6	0.2	0.4
Agriculture, fishing, forest	70.5	79.4	75.1
Informal sector	11.5	8.8	10.1
Private sector (non-agriculture)	12.6	4.8	8.6
Household economic activities	1.1	5.1	3.1
Total	100.0	100.0	100.0

Source: Tanzania Integrated Labour Force Survey (ILFS) 2006.

By looking at Table 3.5, the larger involvement of women in agricultural activities is even clearer: almost 80 per cent of Tanzanian women work in agriculture, against 70 per cent of men. Another sector that is remarkable is clearly *Household economic activity* (domestic employees), where women are represented 5 times more than men. In general, this overrepresentation of female workers in households confirms the existence of typical gender roles in the labour market. In fact, household economic activity is nothing but the paid version of house work, traditionally attributed to women as that was necessarily a women's duty.

Occupational segregation by gender. Finally, it is possible to check whether differences in gender roles result in effective occupational segregation.

Table 3.6 Occupational segregation by gender

Main occupation	Men (%)	Female (%)
Legislators, senior officials and managers	0.31	0.06
Professionals	0.89	0.45
Technicians and associate professionals	0.33	1.42
Clerks	0.44	0.43
Service workers and shop and market sale	11.09	9.75
Skilled agriculture and fishing workers	67.37	76.15
Craft and related trades workers	8.02	2.19
Plant and machine operators and assemblers	2.47	0.35
Elementary occupations	6.94	9.21
Armed forces	0.16	0.01
Total	100.0	100.0

Source: Tanzania Integrated Labour Force Survey (ILFS) 2006.

Table 3.6 not only confirms that agriculture is the activity in which women are mainly involved, but it also shows a clear occupational segregation by gender. Women are overrepresented in agricultural work and underrepresented in all the other occupations, while men have a more than a reasonable share in all the categories. The only exception emerging from this scenario is represented by the so-called *Elementary occupations*. Table 3.6 shows once again the existence of a glass ceiling: in addition to a larger involvement in crafts and related trade jobs, men are significantly present in high level and high income jobs, such as professionals, legislators, senior officials and managers.

Conclusions. By means of descriptive analysis, we have already found several aspects that describe the main features of labour market gender inequality in the Tanzania:

- The share of women in employment (84.9 per cent) is lower than men's (88.7 per cent);
- There is evidence for an occupational and sectorial segregation by gender, which keep women over-represented in agriculture, family and household related activities;
- The largest disparity is in the non-agricultural activities; in particular, female unpaid family helpers are 5 times more than their male counterparts;
- The activities and sectors where women are largely represented are traditional or typically attributed to female workers; therefore, household disparities are reflected in labour market disparities and keep women in roles that seem to be emanated from their roles in the households;
- Access to infrastructures could actually alleviate much of the burden of activities designed for women, e.g. community activities like wood and water collection, and that would allow women to contribute more in remunerated work;
- There is evidence for the existence of a glass ceiling, that prevents women from participating in higher level employment, even though their level of education is comparable with that of men;
- The activities in which women are most involved are also the less profitable. Therefore, it is likely that women have an overall smaller income than men;
- Differences of human capital alone are not sufficient to explain differences in wages.

3.2 Wage differentials by gender

Descriptive labour statistics showed evidence of gender disparities in the Tanzanian labour market. Wage disparities grab particularly the attention of researchers and they appear as a complex phenomenon, a result of several processes and interaction of a number of variables, both observable and unobservable.

Methodology. At this stage, the study focuses on observable attributes of men and women. The Tanzania Integrated Labour Force Survey (ILFS) 2006 provides the information needed for an analysis of wage determinants by gender.

We make a Stata implementation of **Wage equations**, which are “any regression of individual wages on a vector of personal, market and environmental variables thought to influence the wage” (Willis 1986). Wage equations must include all those variables that could explain wage determination and it is expressed in the following form:

$$\text{Ln}Y_i = \beta X_i + \varepsilon_i \quad (1)$$

Where:

