



# Tanzania: Skills and youth employment

A scoping paper

Mahjabeen Haji

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This scoping paper is one of a series jointly commissioned by the International Development Research Centre and the MasterCard Foundation to shed light on the critical challenge of youth employment in sub-Saharan Africa. The aim is to inform new areas of research support that will build an evidence base for practical and policy-relevant solutions.

Opinions stated in this paper are those of the author and do not necessarily reflect the views of the International Development Research Centre and the MasterCard Foundation.

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## Contents

Executive Summary .....	1
<b>1. Introduction:</b> .....	3
<b>2. What does the Tanzanian labour market look like?</b> .....	5
2.1. The economic outlook .....	5
2.2. Youth employment trends and challenges .....	8
2.3. Education and skills as a main constraint to employment ...	12
<b>3. Youth employment policies and programs</b> .....	15
3.1. National policies .....	15
3.2. Government-led initiatives .....	16
3.3. Key nongovernmental initiatives .....	17
<b>4. Research gaps and knowledge needs</b> .....	21
<b>5. Conclusion</b> .....	23
References .....	25



## Executive Summary

With half its people today under the age of 15, and with its population growing each year, Tanzania must find ways to ease its large and growing youth cohort into a labour market that currently offers too few prospects.

While it depends heavily on agriculture, recent growth in Tanzania has been fueled by emerging sectors such as telecommunications and financial services. But growth is not providing the number and quality of jobs needed for a growing youth population, and without the education, skills, and experience demanded by a new economy, Tanzanian youth remain trapped largely in informal work and low-skilled jobs in agriculture.

As government and other agencies look for ways to better equip Tanzanian youth for meaningful livelihoods, this paper overviews the key challenges, identifies current measures being taken to address the problem, and points to areas where further research may help to inform evidence-based programs and policies.

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*Recent growth has been driven by emerging sectors such as professional services, IT, and construction, which demand skilled workers.*

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### The Tanzanian context

Official youth unemployment in Tanzania is relatively low, at 6.5 percent among those 14-25 years and 9.9 percent among the 15-35 year olds. But this figure masks a larger problem of chronic underemployment. Three-quarters of youth employment is in agriculture, and much of it is informal, highlighting youths' vulnerability within the Tanzanian labour market.

Recent growth has been driven by emerging sectors such as professional services, IT, construction, transport and storage, hotels and restaurants, and other services. Earnings in these sectors are about six times higher than in traditional sectors, but they demand an educated and skilled workforce. Giving youth the tools needed to access these jobs will be key to securing their livelihoods while enhancing Tanzania's economic development. Rapid urbanization driven by structural transformation in the economy has only added to the pressures facing youth.



Education and skills training will be essential for Tanzanian youth to benefit from transitions underway in the economy. But the quality of formal education in Tanzania is poor. Less than 12 percent of the total population has completed lower secondary education, and even though primary enrolment is nearly universal, some 70 percent of those entering the third year of primary school cannot read basic Swahili, and only one in five can do basic mathematics. Low levels of educational attainment directly affect the earnings of Tanzanians: those with post-secondary or university education earn approximately 40 times more than those without education, while completing primary education yields only about four times the earnings of those with no schooling.

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*Higher education pays off. Those with post-secondary or university education earn some 40 times more than those with no education.*

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Most youth enter self-employment due to lack of wage employment and because of the low barriers to entry. There are significant gender gaps in self-employment: female-owned businesses tend to be smaller and less productive than those owned by males. Young self-employed women earn significantly less than their male counterparts' income.

With a lack of formal employment services in Tanzania, most youth rely on informal networks — mostly family and friends — to search for jobs. The better-educated minority and those from wealthier families can afford to wait for more secure waged employment. These youth enter the market as unemployed and, on average, take about 5.5 years to secure a wage job.

Along with the lack of services to link job seekers with employers, a key challenge facing Tanzanian youth is the poor quality of available vocational and technical training programs. The result is a wide gap between the needs of the labour market, and the skill set of young job seekers.

## Current interventions

Youth employment is a national priority in Tanzania, and the range of interventions involve not just government agencies, but other stakeholders including civil society organizations, international donors and, to a lesser extent, the private sector. Efforts range from policy frameworks that aim to create an enabling environment and to mainstream youth employment into national development frameworks, to programs that tackle youth employment from both the supply and demand sides.

Government efforts — a number supported by international donors — focus mainly on the education sector, including efforts to upgrade technical and vocational education. Also relevant to youth is government support to small business, including training in entrepreneurship skills, business management, and technology upgrading.

NGOs offer a broad range of services and training for youth, including fostering leadership skills, supporting youth enterprises, empowering single mothers in the workplace, fostering peer education in life skills, and providing civic education and empowerment. While connections with the private sector remain underdeveloped, companies in the energy sector have partnered with the government and NGOs to promote youth entrepreneurship through a local program delivered in two regions in the country's southeast.

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*Efforts to enhance youth skills and employment opportunities are undermined by poor coordination, information gaps, and weak evaluation.*

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Overall, these efforts to enhance youth skills and employment opportunities are undermined by poor coordination, information gaps, and weak evaluation. There is little evidence or measurement of program and policy effectiveness and efforts suffer from overlap and duplication. The country's latest national strategy for growth and poverty reduction, which calls for productive and decent employment for vulnerable groups such as women and youth, goes part way to meeting some of these challenges, but more remains to be done.

## Knowledge gaps and research needs

Given the complexity of the youth employment challenge, strategies to tackle it must be designed on a firm foundation of evidence. The current knowledge base sheds light on the scale of the problem, the level and types of skills mismatch in labour markets, the widespread extent of informality, gender differentials in youth employment, and the limitations of current education and vocational training systems. But new evidence is needed to better understand what kinds of policies and interventions are most effective and which ones are scalable.

In addition to strengthening the evaluation of programs and policies designed to support youth integration into the labour force, other areas ripe for research include the potential impact of new technologies, such as cellphone use, on youth employment services and opportunities, and the effects of structural shifts underway in the economy, including high-levels of youth migration from rural to urban settings. Lastly, understanding the reasons for pronounced gender gaps in youth job markets is crucial. Identifying ways to keep girls in school longer, or measures to enhance work-life balance could help women find more secure employment while improving the economy's overall productivity and growth.

# 1 Introduction

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*Almost one million people enter into Tanzania's labour market every year.*

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Despite a stable and high annual GDP growth rate of approximately seven to eight percent over the past decade, Tanzania has failed to create enough productive jobs. One reason is that the number of working-age Tanzanians has been growing faster than the number of jobs. With rapid population growth (2.7 percent per year) and a youthful population distribution (about half the population is below the age of 15), the country has almost one million new entrants into the domestic labour market every year. However, at U\$1,200 per year, earnings per worker in Tanzania are still among the lowest in the world, and the slow decline in poverty does not match the labour force growth rate.

The gap in economic opportunity for Tanzania's youth arises from the country's largely young and rapidly growing population, combined with the slow development of its export-oriented enterprise sector, and a critical dearth in the pool of skills demanded by employers. This supply-side problem is exacerbated by the quality of education received prior to entering the labour force. There have been several efforts to address education reform, but any far reaching benefits to livelihoods will take at least a generation to manifest. Yet, Tanzania has had no shortage of pilots and small-scale employment and training programs that target youth unemployment. These range from national programs to well-meaning donor interventions. But with little evidence or measurement of effectiveness, and a lack of scale and coordination between programs, there is still little understanding of the labour market in Tanzania and the prospects for employment growth.

The job creation challenge also needs to be qualified upfront: as in most developing countries, the overall unemployment rate in Tanzania is very low – less than four percent and declining over time (World Bank, 2014a). Most households cannot afford not to work. At this time, when much of the



world's population is aging rapidly, Tanzanian youth are a vibrant resource that can be harnessed for the country's growth. The true challenge is therefore not to find jobs but to find more productive jobs that provide decent incomes and propel the economy towards more equitable growth. Low-paid jobs, informal jobs, and vulnerable jobs do not have the same development impact as well-paid and formal jobs.

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*Finding productive jobs that provide decent incomes and propel the economy towards more equitable growth is a big challenge.*

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Realizing this vision will require a better understanding of how to best harness the potential represented by the youth, who make up about 18 percent of the total population<sup>1</sup> and 28 percent of the labour force in Tanzania (Morisset et al., 2013). Youth is a critical and transformational time in life, where most people formulate their aspirations, assume economic independence, and define their roles in society. It is at this time that decisions made can fundamentally affect the course of a

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<sup>1</sup> In this case, 'youth' refers to the share of the population aged between 15-24 years following the general ILO definition. If one expands this to 35 years (which is the national definition of youth), the proportion of youth rises to 35 percent of the population.

young person's life. While employment is a critical step towards financial independence, jobs can also convey a sense of identity, status and self-confidence. Productive employment can also promote social cohesion, create networks, and allow a young person to have a stake and a voice in society. However, not all types of employment contribute to these factors of well-being. For this reason, it is imperative to adopt an evidence-based approach to interventions that can support job creation. A first step towards this is to recognize the gap and analyze the reasons why it has persisted. This could bring a better focus to current strategies, and pave the way towards looking for better tailored public and private interventions.