$\text{Ln}Y_i$ = logarithm of wages

β = vector of coefficients

X_i = vector of observed variables

ε = disturbance term

In order to compare results from a gender perspective, separate regressions of wage equations for men and women will be run. Natural logarithm of wages shows their concavity: they grow faster in the first period of a worker’s life and diminishes in the last part. *Hourly wages* are used because women usually tend to work less hours than men in remunerated activities; hence, monthly wages would not be exactly comparable and would provide misleading results. With regards to explanatory variables, there is no universally accepted set of conditioning variables that should be included. The consensus in this regard is that controls for productivity-related factors such as education, experience and marital status should be included (Nordman et al. 2009). Whether workplace characteristics should be taken into account is still not agreed. In the present model they are included because descriptive statistics has showed occupational segregation by gender and related wage differentials; therefore, workplace characteristics should be considered as relevant wage determinants. The variables that have been included in the model are the following:

- **Demographic characteristics:** a variable of this group that can influence wages is whether or not an individual is married (*Marital status*);
- **Location characteristics:** spatial heterogeneity can also influence wage determination. A dummy variable shows whether the individual works in urban or rural areas (*Working in urban area*) and another dummy shows the influence of being a rural migrant working in urban areas (*Rural migrant*). Regions are grouped in dummies for geo-economic areas (*Dar es Salaam, East, West and centre, North and lakes, South*);²²
- **Human capital characteristics:** level of schooling is divided into several dummies (*No education, Incomplete primary education, Completed primary education, Completed secondary education, Advanced*);²³ work experience is expressed as a proxy by age (*Age*) and age squared (*Age2*);²⁴
- **Workplace characteristics:** occupations are grouped in dummies (*High-skilled white collars, Low skilled white collars, High-skilled blue collars, Low-skilled blue collars*);²⁵ types of contract are showed in dummies as well (*Permanent contract, Casual oral contract, Casual written contract, On contract*).²⁶

Findings. Table 3.7 shows separate results of wage equations for women and men. According to the R-squared, the model is able to explain 70 per cent of wage determination for female and 49 per cent for male workers.

The coefficients of location characteristics seem not to contribute much in gender wage gap. However, being a rural migrant moving to a urban area represents a disadvantage especially for women, while living in a urban area looks like a significant advantage for men's wages only.

²² *South* is dropped as a reference.

²³ *No education* is dropped as a reference.

²⁴ As the ILFS 2006 does not provide details on workers' experience, for instance, expressed in number of months worked, age and age squared will be utilised as a proxy of potential work experience. It is worth noting that while this could be considered as a good proxy for male workers, it could be more problematic for female workers, since work of women is more discontinuous a cause of child care and household duties.

²⁵ The breakdown of dummies for OCCUPATION is based on the 10 categories distinguished by the ISCO-88 classification of occupation. The groups are composed as follow: 'High-skilled white collars' = High-skilled clerical: Legislators, senior officials and managers and professionals; 'Low-skilled white collars' = Low-skilled clerical: Technicians and associate professionals, Clerks, Service workers and shop and market sales workers; 'High-skilled blue-collars' = High-skilled manual: Skilled agricultural and fishery workers and Craft and related trades workers; 'Low-skilled blue collars' = Low-skilled manual: Plant and machine operators and assemblers, Elementary occupations and armed forces.

Low-skilled blue collars is dropped as a reference for the others.

²⁶ *Casual oral contract* is dropped as a reference.

Table 3.7 Wage equations by gender

Standard errors in parentheses
 *** p<0.01, ** p<0.05, * p<0.1

VARIABLES	Wage equation female	Wage equation male
Marital status	-0.105 (0.0669)	-0.113* (0.0588)
Rural migrant	-0.179*** (0.0621)	-0.106** (0.0444)
Working in urban area	0.128 (0.0929)	0.333*** (0.0676)
Regions: East	0.0307 (0.160)	-0.0580 (0.141)
Regions: North and lakes	0.0671 (0.154)	-0.106 (0.135)
Regions: West and centre	0.0622 (0.144)	0.0246 (0.132)
Regions: Dar es Salaam	0.234 (0.146)	0.0497 (0.132)
Experience: Age	0.0466*** (0.0174)	0.0342** (0.0141)
Experience: Age2	-0.000194 (0.000235)	-0.000216 (0.000175)
Education: Incomplete elementary school	-0.168 (0.216)	0.270* (0.141)
Education: Complete elementary school	0.248 (0.162)	0.393*** (0.114)
Education: Complete secondary school	0.749*** (0.179)	0.725*** (0.125)
Education: Advanced	1.329*** (0.197)	1.273*** (0.138)
Occupation: High skilled blue collar	-0.0353 (0.155)	0.0649 (0.0623)
Occupation: Low skilled white collar	-0.0927 (0.0828)	-0.153** (0.0601)
Occupation: High skilled white collar	0.207** (0.102)	0.456*** (0.0746)
Type of contract: Permanent	1.044*** (0.0992)	0.580*** (0.0632)
Type of contract: Casual written	0.560*** (0.108)	0.154** (0.0782)
Type of contract: On contract	0.811*** (0.136)	0.275*** (0.0806)
Constant	3.149*** (0.400)	3.856*** (0.347)
Observations	642	1,307
R-squared	0.708	0.498

Source: Tanzania Integrated Labour Force Survey (ILFS) 2006.

Concerning human capital characteristics, level of experience expressed by *Age* is significant for both men and women and indicates that wages tend to increase with years of experience. Wages raise progressively together with level of *Education*, too; however, it is worth noting that economic returns for women are significant only at higher levels and educated women, if they actually manage to obtain a job in high position, can expect higher returns to education than men.

What is most interesting in this study is actually looking at the coefficients of the explanatory variables related to workplace characteristics.

For instance, the most significant variable of type of occupation is *High skilled white collars*. Even though positive coefficients are shown for both men and women, men's are much higher than women's. This is a first evidence for the existence of a combination of glass ceiling and nepotism that keeps men in highest and much better paid positions. Finally, holding any kind of contract (no matter if permanent, casual oral, casual written, etc.) is a variable that appears evidently contributing to women's wage: holding a contract is an evidence of productive work out of the household, which is added to their unavoidable and unpaid reproductive work within the household. On the contrary, men are anyway much more involved in paid work, and having or not a contract does not make such a huge difference in their wages.

It is possible to conclude that there is evidence for gender wage differentials. In such disparities, personal, location and human capital characteristics do not count as much as workplace characteristics. This shows horizontal and vertical segregation by gender that necessarily attributes lower level and lower paid jobs to women, regardless of level of education, experience or other features that could make them as competitive as men. It is now possible to explore the nature of other variables that are unobservable and could contribute to some extension to labour market segregation and gender wage differentials.

3.3 Decomposing gender wage gap

In the previous equations, observable variables that could explain wage differentials by gender have been estimated. Those estimates are now used to implement a Decomposition procedure in order to show the role that unobservable variables, such as cultural beliefs, labour market discrimination and nepotism, actually play in such disparities. The discussion focuses on **gender wage gap**, which is the difference between male and female wages *for work of the same value* expressed as a percentage of male wages (OECD 2011).

A huge debate has been opened on whether gender wage gap could be considered as a measure of discrimination, and it is necessary to highlight different ways of interpretations. The distinction between *unadjusted* and *adjusted* gender wage gap is generally welcomed as a starting point for further research on actual discrimination. The difference between the two concepts is essentially that the first one does not take into account existing differences in personal and workplace characteristics, and for that reason is also known as *raw* gender wage gap. On the contrary, the ‘adjusted’ version takes into consideration differences that might contribute to gaps in wages.

This approach has been already introduced in the last paragraph and we now go further, by separating (natural logarithmic) wage differentials between men and women into explained (location, human capital, workplace characteristics) and unexplained differences through the econometric method of the **Wage Decomposition**.²⁷ The most interesting issue in this study is that the part which is not explained by observables variables might be interpreted as a result of cultural discrimination and gender stereotypes that lead to labour market disparities. Knowing the size of this component in total wage gap is of much interest for policy-makers because it shows unequal treatment and/or compensation between men and women (Temesgen, 2006). Furthermore, it can suggest the nature of such disparities when, like in the case of Tanzania, women’s higher human capital is comparable with that of men and wage disparities look rather like a contradiction to the usual interpretation of earnings as returns to workers’ characteristics.

Theories of human capital investment suggest that differences between average wages received by men and women²⁸ are principally due to:

²⁷ The method of Wage Decomposition was introduced by Ronald Oaxaca (University of Arizona) in 1973 in the following article: Oaxaca, R., "Male-Female Wage Differentials in Urban Labor Markets" *International Economic Review*, October 1973, Vol 14, 693-709.

²⁸ Any other grouping can be eventually performed as well, e.g. race or ethnicity, sexual orientation, etc.

(a) differences in the average productivity enhancing characteristics such as education, experience and skills;

(b) differences in the way the labour market treats or rewards these characteristics among the two gender groups.