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*The Government of Tanzania defines youth as between the ages of 15-35 years.*

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The focus on youth development is essentially a focus on economic development, particularly where the youth represent a significant share of the population. While youth employment cannot be separated from overall employment issues, youth represent a particular segment of the population that merit greater focus and targeted interventions. The classification of the segment of the population that is defined as 'youth' also differs depending on the institution, country and context. For example, the UN defines youth as those between the ages of 15-24, but the Government of Tanzania defines this group as between the ages of 15-35 years. The ILO generally follows the UN in the conventional definition of youth, but for survey purposes in the Tanzanian context, sometimes considers a more flexible definition of youth as aged between 15 and 29 years.<sup>2</sup> These varying definitions have implications for both research and policymaking in the realm of youth employment. This paper acknowledges and addresses the limitations and implications of drawing conclusions from data with different definitions of youth.



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Using available data and concrete economic analysis, we explore the base of knowledge available on youth employment and employability, identify knowledge gaps, and suggest where future research can contribute and add value to this vision of enhancing youth employment opportunities for greater and more productive jobs. We first describe the structure of the labour market in Tanzania, the available microeconomic evidence on youth employment, and what we know about youth employment, with an emphasis on key supply-side constraints to prospects for employment such as education and skills. We then present key policies, programs, and interventions aimed at expanding youth employment and skills enhancement. Finally, we address where the evidence gaps lie and point to potential avenues for further research.

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<sup>2</sup> Statistics presented also vary depending on the data source, sampling methodology, sample size, and time periods available. This paper will consider all relevant research on youth unemployment in the time periods and sample sizes available, but will

specify what data sources are employed, their limitations, and the implications for drawing conclusions.



## 2 What does the Tanzanian labour market look like?

### 2.1. The economic outlook

Tanzania has been growing fast, but poverty remains wide spread. The annual growth of GDP has been around 7-8 percent per annum, which is close to its 10 year average, and significantly higher than the rate of growth achieved by neighbouring Uganda and Kenya. However, this growth has not achieved substantial poverty reduction. While poverty has declined by approximately 25 percent between 2007-2014, 43 percent of the population continues to live on less than US\$1.25/day. This continued poverty has been due to several factors, including the fact that the sectors driving this growth have not created better and more inclusive jobs, which is one of the critical pathways out of poverty, particularly for the country's youth (World Bank, 2012).

While the country's economy is primarily dominated by agriculture, over the last decade, economic growth has been driven by a few selected sectors, particularly communications, financial services, construction, trade, and mining. With the exception of mining, the other activities are largely concentrated in urban areas. These sectors are also relatively capital intensive and/or reliant on skilled labour, and create a limited number of jobs for the majority of low-skilled workers. By contrast, the rate of growth of the labour-intensive agricultural sector, which employs 75 percent of the workforce and contributes to approximately 25 percent of GDP, remains lower than that of the overall economy.

Another key development which may affect the rate and nature of growth in the country is the discovery of significant gas reserves.<sup>3</sup> Although investments are likely to be delayed, international oil companies are expected to invest approximately US\$ 35-40 billion in upstream activities in the coming years. Studies indicate that this could have large economy-wide impacts, with the potential to contribute 7 percent of the country's GDP by 2025 (World Bank, European Union,

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*While poverty has declined by 25 percent between 2007-2014, 43 percent of the population continues to live on less than US\$1.25/day.*

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and Department for International Development, 2014). If so, it will be important for Tanzania to capture the benefits of the growth of this new sector for productive job creation.<sup>4</sup>

Today, Tanzania has both high rates of employment and underemployment. The labour force is about 24 million in size, with a participation rate of close to 90 percent over the last decade. As seen in Figure 1 below, the overall unemployment rate is quite low at 3.5 percent for the labour force. However, it is clear that these employment statistics hide a high degree of underemployment and people stuck in unproductive activity and informality. For example, about 90 percent of the employed population is self-employed — mostly in the informal sector — with less than a tenth of the population in wage work. Official youth unemployment in Tanzania is relatively low, at 6.5 percent among the 15-24 year olds (ILO definition of youth), and close to 10 percent if one uses the national definition of youth which extends the youth population to include individuals between the ages of 15-35. Approximately two out of three youths in Tanzania were active in the labour market in 2010/11, which is comparable to that of neighboring countries such as Uganda. Youth unemployment in Tanzania is low on average, but employed youth usually hold informal and low-skilled jobs in the agricultural sector. While agriculture accounts for 60 percent of employment in the general population, approximately 75 percent of employed youth aged 15-24 are active in agriculture. Similarly, the youth are disproportionately represented in the informal sector, accounting for almost a third of the informal sector population, highlighting the vulnerable state of youth in the labour market.<sup>5</sup>

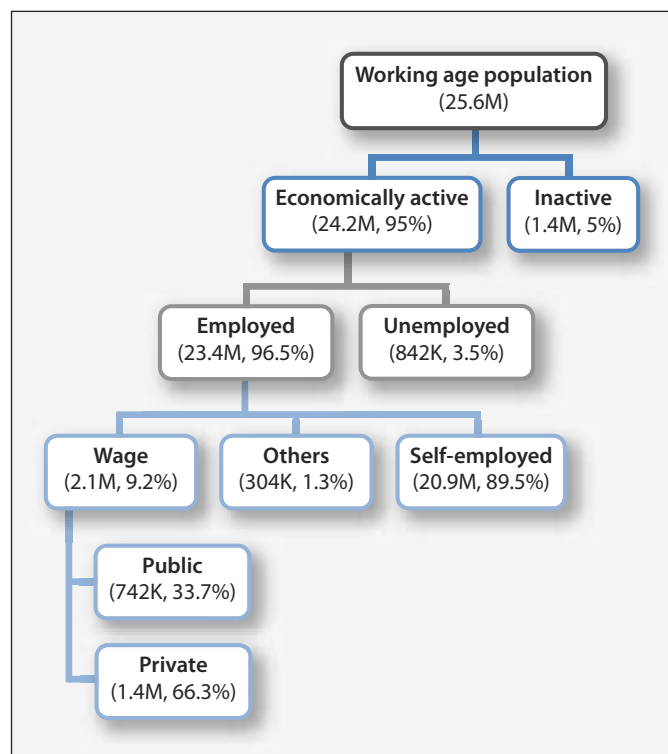
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<sup>3</sup> As of 2013, natural gas reserves have been estimated at 43tn cubic ft (35 offshore).

<sup>4</sup> An analysis of the natural gas value chain by the World Bank in Tanzania suggests that while there are limited opportunities for local content in the upstream phase of development, there is higher potential for local content development in the midstream and downstream phases through the early development of linkages with the private sector. Experiences of countries such as Egypt, Malaysia and Nigeria were considered in the analysis.

<sup>5</sup> Statistics are from the Integrated Labour Force Survey (ILFS) 2014 report for Tanzania, for which the dataset has not yet been officially released. The last set of ILFS data available is from 2006. In this case, 'youth' refers to the share of the population aged between 15-24 years following the general ILO definition.

**Figure 1. Tanzania employment categories**



Source: WDI and KILM indicators, and NBS Employment & Earnings Survey Report (2013)

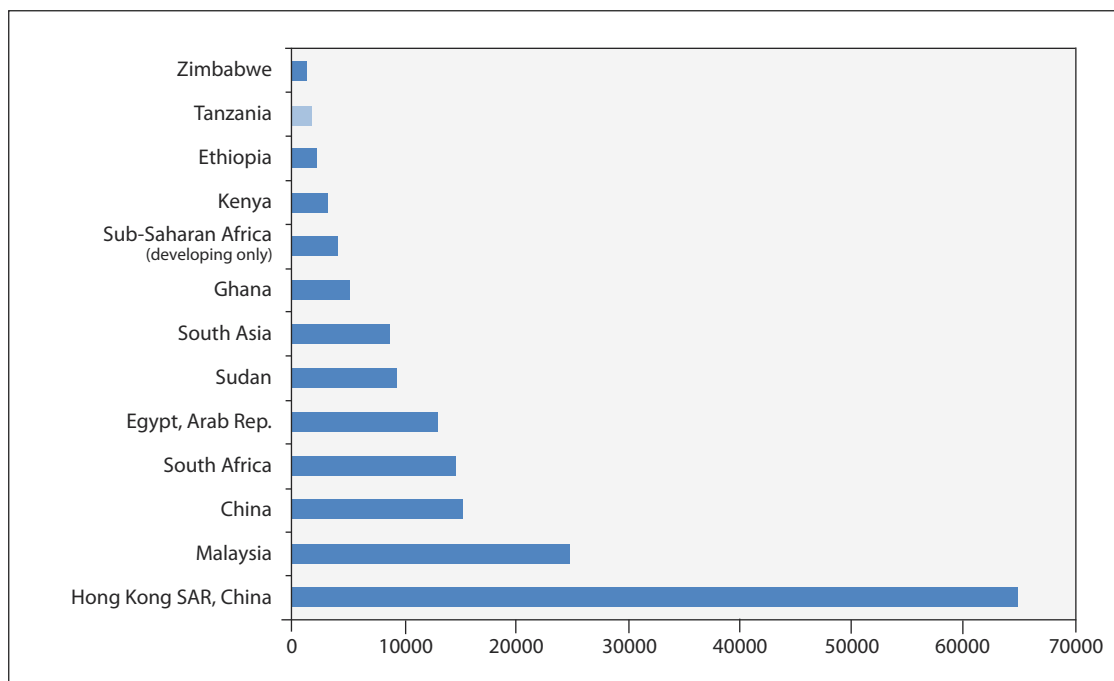
Note: 'Others' category includes unpaid or family work

*Only about 15% of the working population is engaged in emerging sectors, which pay about six times more than traditional sector jobs.*

Tanzania's failure to generate a sufficient number of employment opportunities in productive sectors is clearly reflected by the country's average wages, which are still among the lowest in the world (see Figure 2). Only about 15 percent of the working population is engaged in emerging sectors, including professional services, ICT, construction, transport and storage, hotels and restaurants, and other services. The other 85 percent are concentrated in traditional sectors such as agriculture, mining and trade. However, earnings per worker in traditional sectors, at US\$700 per year, are about six times lower than in emerging sectors (Morisset & Mahjabeen, 2014a). The low average wages are reflected by the still relatively high levels of poverty, particularly in rural areas (close to 35 percent in 2012). The correlation between poverty and average earnings per worker is not surprising, given that the most direct way for a household to escape poverty is to generate a sufficient, long-term income from labour.