According to the dual labour market hypothesis, differing treatments of the latter type happen when the *existing conditions* force some group (say women) to concentrate in low-paying sectors and jobs; while the other group (men) tends to concentrate in high paying sectors and jobs (Temesgen, 2006). Descriptive statistics and wage equations have already showed the existence of labour market segregation and wage differentials by gender in the Tanzanian labour market; therefore, the implementation of wage decomposition in several components of such disparities is coherent with the clear evidence previously obtained.

Methodology. The **Neumark** methodology is preferred because it allows to look at a wage structures that would prevail in the absence of discrimination (Neumark 1988). In Becker's assumption (1971) of a perfect competitive market without discrimination, men and women would be perfect substitute and wage differentials would be due exclusively to human capital and productivity characteristics. If labour markets were structured like that, equal productivity characteristics would result to equal wage for men and women; hence, equal wage structures. The Neumark Decomposition allows to separate total wage differentials into three terms as showed in the following general equation:

$$\ln W_m - \ln W_f = \beta^*(X_m - X_f) + X'_m(\beta_m - \beta^*) + X'_f(\beta^* - \beta_f) \quad (2)$$

Where:

$\ln W_m$ = log wages for male

$\ln W_f$ = log wages for female

β^* = non-discriminatory wage structure that is common to both men and women

β_m, β_f = respectively wage structure for men and women

X_m, X_f = vectors of worker level of explanatory variables

In a non-discriminatory wage structure, there would be equal wage for men and women, therefore $\beta^* = \beta_m = \beta_f$. Practically, β^* is obtained by estimating the wage equation for all men and women, that is a linear function of the wage structures that are currently (with the prevalence of discrimination) being faced by men and women (β_m and β_f respectively). The purpose is to redefine the decomposition of different wages component with respect to β^* by decomposing it further into two elements: one the advantage (benefit) of being a male worker and the other, the disadvantage (cost) of being a female worker. In other words, the former measures the amount by which men's productivity characteristics are "overvalued" and the

latter is the amount by which women’s productivity characteristics are “undervalued” (Temesgen, 2006). The first one can be due to the existence of nepotism in the labour market, the second one to discrimination against women.

The interpretation of equation (2) is then intuitive. On the left side we have the difference between log wages of men and women, which is equal to the right side that shows the above three components of wage differentials: the wage structure in the absence of discrimination, the benefit of being a male worker and the cost of being a female worker.

Findings. Despite results of decomposition are actually very sensitive to quality of available information, choice of the estimation method and specification of wage equations, they can still provide interesting insights when interpreted with caution. Table 3.8 shows the main findings of decomposition of gender wage gap using the wage equations for women and men specified in section 3.2 of the present chapter.

Table 3.8 Neumark Decomposition of Gender wage gap
Specification for explained and unexplained factors

Gender mean observed log hourly wage gap	0.365
Differences due to:	
EXPLAINED	55.3 %
Marital status	11.78 %
Location characteristics	3.28 %
<i>Of which:</i>	
Rural migrant	0.82 %
Working in urban area	1.64 %
Regions	0.82 %
Human capital characteristics	13.34 %
<i>Of which:</i>	
Experience	11.5 %
Education	1.84 %
Workplace characteristics	26.9 %
<i>Of which:</i>	
Occupation	20.87 %
Type of contract	6.03 %
UNEXPLAINED	44.7 %

Source: Tanzania Integrated Labour Force Survey (ILFS) 2006.

Table 3.8 shows the *raw* gender mean observed wage gap (0.365) that is the average difference between men and women take out in employment in monetary terms. It represents a first general aggregated outcome indicator of how much different women and men earn in the economy. Therefore, it is not *per se* a measure of discrimination.

In order to tackle discrimination it is necessary to look at the results of gender wage gap Decomposition and see which percentage of that gap is due to explained or unexplained factors. In our model, 55.3 per cent of the wage gap is explained by differentials in observable characteristics, while a still consistent part of the gap, 44.7 per cent, is left unexplained. The latter result supports the hypothesis of the existence of discrimination and/or nepotism in the Tanzanian labour market, thus providing with an interesting estimation of the influence of such unobservable factors in wage determination. We can now look at the details of the explained component in Table 3.8.