The overall domestic labour force is projected to grow to 45 million by 2030, and agriculture will only absorb a relatively small part of this growth. A significant share of this influx will come from the growth of the youth population. Approximately

**Figure 2. Cross-country comparison of earnings per worker (2012)**



Note: in GDP per person employed 2012- constant 1990 \$PPP. (PPP = purchasing power parity)

Source: WDI Indicators

900,000 youth entered the labour force in 2010/11, and the number of Tanzania's youth aged 15-24 is expected to swell to about 18 million by 2035, from its current 10 million. There are currently an estimated 17.5 million Tanzanians between 15-34 years of age. That number is expected to double by 2035. Hence, a movement of labour to more productive jobs is critical for driving job-generating growth and to absorb the current and new labour force.

*High barriers to entry into formal jobs and a large informal economy make self-employment the most viable option for most Tanzanians.*

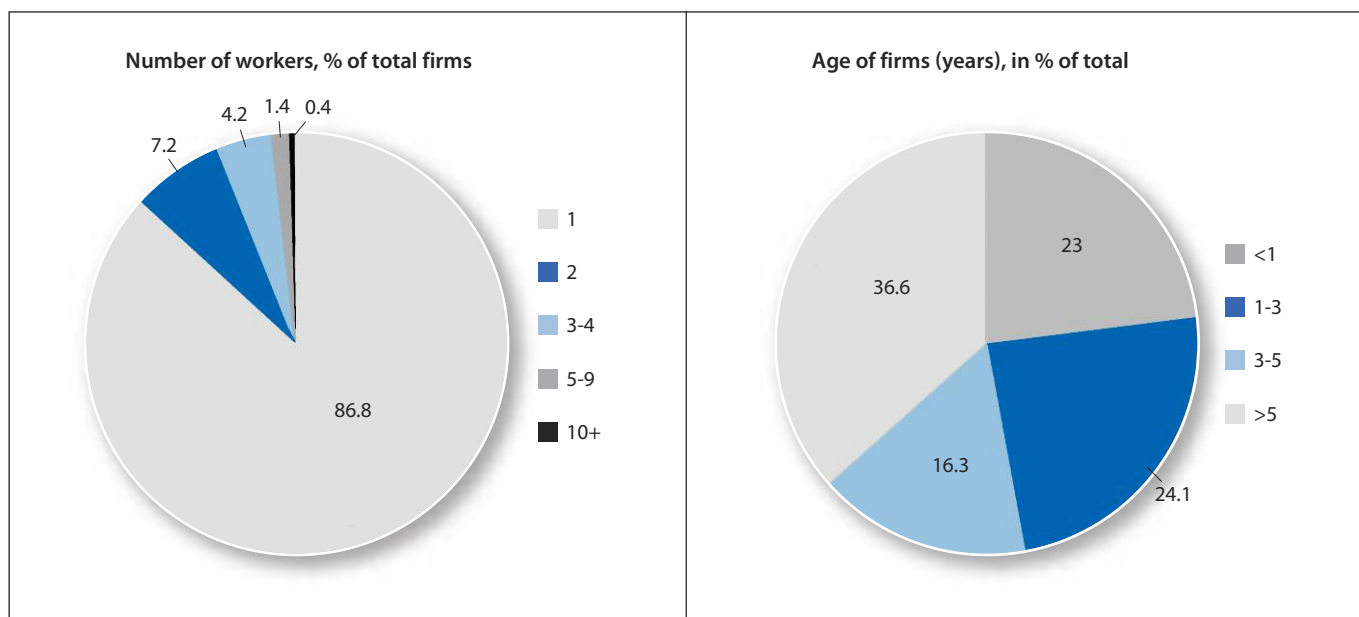
The process of rapid urbanization is also evident in any of the country's cities. According to some estimates, Dar es Salaam is the second most rapidly expanding city in the world, with secondary cities such as Arusha and Mwanza also growing fast. The 2012 population survey shows that approximately 15 million Tanzanians (or 27 percent of the population) now live in urban areas, as compared to 1990, when the urban population was only 4.5 million, or 18 percent of the total population (Morisset & Mahjabeen, 2014b). The increasing concentration of the population in urban areas is caused by the widespread expectation that economic conditions are better in these areas, which itself offers additional opportunities for business and for job creation. It is therefore not surprising that migration to large cities (particularly to Dar es Salaam) is largely driven by those younger than 30, in search of productive economic opportunities.

However, high barriers to entry into formal jobs and a large informal economy lead to self-employment as the only — or most viable — option for most Tanzanians. The youth employment landscape is also characterized by high levels of informality and vulnerability in self-employment, particularly in urban areas. The vast majority of businesses are owned by 'reluctant entrepreneurs' (Banerjee and Duflo, 2011) — those confined to very small operations (generally self-employed) with little specialization, operating just a few hours per day or week in the margins of the economy. They have no choice, as wage employment is not an option, and have to operate their own businesses to survive. Approximately two-thirds of Tanzanian firms are operating in the areas of general trade and non-farm-based agriculture, with almost 90 percent of them confined to self-employment (see Figure 3).

*Currently, less than 4% of youth work in roles that require higher skill sets.*

Given the magnitude and complexity of the employment challenge, Tanzania cannot afford to neglect the constraints faced by its young and growing population. Trends of rapid urbanization from rural to urban areas driven by structural transformation have only added to this pressure. Generating new and more productive jobs will be critical to driving growth and absorbing the growing labour force. In parallel, providing the youth population with tools needed to access these jobs will be paramount to ensuring them productive livelihoods and enhancing Tanzania's overall economic development.

**Figure 3. The predominance of self-employment and young firms**



Source: World Bank, Tanzania Country Economic Memorandum 2014.

Today, many of the fastest growing sectors — communications, financial services, and transportation, for example — depend on skilled labour. Yet the labour force is dominated by unskilled or low skilled workers. Currently, less than four percent of youth work in roles that require higher skill sets. Education and skills training will be essential to equipping Tanzanian youth to benefit from transitions underway in the economy. Section 2.2 below further details the various and multifaceted constraints and challenges of the Tanzanian youth population as they enter the labour market.

## 2.2. Youth employment trends and challenges

This section focuses on the dynamics of the labour market for the youth population in order to understand the challenges that constrain productivity and opportunities for youth in the labour market, and to inform directions in which responsive policies might be shaped. While there is a wealth of data available on the Tanzanian labour market, the lack of specific data for the youth segment of the population makes it challenging to paint a comprehensive picture on youth employment patterns. Nonetheless, there are several sources of information that provide snapshots of youth participation in the labour market. One of the more comprehensive sources of data is the 2012 school-to-work transition survey (SWTS),<sup>6</sup> which generates information on the labour market situation, the history of economic activities, and the perceptions and aspirations of youth.

The SWTS considers two main definitions of unemployment. The 'strict' definition is consistent with that of the ILO, where an unemployed individual is defined as one who is not working, available to work, and actively looking for work. The latter criteria is removed for the 'relaxed' definition, which can better reflect the weak labour market institutions and high rate of self-employment in Tanzania, leading to few people using conventional means, or 'actively' searching for work. Going forward, we consider the relaxed definition of unemployment, with a note of caution that this affects the unemployment statistics.<sup>7</sup> While most of the youth employment profile is based on these data and associated research, the paper will be complemented by other relevant and interesting strands of research.



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As noted earlier, the unemployment rate for youth is not much higher than that of the general population. Although youth unemployment in Tanzania is low on average, employed youth are disproportionately represented in the agricultural sector, which accounts for 75 percent of youth employment. They are also disproportionately disadvantaged by informality, and account for approximately a third of the informal sector population, highlighting their vulnerable state in the Tanzanian labour market.

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*Most Tanzanian youth rely on informal networks — family and friends — to search for jobs.*

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One of the biggest challenges faced by youth seeking to enter the labour market is the job search process itself. In the absence of an organized system of employment services in Tanzania, most Tanzanian youth rely on informal networks — most often family and friends — to search for jobs. Other methods of finding jobs include placing or answering job advertisements, and inquiring for opportunities directly at workplaces. Only one in ten youth registers at an employment centre, suggesting a lack of confidence in these services, and importantly, a vital gap in the transmission of labour market information for the youth (Shamchiyeva et al., 2014).

The point of entry into the labour market is a critical moment for young Tanzanians, as it often correlates with how well they are likely to fare in the market. However, as the informal sector

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<sup>6</sup> Given the level of detail provided on the history of economic activities and current perceptions and aspirations of youth in Tanzania, the SWTS (2013) is employed as the main source for current information on the youth labour market in Tanzania. This is complemented by other important sources of data such as the National Panel Survey, Labour Force Survey data and reports (where the latest survey data has not yet been released at the time of writing the report), and the household budget surveys.

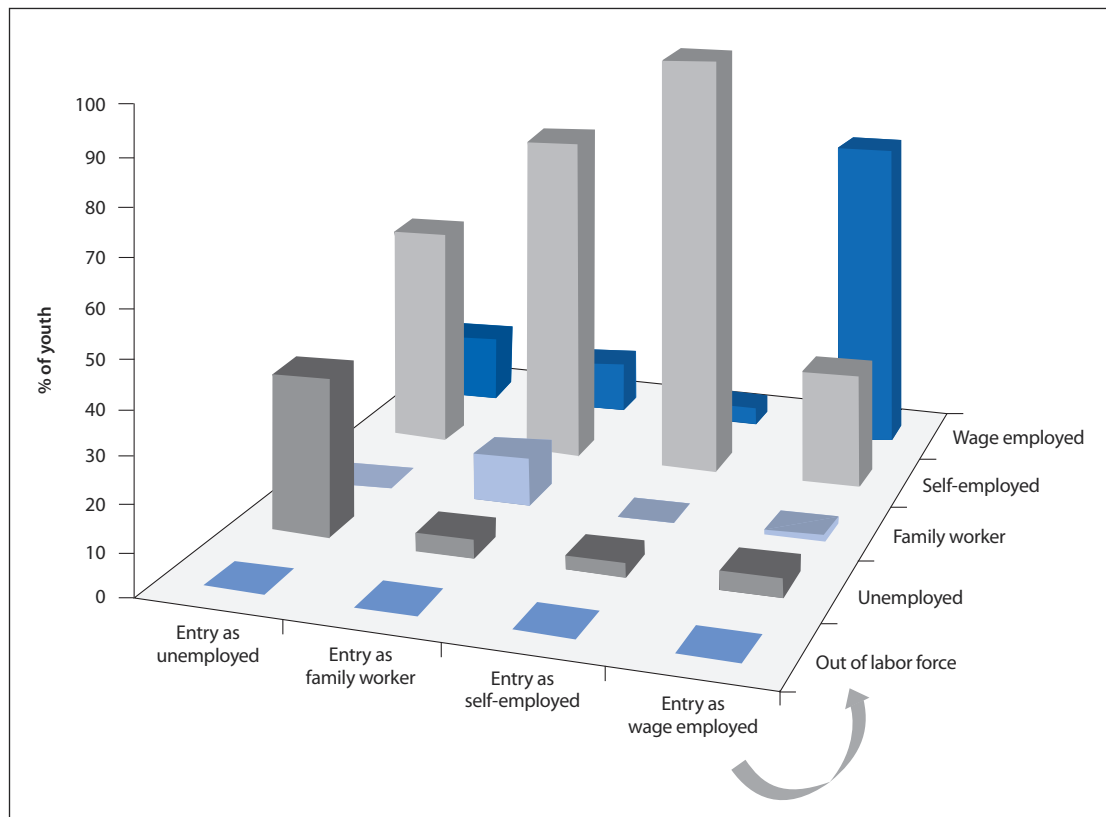
<sup>7</sup> For example, using this definition, we find that the rate of unemployment among Tanzanian youth is 27.1 percent, as compared to 11.7 percent using the 'strict' definition of unemployment. The SWTS also considers youth to be between the ages of 15-29, while the ILO data (which shows that the youth unemployment rate in 2013 was 6.5 percent) refers to the share of the labour force aged 15-24.

has low barriers to entry, most youth enter self-employment as the most viable option to make a living. This route offers few options for transition to other forms of employment such as wage-work. For example, labour histories of individuals aged 20-35 in Tanzania indicate that those who entered the labour market as self-employed or wage employed were much more likely to stay in those modes of employment (see Figure 4). Those who entered as unemployed and end up with wage employment represent a minority of youth — those who have higher education levels, come from wealthier families, and can afford to wait an average of 5.5 years for wage work without a significant earnings penalty (Filmer et al., 2014). In general, over 95 percent of individuals found jobs by the age of 25, but those who are wage employed spend more time searching, and find their first job a little bit later as compared to their self-employed counterparts. Most prefer wage employment over self-employment, but as the probability of finding such employment decreases, they tend to become self-employed. In fact, this is the case for most self-employed youth, who cited a lack of success in finding salaried work as the main reason for self-employment (Bridges et al., 2013).

*There are important differences between self-employed male and female youth. Young women seek greater flexibility, in part due to household responsibilities.*

Significant gender gaps also exist in youth employment, particularly among the self-employed. For the six out of every 10 youth that are self-employed, more than half of young women are pushed towards self-employment due to a lack of other options, while a greater proportion of young men are drawn by the potential for higher income. Young women are also three times as likely to have chosen self-employment due to flexible hours of work as compared to men, and were generally more likely to choose self-employment for less favourable reasons. These include less time available for conducting business, due to the disproportionate burden of household responsibilities that falls on women, differences in human and physical capital, and differential access to networks or social capital. Female-owned businesses are also smaller in scale, particularly in terms of employees, sales, and capital stock, and less productive than their male counterparts (Sabarwal &

**Figure 4. Movement between employment sectors in Tanzania**



Source: Filmer and Fox, (2014).

Note: Sample includes 412 urban youth aged 20-35, and employment histories were collected through recall questions that collected retrospective information on previous jobs. Panel data was employed from the Tanzania household urban panel surveys conducted in 2004, 2005, and 2006. More details on sampling can be found in Bridges et al., 2013.

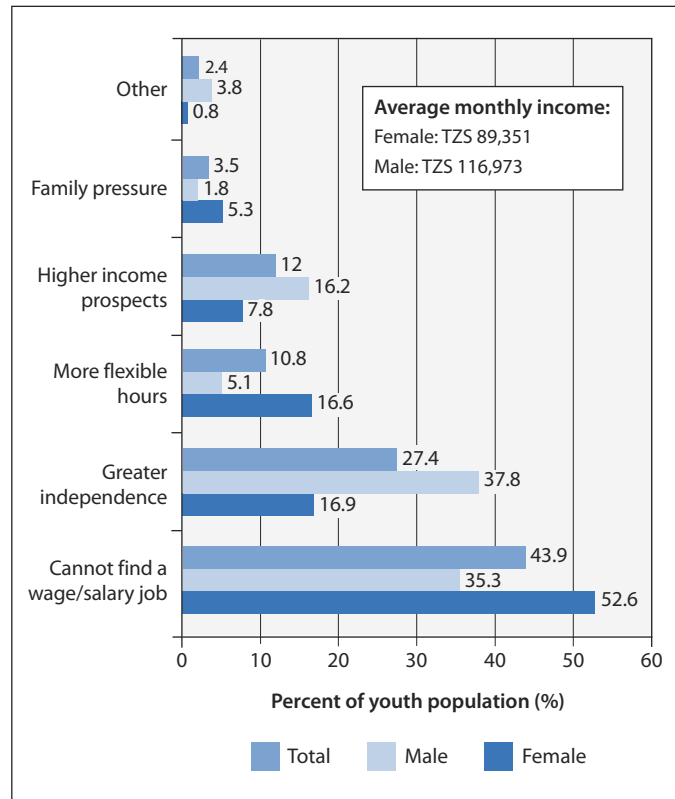


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Bardasi, 2009; Rijkers & Costa, 2011). On the other hand, young men are more likely to pick self-employment due to reasons such as the potential for higher earnings and greater independence (see Figure 5). These preferences are reflected in income levels, where the average young self-employed female, at monthly earnings of TZS 90,000, earns only three-fourths as much as her male counterparts.

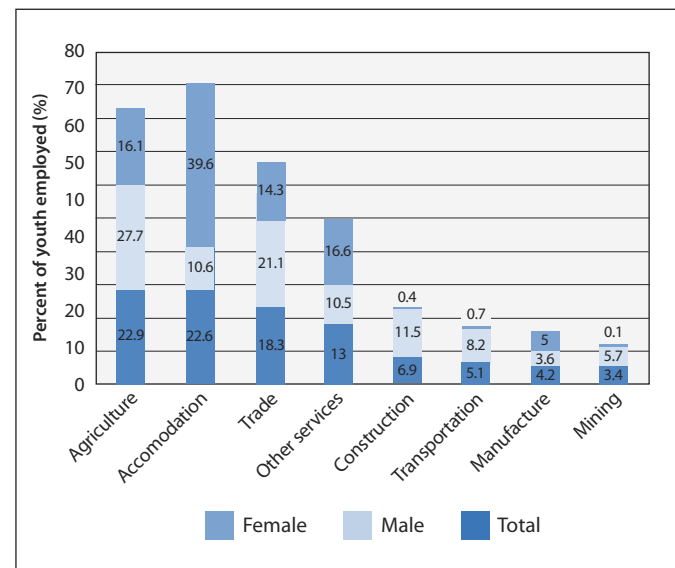
The gender gap in employment is also evident in type and sector of employment. In general, regular employment<sup>8</sup> is rare for the youth, and only 15 percent of youth have regular jobs. However, young women are half as likely as young men to be in regular employment. Additionally, young women are more likely to be employed in the sectors of trade, accommodation (including hospitality and food services), and other services, while young males are disproportionately represented in sectors such as construction and transportation, which also happen to be among the fastest growing sectors in Tanzania (Morisset et al., 2015a). While there seems to be a greater proportion of women in manufacturing, this sector includes activities such as the small-scale production and packaging of food products and beverages, the sewing of apparel, and basic carpentry. Young women are virtually absent from labour-intensive sectors such as construction, transportation, and mining (see Figure 6).