A not-negligible portion of explained gender wage gap in Tanzania (about 14 per cent) could be explained by human capital characteristics and, in particular, level of experience seems to have a bigger impact than level of education. As already expected from the results of wage equations, workplace characteristics play a determinant role in wage differentials, and explain around 27 per cent of it in our model. In particular, gender disparities in job allocation alone contributes for more than 20 per cent, thus confirming the existence of occupational and sectorial segregation by gender that allocates women workers in less remunerated jobs. Part of this result could be related to differences in human capital characteristics; however, descriptive statistics showed that in Tanzania there are not huge differences in levels of education for men and women, such that they could explain alone labour market segregation.

The fact of being married and having a family seems to make a significant difference for women, and, according to our model, it accounts for almost 12 per cent in gender wage gap. This element could be related to workplace characteristics as well, in the way women might prefer occupations that are closer to their duties in the household or types of contracts that can be compatible with child care. Gender-specific individual work preference are not analysed in the present study but left to future research, and only labour market discrimination and nepotism are introduced in order to interpret the unexplained component of gender wage gap. In any case, the question of labour market preferences is controversial: it is unrealistic to support the idea that the major part of women 'freely' prefer to concentrate in less paid sectors and jobs, even though they would have human capital to spend in more remunerated positions. Therefore, the question whether gender-specific work preferences are totally free (or driven by sexual determinism only) or rather driven by unavoidable gender roles in the household and labour market discrimination in turn, remains open.

PART FOUR

Strengths and weaknesses of the Tanzanian policies on gender equality

4.1 *De iure* and *de facto* gender equality: the way forward

Over the last ten years, policy makers in Tanzania seemed to be aware of the distance between the *de iure* and *de facto* gender equality. Central government, in partnership with local administrations, civil society and international organisations, has developed a positive legal environment and has implemented effective programmes in order to reduce gender disparities in the labour market and society.

The main policy instrument has been the National Strategy for Growth and Reduction of Poverty, **MKUKUTA**, which was approved in February 2005 for implementation over five years.²⁹ It is a comprehensive programme: it contains roadmaps to achieving the Millennium Development Goals (MDGs), and it is informed by **Vision 2025** to eradicate absolute poverty and attain sustainable human development.³⁰ This strategy has a focus on sustainable growth, rule of law and governance, and it is an instrument for mobilising resources at national and international level towards its objectives. MKUKUTA's essential aim is to build consultation and cooperation with stakeholders in order to involve all parties in reforms. The MKUKUTA has also mainstreamed cross-cutting issues including gender, environment, HIV/AIDS, disability, children, youth, elderly, employment and settlements.³¹

From a gender perspective, what is remarkable of this policy framework is the multi-level and holistic approach to poverty reduction. Another outstanding feature is its commitment to address laws and customs that retard development and negatively affect vulnerable groups, because this shows the willingness to achieve substantive equality. In Tanzania, the population is prevalently agricultural, customary law regulates community life and it is often stronger than national law. This is particularly the case in remote areas, which

²⁹ Information on MKUKUTA on the Government of Tanzania's website (10/09/2012): www.tanzania.go.tz/mkukuta.htm.

³⁰ Information on the Tanzania Development Vision 2025 on the Government of Tanzania's website (10/09/2012): <http://www.tanzania.go.tz/vision.htm>.

³¹ Details on the Strategy and its objectives can be found in Vice Prime Minister's Office, *Summary of the National Strategy for Growth and reduction of Poverty*, Government of Tanzania, Dar es Salaam, 2005.

are often not even reached by administrations. Thus, paying attention to customary law means to be aware of the fact that most of gender disparities are caused by cultural beliefs that put women in disadvantaged positions both in households and at the workplace; therefore, it is essential to take this limit to governance into account when evaluating the impact of legislation and policies.