Figure 5. Reasons for self-employment



Source: Shamchiyeva, L. et al., (2014). Data based on the SWTS Tanzania (2013).

Figure 6: Youth employment by sector



Source: Shamchiyeva et al., (2014). Data based on the SWTS Tanzania (2013).

<sup>8</sup> Regular employment is defined as wage and salaried workers holding a 12-month contract and self-employed youth with employees. (Source: SWTS 2013)

Most youth are also employed in low-skilled or 'elementary' roles (ILO, 2012),<sup>9</sup> consisting of simple, routine tasks that mainly require the use of hand-held tools and often some physical effort. Less than four percent of Tanzanian youth work in roles that require higher skill sets, such as clerks, professionals, legislators, senior officials and managers (see Table 1). This is not surprising, as the youth need to accumulate skills and work experience before they can move towards higher skilled roles in the labour market.

**Table 1: Youth employment by working role (percent)**

	Total (%)
Elementary occupations	35.8
Service workers	20.6
Crafts and related trades	17.5
Skilled agriculture	14.7
Technicians and associated professionals	4.2
Plant and machine operators	3.8
Clerks	1.8
Professionals	1.3
Legislators, senior officials, and managers	0.2
Armed forces	0.1

Source: Shamchiyeva et al., (2014). Data based on the SWTS Tanzania (2013).

Anecdotal evidence from a focus group of Tanzanian youth suggests further cultural barriers to productive employment opportunities.<sup>10</sup> For example, the youth report that they are not considered important members of society, and hence not given opportunities to participate in the governance and development of their communities. Further, they are perceived as a source of free labour by their families and elders, and often are not empowered to access or acquire land or resources for independent production opportunities. Young women report rampant exploitation and sexual harassment within education systems and in the workplace, and where they do earn money, report that household norms dictate that earnings are to be used for household purposes, restricting their independence.

Lastly, young people lament that the decisions made for them at a national and strategic level do not consider their input, and hence do not address the fundamental and underlying issues that prevent productive livelihood opportunities. Such examples of exploitation and lack of empowerment in decision-making and participation present further constraints to realizing productive opportunities for employment.

Young Tanzanians face several barriers to a successful transition into the labour market, but as one research effort characterized the Tanzanian youth perspective, "education is the main weapon needed by all young people as long as it is quality education of the right kind to enable young people to access employment opportunities."<sup>11</sup> Arguably, better education and training can increase the employment prospects for young people, and open up opportunities in different sectors and occupations. But the youth of today are starting from a low base. Of the approximately 900,000 youths that entered the labour market in 2010/11, 14 percent did not complete primary school, 44 percent finished their primary but did not transition to secondary, an additional 38 percent went to secondary but did not reach or finish Form IV, and a mere four percent went beyond O-level.<sup>12</sup> While formal education is not the only way to acquire skills for a particular type of job, the acquisition of basic numeracy and literacy skills does affect employment prospects. Section 2.3 below further explores the fundamental role of basic education and skills in boosting employment prospects for youth.



<sup>9</sup> The ILO refers to the Standard Classification of Occupations to define this as roles "which require the knowledge and experience necessary to perform mostly simple and routine tasks, involving the use of hand-held tools and in some cases considerable physical effort and...only limited personal initiative or judgment." Examples of elementary occupations include selling goods on the street, door-keeping, cleaning, washing, and carrying luggage.

<sup>10</sup> From research conducted by Tamasha, presented on September 17, 2015 at the National Consultative Workshop on Youth Employment in Tanzania, organized by the Economic and Social Research Foundation in partnership with IDRC.

<sup>11</sup> Research conducted by Tamasha.

<sup>12</sup> In this case, 'youth' refers to the share of the population aged between 15-24 years, following the general ILO definition of 'youth unemployment' as the share of the labour force aged 15-24 without work but available for and seeking employment. Source: Morisset et al. (2013).

### 2.3. Education and skills as a main constraint to employment

To understand the challenges that constrain productivity and the opportunities for youth in the labour market, this section focuses on human capital and the role of basic education and skills in boosting decent prospects for employment. Today, the Tanzanian labour force is characterized by a dominant proportion of unskilled or low skilled workers, a majority of whom are youth. Despite near-universal enrolment in primary schools, the proportion of the labour force with middle- and high-level skills remains very low, with less than 12 percent of the total population having completed lower secondary education. These results are similar for the youth population. The earnings of young workers increase incrementally with education level (Shamchiyeva et al., 2014). While formal education is not the only way to acquire skills for a particular type of job, the acquisition of basic numeracy and literacy skills is imperative for a country that hopes to reap the demographic dividend of a largely young population.

Education attainment tends to shape employment opportunities, and education policies in developing countries have typically focused on universal enrolment in primary education with the assumption that the returns are greatest at this level. However, schooling does not necessarily translate into learning, and in Tanzania, returns to education remain low at foundational levels of formal education (Uwezo, 2011). For example, a worker with post-secondary or university level education earns approximately 40 times more than a worker without education, while a worker with completed primary education earns only about four times more (see Table 2). The surprisingly high returns to higher education are also driven by the structural excess demand on the labour market, as the number of graduates comprises less than three percent of the total population.

#### *Weaknesses in the formal education system undermine both productivity in the workforce and youth economic opportunities.*

A deeply flawed formal education system in Tanzania also means that the effect of schooling on productivity is far from its potential. National learning assessments conducted by Uwezo in Tanzania since 2010 have revealed that those currently enrolled in the education system do not seem to be learning. In particular, learning in primary school is often minimal: for example, by the time they enter the third year of primary school, about 70 percent of children cannot read basic Swahili even though it is the national language and widely spoken across the country, 90 percent of children cannot read

Table 2: A snapshot of education levels and earnings in Tanzania (2010/11)

	Percent of population	Marginal wage effect by year of schooling (%)	Median total annual income (TZS thousands)
No primary education	18%	–	111
Incomplete primary	14%	–	140
Complete primary	46%	8%	404
Incomplete lower secondary	11%	14%	458
Complete lower secondary	9%	25%	1,990
Upper secondary and university	3%	64%	4,667

Source: National Panel Survey (2010/11)

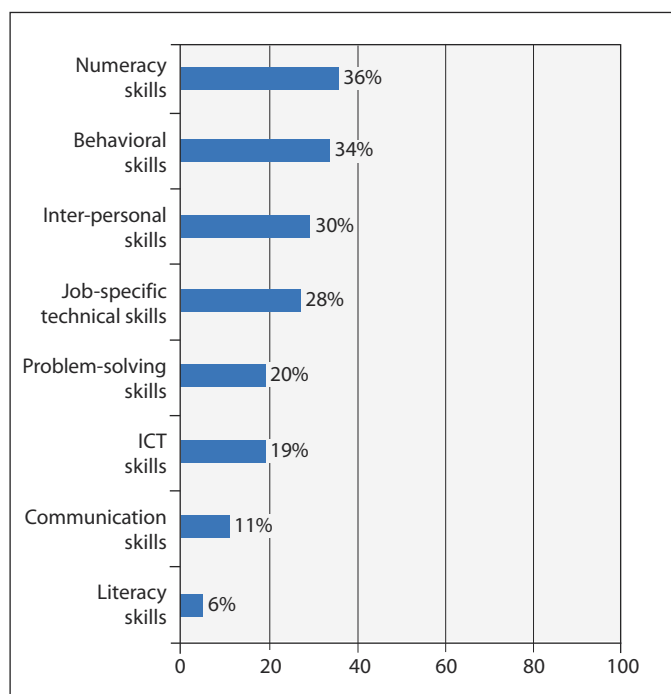
basic English, and 80 percent cannot do basic mathematics. Even students who complete primary school have low levels of basic skills: about 43 percent of Tanzanian children are at or below 'basic numeracy' level, and cannot do what they should have mastered five years earlier in the second year of primary school (Uwezo, 2011). For those who make it to secondary school, the empirical evidence indicates that an additional year of study in secondary education will not significantly modify the potential earnings of students on the job market. The implications of this lack of basic foundation learning are far reaching — if students cannot master basic literacy and numeracy skills from a few years of basic education, it is likely that the foundation to build upon for further specialized skills is fragile, and an additional year of education does not make much of a difference for returns to productivity.

It is clear that the vast majority of children are not learning in schools. However, addressing this lack of learning is not a simple task. Service delivery is still a persistent problem in the education system. For example, in Tanzania, one in five teachers is absent from school on any given day. Even when teachers are present, primary school students experience fewer than three hours of learning per day on average (Uwezo, 2011). In recent years, however, the government has paid special attention to improving service delivery in the education sector through the Big Results Now initiative,<sup>13</sup> and education sector spending as a share of GDP remains relatively high for a developing country at 5.9 percent (World Bank, 2013).

<sup>13</sup> Retrieved on August 14, 2015 from the Tanzania Ministry of Education Website: <http://www.moe.go.tz>



**Figure 7. Skills that are scarce in Tanzania (% firms)**



Source: World Bank, Tanzania Country Economic Memorandum (2014)

*Many youth also lack the ‘soft skills’ needed in the workplace — such as communicating effectively and getting along with others.*

Improvements in basic education are necessary to improve the chances of productive employment opportunities for the youth. However, beyond the cognitive skills typically acquired through formal education, many youth also lack the behavioural, or ‘soft skills’, such as communicating effectively and getting along with others, that are also required in the workplace. Behavioural skills rank almost as high as numeracy among the most highly sought skills by employers (Figure 7). This suggests that soft skills are just as critical in the labour market as technical or job-specific skills.

A majority of enterprises report preferences for hiring individuals above the age of 29 for professional jobs, and workers aged between 15 and 29 years for elementary occupations (ILO, 2014b). When asked to specifically assess the skills of young employees, employers ranked young employees as less likely to be educated, and to exhibit poor technical and computer skills. The emphasis placed on level of education, age, and work experience place the youth population at an obvious disadvantage for attaining professional jobs.

However, it is important to note that skills development often takes place outside of the formal education system, and training programs, albeit imperfect, provide a channel towards ensuring that young workers have the necessary skills to undertake available jobs. Training is most commonly provided by the government and international donors, and typically focuses on technical training in a specific sector, business skills, financial literacy, behavioral and life skills, or a combination of these. Apprenticeships and on-the-job training are common in Tanzania, and often the best source of training when provided by the private sector. Employers are more likely to provide training in sectors such as construction, manufacturing, and real estate, but less so in sectors such as wholesale and retail trade, and hotel and restaurants, which account for approximately two-thirds of informal sector workers (NBS ILFS, 2006).

*Vocational training is often considered as a ‘last resort’ option for job seekers.*

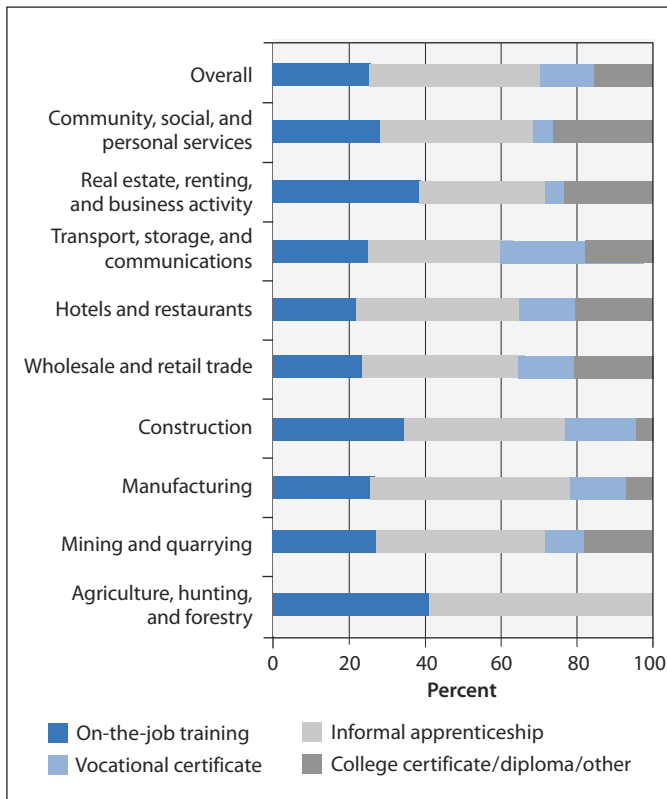
The type of training in the informal sector varies by industry, where informal apprenticeships are the most common form of training (see Figure 8 on the next page). And while employers seem reluctant to invest in training due to cost constraints and the mandatory skills development levy of five percent paid to the government, about 44 percent of employers offer some form of training to employees, including enterprise training, apprenticeships, and vocational training (World Bank, 2014). Notably, vocational training is the least common type of training to be adopted. This is not surprising, as there is little evidence of the effectiveness of the Vocational Education and Training Authority (VETA) in Tanzania, and vocational training is often considered as a ‘last resort’ option for job seekers.<sup>14</sup>



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<sup>14</sup> See Adams et al. (2013) for a detailed discussion on the challenges of the vocational education and training system in Tanzania.

**Figure 8. Distribution of training modes in the informal economy by sector**



Source: Adams et al. (2013)  
 Note: Data based on Tanzania National Bureau of Statistics 2006 Integrated Labour Force Survey (ILFS)

*There are significant information gaps in the labour market, leading to a mismatch in skills supply and demand.*

Despite the unambiguous positive impact of better skills and education on income and employment opportunities, the level of skills has remained low in Tanzania. However, weak labour market institutions in Tanzania combined with the low quality of the formal education system further perpetuate the disadvantages faced by the youth in the labour market. There are also significant information gaps, which lead to a mismatch between the supply and demand for skills. This is due to poor communication and lack of coordination between employers and the labour market. For example, it is telling that only 2.7 percent of firms have contact with education institutes for hiring purposes (World Bank, 2014). The information gap also contributes to the high barriers to entry into formal jobs, but the presence of a large informal economy means that many youth enter the labour market as self-employed. Lastly, vocational training does not seem to be bridging the gap in skills needed for the labour market. This is partly because the training is often too theoretical due to a lack of connection to private sector needs, and partly because vocational training is seen as an inferior choice for students who failed during the secondary cycle.

Several stakeholders have attempted to address the weaknesses in vocational training programs as we will see below.

# 3 Youth employment policies and programs

Youth employment is currently recognized as a national priority in Tanzania, and the issue has garnered much interest from stakeholders in government and beyond, notably among civil society organizations (CSOs) and donors. There are several efforts underway to address the challenge of youth employment, ranging from small pilot projects to large-scale programs. They include the creation of an enabling policy environment, the mainstreaming of youth employment in national development frameworks, the creation of institutions to address youth employment, and the development and implementation of a wide range of youth employment services and training programs.

However, these efforts have not been well coordinated, and in some cases have resulted in the inefficient use of limited resources, as well as overlap and duplication of efforts. Improved documentation and dissemination of information could contribute substantially to better coordination, and to better monitoring and evaluation of interventions. And, while the responsibility of coordinating youth employment issues is often placed within one or more government bodies, involving other stakeholders in the development of national development plans, strategies, budgets, and youth employment programs can allow for more efficient resource allocation.

*The latest phase of the National Strategy for Growth and Reduction of Poverty targets better and more employment for vulnerable groups, including youth.*

## 3.1. National policies

In the policy space, Tanzania has demonstrated a commitment to addressing youth employment.<sup>15</sup> The National Employment Policy (2007), the National Employment Creation Strategy, and the Long-Term Development Vision 2025 for Tanzania have fed into the National Strategy for Growth and Reduction of Poverty (MKUKUTA I from 2006-2010 and MKUKUTA II from 2011-2015).



The latter strategy targets the creation of productive and decent employment for more vulnerable segments of the population, such as women and youth. It also aims to strengthen the institutional framework for coordination of employment creation — in part by streamlining the institutions that deal with employment issues — and focuses on skills development, employment promotion, and enterprise development, particularly for women.

The National Budget (2013/14) for Tanzania does not specifically indicate how employment or job creation, particularly for the youth, will be addressed. This is partly because funding is allocated on a programmatic level, and employment creation may represent one outcome of a specific project. However, approximately \$18 million is allocated to the Youth Development Fund, overseen by the Ministry of Information, Youth, Culture, and Sport. Established in 2006, the Youth Development Fund was launched in three phases, with the latest in 2007/8. It aims to make credit available and create employment opportunities using local government mechanisms (specifically, savings and credit cooperatives) as channels for credit disbursement. While

<sup>15</sup> As evidenced in a range of national policies, including: the Education and Training Policy (2014), National Employment Policy (2008), National Youth Development Policy (2007), Technical Education and Training Policy (1996), National Small and

Medium Enterprises (SME) Policy (2001), National Sustainable Industrial Development Policy (1996). Source: Ministry of Education and Vocational Training Paper (2014).

the Ministry of Information, Youth, Culture, and Sport in Tanzania is responsible for youth affairs (and formulated the Youth Employment Action Plan in 2007), employment issues are delegated to the Ministry of Labour, and the mechanism of coordination between these two bodies is unclear.

Development partners and donor agencies have also been active on youth employment issues, from assisting with related policy formulation to implementation of programs. For example, the Youth Employment Action Plan in 2007 was devised with the support of the Youth Employment Network, a collaborative effort between the International Labour Organization (ILO), the World Bank, and the United Nations. The ILO in particular has been active on employment policy, and in improving the existing evidence base on the labour market by implementing large-scale surveys that look at labour supply and demand.<sup>16</sup> While there is substantial engagement on youth employment from development partners, donors, and CSOs, the private sector is largely absent from youth employment interventions.