In 2008, the Committee of Experts for the implementation of the ILO Discrimination Convention (n.111) noted that the Government was carrying out awareness raising activities to raise knowledge among workers and employers of the new labour legislation, and that the process of developing equality plans was on-going. The main suggested areas of intervention that were pointed out as still in need of attention were the following:

- economic empowerment of women and girls so that they can equally access to education, in the view of developing skill acquisition and training;
- enhancing the demand for female labour;
- improving women's awareness of employment opportunities;
- promoting enterprise development and tackling feminisation of poverty, in particular in agricultural areas.³²

Furthermore, the National Employment Policy 2007 and the Employment Policy 2008 emphasised equal access to employment and business opportunities for men and women.³³ Tanzania has undertaken a systematic effort to promote gender equality in education and employment opportunities to value the economic potential of women, and this could have an important role in expanding economic growth. Conservative estimates suggest that if the country simply manages to bring female total years of schooling to the same level as for males, that alone could produce up to one additional percentage point of GDP. This would make, in turn, a valuable contribution to achieving the growth targets of the MKUKUTA. Moreover, given that much of the economic activities are still informal and a growing number of women started to work as own-accounted, promoting an efficient environment for business through bureaucracy simplification has also been an important strategy for economic growth (Ellis *et al.* 2009). In order to empower women, it has been also essential to dismantle limits to access to land property and to finance services. The latter, given by customary law and traditional community settings that transfer property rights to men, are still hard to challenge.

In 2010, the government of Tanzania seemed to be aware of the need for continuing to support a model of economic growth that is inclusive; thus, the development programme

³² Government of Tanzania, Ministry of Community Development, Gender, Children, website (15/09/2012): www.mcdgc.go.tz/index.php/publications/

³³ *Ibidem.*

MKUKUTA II keeps the focus of its predecessor on gender mainstreaming.³⁴ In addition, a specific policy strategy for empowerment of women, the **National Strategy for Gender Development**, was formulated in 2008. The government acknowledged that one of the major obstacles to socio-economic development of the country is the continued marginalisation and under-utilisation of skills of women, who evidently constitute a non-negligible portion of the population; therefore, a number of gender-specific actions were implemented in order to integrate the MKUKUTA with guidance on the interventions, identification of the roles of various actors and coordination mechanisms to facilitate participation and sharing of information.

Overall, it looks impressive how the link between gender, economic growth and sustainable development has been remarked in all implemented policies. In light of the empirical research in chapter three, it is possible to confirm that the policy effort that Tanzania has made towards labour market gender equality is going in the right direction.

4.2 Key policy recommendations

Since gender disparities are generally considered as *natural*, they are hard to be recognised. Once they are singled out, equality between women and men appears to be a long-term goal that needs several delicate factors to be taken into account and involves a number of areas of intervention (education, labour legislation, culture, etc.).

In Tanzania, all the main issues that characterise gender disparities have been tackled with effective policies aiming at the empowerment of women in the agricultural sector, facilitating their access to land and assets and increasing their level of education and training. These are all essential policies that could practically break some of the barriers to women's participation in productive work on an equal basis with men. Unfortunately, this is not enough, because the main feature of gender inequality in the Tanzanian labour market has been found to be an evident occupational and sectorial segregation by gender. Both the wage equation and the gender wage gap Decomposition implemented in the previous chapter showed detailed evidence of the fact that location and human capital variables are not as significant as workplace characteristics in wage determination. In other words, it has been

³⁴ The document of the *National Strategy for Reduction of Poverty II* is available in the Government of Tanzania's website (11/09/2012): <http://www.mcdgc.go.tz/data/Tanzania - National Strategy for Gender Development.pdf>

demonstrated that women concentrate in specific sectors and jobs that are less remunerated. This situation can be explained by strict gender roles that emanates from unequal distribution of work in the household and attributes certain activities by gender that are considered as *appropriate* for women and men. In fact, the model implemented in section 3.3 of this study showed that a significant part (about 40 per cent) of the gender wage gap in Tanzania could not be explained by differences in observable characteristics between workers; therefore, it is evident that those unobservable factors include labour market discrimination and nepotism with a net disadvantage for women in terms of economic opportunity and earning. Thus, in addition to legal and economic reforms that need to be implemented, in particular in the agricultural sector in which women are more present, effective strategies of awareness on new legislation and gender stereotypes are more than required. Working on dismantling discriminating cultural structures is a long-term process that does not provide with rapid empirical results; however, it is necessary to support any other intervention in the field of gender issues and make it durable.

Essential recommendations for the implementation of the programmes are grouped in two most urgent areas and are listed below.

1. Empowering women in their main sector of activity: agriculture.

The majority of Tanzanians living in poor conditions, especially women, are engaged in agriculture. It is estimated that women living in rural areas provide more than 70 per cent of labour force and produce 60 per cent of food production; therefore, they are the main food producers, but environmental factors do not allow them to operate on an equal basis with men and this is a huge limit to both women's rights and development of the sector (Ellis *et al.* 2009). According to the data provided by the government, gender patterns in employment, in farm and non-farm activities has changed during the last ten years, as an increasing number of women have become active in market-oriented activities, and more responsible for providing cash needs of the household.³⁵ However, further support to this slow social change is required.