This section presents a selection of interventions that have been undertaken in Tanzania by a host of stakeholders, some better integrated than others. While programs have been put in place to address the supply- and demand-side issues of educational attainment, there are also many organizations and partnerships that have worked towards promoting skills acquisition (both general and by sector), linking vocational training programs with private sector needs, training entrepreneurs, and working with universities to increase access to information about job opportunities. Highlighted below are some key initiatives that aim to enhance employment prospects for young Tanzanians.

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*Big Results Now aims to improve pass rates in primary and secondary schools to 80% by 2015.*

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### 3.2. Government-led initiatives<sup>17</sup>

#### *Big Results Now initiative in education<sup>18</sup>*

The Big Results Now (BRN) program was implemented by the Tanzanian government at the beginning of 2013-14, inspired by a Malaysian development model. The aim of this multi-sector initiative is to adopt new methods of working under a specified timeframe for delivering targeted objectives. A few key sectors have been identified, of which education is a priority area, alongside energy, agriculture, water, transport, health, the business environment, and resource mobilization. Tanzania is consulting with Malaysian policymakers on this initiative, which has received support from several development partners including the UK Department for International Development (DFID) and the World Bank. The following education issues have been identified: a lack of accountability, limited teaching and learning materials, low levels of support for struggling students, and poor school management. Among other goals, BRN aims to improve pass rates in primary and secondary schools to 80 percent by 2015.

#### *Technical and Vocational Education*

Currently, two vocational and technical education structures within government target skill building: the Vocational Education and Training Authority (VETA)<sup>19</sup> and the National Council for Technical Education (NACTE)<sup>20</sup>. With the employment rate among graduates of technical training programs reported to be only 14 percent (World Bank, 2014), there is an evident need to improve the delivery and design of these services, ideally with private sector involvement to ensure closer alignment with the needs of employers. The Big Results Now consultations on the business environment, held in March 2014, also resulted in specific recommendations on streamlining and restructuring vocational and technical education systems in Tanzania.

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<sup>16</sup> The ILO undertook the school-to-work transition survey (SWTS) in 2012 to obtain information specifically on the current labour market situation for youth (aged 15-29), and the labour demand enterprise survey (LDES) to assess current and expected workforce needs of enterprises.

<sup>17</sup> National programs include: the National Education and Training Policy; National Strategy for Growth and Reduction of Poverty (MKUKUTA I and II); Big Results Now (BRN); The Tanzania Development Vision 2025; the Tanzania Five Year Development Plan 2011/2012 to 2015/2016; the Tanzania Long-Term Perspective Plan (LTTP), 2011/12 to 2025/26; Adult Education and Non-formal Education Programme

(AEFNDP, 2012 -2017); Higher Education Development Programme (HEDP, 2010-2015); and the Technical and Vocational Education Development Programme (TVETDP, 2013- 2018). Source: Ministry of Education and Vocational Training Paper (2014).

<sup>18</sup> See <http://www.worldbank.org/projects/P147486?lang=en>

<sup>19</sup> See <http://www.veta.go.tz>

<sup>20</sup> See <http://www.nacte.go.tz>

### *Small business development*

Housed under the Ministry of Trade, Industry and Marketing, the Small Industries Development Organization (SIDO)<sup>21</sup> works to develop the small industry sector in Tanzania. SIDO provides a wide range of business development services, including technology, training, marketing, and financing to: a) people who have not yet started a business; b) existing small enterprises; and c) business service providers. Training programs are grouped in three areas: a) entrepreneurship skills; b) business management skills; and c) acquisition and upgrading of technology. Supported business areas include food processing and preservation, bamboo craft, leather products development, recycling, timber seasoning, cashew nut processing, and others. SIDO receives support from several donors, including the World Bank.

### **3.3. Key nongovernmental initiatives**

#### *BRAC Tanzania*<sup>22</sup>

BRAC is a development organization that focuses on economic development through the provision of microfinance services. It began working in Tanzania in 2006. BRAC provides collateral-free credit using a solidarity lending methodology, and obligatory savings schemes through its 'village organizations'. BRAC also provides enterprise training and support to borrowers. Its main programs related to youth include the following:

- Empowerment and Livelihood for Adolescents works with vulnerable Tanzanian teenage girls to impart training on income-generating skills. The program is designed to socially and financially empower vulnerable teenage girls aged between 11 to 19 years; it combines life skills and livelihood training with a customized microfinance program. The program also combines different types of trade-based training such as tailoring, information technology, photography, hairdressing, food processing, poultry and livestock, horticulture nursery, and agriculture.
- Girls Education Challenge supports marginalized adolescent girls so they can stay in school and improve their learning. The project is funded by DFID, and is currently implemented in 20 branches in Dar es Salaam, Mwanza, Shinyanga, Tabora, and Singida. The aim is to improve the lives of girls in school, those at risk of dropping out, and out-of-school girls. The project includes subject-based tutoring (in mathematics and English) and peer mentoring for girls in government schools who are at risk of dropping out.

#### *Buni*<sup>23</sup>

Founded in 2011, Buni is a technology hub that aims to foster innovation and technology entrepreneurship through capacity building, mentoring programs, and community empowerment. It is known for being one of the first technology and innovation spaces to be established in Tanzania, and it has mentored several startup brands in Tanzania, including Soka App, Agrinfo, and Time-Tickets. Buni also has specialized youth programs to help impart business development skills, including the following:

- Buni Internship Program is an eight to ten week program, primarily for university students, that prepares interns to work on the business development process through ideation, team formation, product development, and customer/market validation training provided by professional business coaches and mentors. At the end of the program, teams present their prototypes to a panel of mentors for product endorsement.
- Buni Mentorship Program connects graduate teams from the internship program with working prototypes and external teams with ICT/technology-related business ideas from the Buni community outreach program. They offer their mentees capacity building, training, advanced ideation, product development, team formation and retention training. Trainees are granted access to Buni hubs co-working space with unlimited internet access.

#### *The Food and Agriculture Organization*<sup>24</sup>

In Tanzania, the UN Food and Agriculture Organization (FAO) promotes rural youth employment through a public-private partnership model. It has partnered with the Tanzania Federation of Cooperatives and the Prime Minister's Office to support regional administration and local governments in providing skills development training using the Junior Field and Life Schools methodology. This is a type of vocational training tailored to rural settings, and combined with employment promotion and access to markets. The partners also help with access to land through linkages with regional authorities and producers, as well as access to finance through information on producers' federation credit unions and village saving schemes. Through this scheme, crops such as maize, groundnuts, and soya beans were the most cultivated crops. Young people also accessed credit to buy inputs, and about 40 percent of youth managed to rent land.

<sup>21</sup> See [www.sido.go.tz](http://www.sido.go.tz)

<sup>22</sup> See [www.tanzania.brac.net](http://www.tanzania.brac.net)

<sup>23</sup> See <http://buni.or.tz>

<sup>24</sup> See [www.fao.org](http://www.fao.org)

### *Friedrich Ebert Stiftung<sup>25</sup>*

Friedrich Ebert Stiftung (FES) is a German political foundation that aims to contribute to strengthening democratic institutions and civil society. In East Africa, it supports the integration of the East African community and global economy. In Tanzania, FES developed the Young Leaders Training Program (YLTP) whereby youths are trained on various aspects of leadership. YLTP brings together youths from different backgrounds for a one-year training program that covers areas of unemployment, health, politics and public administration, economics, media and communication, as well as management skills. The program has been running since 2001, and recently established a youth political discussion club to facilitate networking among young leaders.

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### *Kijana Jijiri supports young entrepreneurs and aims to create 200 start-ups.*

#### *Kijana Jijiri<sup>26</sup>*

Launched in 2015, the Kijana Jijiri (Youth Business Tanzania) program is a collaboration between Youth Business International, National Economic Empowerment Council (NEEC), and Tanzania Entrepreneurship and Competitiveness Centre (TECC), with funding from a group of companies conducting gas exploration in Tanzania. Kijana Jijiri will support under-served young entrepreneurs across Tanzania, helping them to start up and thrive in business. In its initial 12 month pilot phase, Kijana Jijiri aims to operate in four locations and support 400 young adults with entrepreneurship training and create 200 business start-ups. Their main interventions include training youth in business and entrepreneurial skills, enabling youth to access capital and operational finance, and linking new entrepreneurs to relevant networks. It is expected that this intervention will largely target youth in the Mtwara, Lindi and Coast regions, where they expect the proportion of youth participating in the gas sector to increase through the provision of services in the downstream gas value chain.

#### *Nikweli.com<sup>27</sup>*

Nikweli.com is a private job-matching platform targeted at entry-level positions in Tanzania. Its vision is to transform low-to medium-level recruitment through technology based platforms. Nikweli is in the process of aggregating information on new market entrants and employers in Tanzania, and aiming to have its database ready by 2016. The company launched its pilot in May 2014, and as of mid-2015, had brought 2000 job seeker profiles online, built partnerships with over 20 training institutions, and reached out to 50 employers.