Primarily, the inclusion of agriculture as a driver of growth is a core general recommendation. Greater investment in agriculture is likely to translate into enhanced income and hence into critical mass poverty reduction gains and food security, which will have a positive impact on among others national security. Thus, it is necessary to:

³⁵ Government of Tanzania, Ministry for Community Development, Gender, Children's website (15/09/2012): www.mcdgc.go.tz/data

- Identify gender-responsive interventions that could be able to increase the economic opportunities for women in agricultural production; this provides them and their families with sustainable livelihoods;
- Supply energy and core infrastructures that reduce the time spent by women in water and wood collection, because lack of these vital resources keeps women's reproductive burden and prevent them from participating in market activities;
- Invest resources in technologies for rural work and reduce bureaucracy; this would make rural production more efficient;
- Ensure gender balanced access to land rights, credit and financial services;
- Develop gender-responsive monitoring to ensure that both genders benefit from the programmes.

2. Tackling fixed gender roles and labour market segregation by gender.

It has been highlighted several times that strict gender roles in the household translate into labour market segregation of women in sectors and jobs that seem to be the emanation of their reproductive activities. Thus, in order to ensure substantive equal opportunity for men and women it is essential to combat discriminating social and cultural structures that justify, or even recommend, gender discrimination. Culture as an area of intervention might look as secondary compared to legal and economic reforms, but it is not: cultural change towards women's role in society and economy has the power to support all other interventions and should be encouraged at all stage of implementation of the programmes. On the other hand, culture and stereotyped gender roles are sensitive issues and need to be addressed with attention on preserving cultural identities as well.

The MKUKUTA has already addressed gender-based violence as a public health issue and a major indicator of poverty. However, policies should focus more on cultural limits that lead to gender violence, pre-emptive and, eventually, labour market discrimination. In particular, there is urgent need for:

- Raising-awareness programmes on gender stereotypes in order to open a debate on domestic violence and labour market segregation;
- Once programmes and policies are formulated, awareness campaigns to make people know about new legislation, their rights and opportunities;
- Reaching remote rural areas as well, in order to combat the prevalence of discriminating customary law and ensure coverage in all the country;
- Promoting solidarity among women and organisation of groups that formulate themselves needs and priorities to be put forward to policy makers in a democratic grass-root process.

CONCLUSIONS

The Tanzanian legislation ensures an high level *de iure* labour market gender equality, which places the country at the forefront in the race for equal opportunity in Sub-Saharan Africa. It promotes equal treatment and remuneration in employment, accords the right to take maternity and even parental leaves, and forbids discrimination at the workplace and in access to resources and financial tools. Unfortunately, this remarkable effort is too recent, and its final objective too ambitious, to believe that it has been already achieved; therefore, the distance between *de iure* and *de facto* gender equality is still significant.

Labour statistics in chapter three clearly showed *de facto* labour market gender disparities, which were found to be described essentially by occupational and sectorial segregation by gender. Furthermore, it was found that disparities in wages are due particularly to workplace characteristics, rather than differences in human capital. This result is against the general definition of earnings as returns to workers' characteristics; it was also found that more than 40 per cent of gender wage gap was not explained by observable variables but possibly by the existence of discrimination and nepotism in the Tanzanian labour market that keep women in lower paid sectors and jobs.

Over the last ten years, the government of Tanzania has showed to be aware of the indissoluble link between gender and sustainable development. Tanzania has developed and implemented a comprehensive policy framework - which has as a core the MKUKUTA strategy - for poverty reduction and sustainable development, in which empowerment of women has been remarked as a crucial point for inclusive economic growth. Unquestionably, women's conditions influence not only their own wealth, but that of their children; therefore, empowerment of women is an investment in the wellness of future generations and of the country itself. This is the reason why the gender dimension must be included in the formulation of any sustainable development programme that aims at promoting economic growth and takes the human factor in consideration.

Nevertheless, as the case of Tanzania shows, gender equality is a long-term achievement. More research and policy implementation is needed in order to make the simple but still revolutionary idea of gender equality express all its potential.

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