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### *The Open Mind financial network provides micro-loans and training to young entrepreneurs.*

#### *Open Mind Tanzania<sup>28</sup>*

This volunteer-run NGO aims to impart entrepreneurship knowledge and skills to youth; provide affordable business advisory services to youth enterprises; provide civic, legal and human rights education to the community; and sensitize the general public, especially youth, in using legal services to obtain their legal rights. Their programs include the following:

- The Open Mind financial network is a youth microfinancing model that aims to connect youth in their local areas and formalize registration of their enterprises. The project tackles the main problem facing youth in business, i.e. capital, since youth do not have the collateral needed for loans in conventional banks. It also provides counseling and incubation of business ideas. As of mid-2015, some 40 youths and three youth groups had already joined and benefited from the network through training, loans, and youth entrepreneurship information.
- The Youth Employment Initiative of Dar es Salaam started in 2014 and works in partnership with Open Mind Tanzania, Youth of Africa, and Tanzania Youth Vision Association. The program aims to increase employment opportunities through training, access to information and networks, and business counselling services.
- Empowering Single Mothers is a joint venture of Mama Nature Foundation — an Italian Tanzanian organization — and Open Mind Tanzania that aims to train young single mothers to become entrepreneurs through cultivation and processing of Moringe tree products for the local and international market.
- The Career Assessment, Job Searching and Job Keeping Sensitization and Labour Laws program is conducted with universities to prepare youth to enter the labour market. This includes labour law training, interview guidance, CV preparation, and linking job seekers with labour market opportunities.
- The Youth Information and Resource Centre is an online platform<sup>29</sup> that informs youth of different opportunities available to them for productive employment. This platform is yet to become active with job opportunities.

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<sup>25</sup> See <http://www.fes-tanzania.org>

<sup>26</sup> See [www.kijanajijiri.com](http://www.kijanajijiri.com)

<sup>27</sup> See [www.nikweli.com](http://www.nikweli.com)

<sup>28</sup> See <https://envaya.org/openmindtz>

### *Policy Forum Tanzania*<sup>30</sup>

Policy Forum Tanzania is an advocacy organization that aims to increase informed civil society participation in decisions and actions that determine how policies affect ordinary Tanzanians, particularly the most disadvantaged. Their main activity clusters are Local Governance, Public Money and Active Citizens' Voice. They have conducted research on youth empowerment, challenged current policies around the issue, and acted as a facilitator to connect government and youth voices on policies that affect them.

### *Restless Development*<sup>31</sup>

Restless Development is a youth-led international development agency that focuses on delivering rights-based youth development initiatives in rural and urban Tanzania, using peer-to-peer education and youth volunteering to achieve its mission of "placing young people at the forefront of change and development". Their programs include the following:

- The rural program formerly known as 'Kijana ni Afya' is a youth-led peer education program to share information on reproductive health, life skills and livelihoods, and leadership development. In school, this is done via classroom peer educators with support from volunteer peer educators and teachers. Outside of schools, programs are supported by information resource centers which are established by communities. By the end of 2009/10, this program was operating in Iringa, Mbeya, and Ruvuma, reaching 97 placement communities.
- The urban program formerly known as 'Afya Bomba' targets urban youth in institutions of higher learning, as well as those out of school living in low income areas. The program aims to influence reproductive health behavior, improve links between urban youth and opportunities for employment, and build capacity for wealth creation. The program currently covers the areas of Manzese and Temeke, with a total of 16 camps and 11 universities, 6 of which are in Dar es Salaam.

### *Tamasha*<sup>32</sup>

Tamasha is an NGO that has been operating since 2007, which uses participatory and human rights-based approaches to programming for the youth, particularly for marginalized groups. The organization offers services in training, research, capacity development, and the development of strategies and advocacy materials. In Tanzania, they have been active in life skills and HIV prevention, sexual and reproductive health rights, as

well as reaching out to the most vulnerable groups. They have partnered with several organizations for research, program delivery, or advocacy purposes. Some of their recent initiatives have focused on citizen engagement on youth issues; adolescent girls and HIV awareness; and empowering young women working in bars.

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### *Tanzania Youth Scholars connects orphans and vulnerable children in Tanzania with educational scholarships and skills training.*

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### *Tanzania Youth Scholars*<sup>33</sup>

This five-year initiative connects orphans and vulnerable children in Tanzania with educational scholarships and training. It was launched in 2011, and is funded by USAID and the US President's Emergency Plan for AIDS Relief (PEPFAR). It provides market-driven vocational skills training for orphans and vulnerable children, with special attention to the education of marginalized young women. Their implementing partners include the Campaign for Female Education (CAMFED) and VETA.

### *Tanzania Youth Vision Association*<sup>34</sup>

This NGO aims to build the capacity of youth and youth organizations by providing training opportunities, dialogue, seminars, and workshops. Its programs have included the Kijana na Kura yako Project (2010), which provided civic and voting education targeting first-time voters in secondary schools and higher learning institutions, and the Ijue Katiba Project (2014), which promotes youth engagement on the constitution.

### *TechnoServe*<sup>35</sup>

This NGO develops business solutions to poverty by linking people to information, capital, and markets. They focus on the helping enterprising people to build competitive farms, businesses, and industries. Their main youth-related intervention is the Strengthening Rural Youth Development through Enterprise (STRYDE) program. Launched in Mbeya in 2015, STRYDE directly targets about 10,800 rural youth between the ages of 18-30 who have low education levels, and are seeking to start or expand business or enter formal employment. The program involves three months of training on personal effectiveness, finance, professional effectiveness, entrepreneurship, agribusiness, business planning, and youth savings and business groups. Participating youth receive nine months of follow up and support from a mentor. This includes special skills training, experiential grants, business development services, and employment workshops.

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<sup>30</sup> See [www.policyforum-tz.org](http://www.policyforum-tz.org)

<sup>31</sup> See [www.restlessdevelopment.org](http://www.restlessdevelopment.org)

<sup>32</sup> See <http://www.tamashavijana.org/>

<sup>33</sup> See <http://www.iyfnet.org/initiatives/tanzania-youth-scholars-tys>

<sup>34</sup> See [www.tyvavijana.or.tz](http://www.tyvavijana.or.tz)

<sup>35</sup> See [www.technoserve.org](http://www.technoserve.org)

### *Twaweza*<sup>36</sup>

Twaweza is a ten-year, citizen-centered initiative that promotes large-scale change in East Africa. It focuses on enabling ‘citizen agency’ and aims to expand opportunities through which people can get access to information, take action in their communities, and hold governments accountable. Its main youth-relevant programming focuses on education and skill-building. It has launched a randomized control trial to test the impact of three interventions on the learning outcomes of primary school children: (i) a capitation grant; (ii) cash on delivery; and (iii) a combination of these two interventions. The research seeks to directly inform policymaking in education and ensure that children are attending school and learning. Other stakeholders include government policy makers, MPs, the teachers’ union, researchers, and donors. An independent impact evaluation of the initiative is being led by the Abdul Latif Jameel Poverty Action Lab at the Massachusetts Institute of Technology.

### *VSO Tanzania*<sup>37</sup>

VSO aims to reduce poverty by working with government and non-state agencies to improve access to quality education and health services and to strengthen the ability of disadvantaged people to make a viable living. It also promotes greater citizen engagement, youth development, and gender equality across the sectors it works in. VSO’s Secure Livelihoods program is focused on equipping youth with the necessary skills to find employment. It provides support at vocational training institutes to raise the standards to better meet internationally recognized levels and the needs of the job market. Efforts are focused in Mtwara, where it is hoped that the oil and gas industry will create job opportunities. Specifically, VSO aims to raise VETA Mtwara standards for skills in English, food preparation, plumbing, welding, carpentry, motor vehicle, electrical installation, and maintenance.

### *Youth Entrepreneurship Facility*<sup>38</sup>

The Youth Entrepreneurship Facility (YEF) is a partnership between the Africa Commission, the Youth Employment Network (YEN), and the International Labour Organization (ILO). Its vision is to enable African youth to turn their energy and ideas into business opportunities that will increase their incomes and create decent work. Their programs include the following:

- The Kazi Nje Nje program is a youth-led apprenticeship scheme in business development services for young graduates. It provides business skills and access to finance for business start-ups. Around 2200 youth received services in 2012 and 9600 in 2013. As of 2015, 5,000 new youth-owned businesses had been started, providing employment to more than 11,000 young people, including the business owners. In Zanzibar alone, YEF estimates that more than 500 businesses owned by young people have been started, providing employment to at least 1,100 young people.
- YEF’s Access to Finance program was developed through a partnership with the Community Banks Association, an umbrella organization of 11 community banks in Tanzania, and with village community banks. The aim is to spread savings skills to all young entrepreneurs trained under the project.

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<sup>36</sup> See [www.twaweza.org](http://www.twaweza.org)

<sup>37</sup> See [www.vso-tanzania.org.tz](http://www.vso-tanzania.org.tz)

<sup>38</sup> See [www.yef-africa.org](http://www.yef-africa.org)



## 4 Research gaps and knowledge needs

The current knowledge base sheds light on the scale of the youth employment problem, the level and types of skills mismatch in labour markets, the widespread extent of informality, gender differentials in youth employment, and the limitations of current education and vocational training systems. But new evidence is needed to better understand what kinds of policies and interventions best respond to these challenges and which ones are scalable.

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*There is a lack of evidence on the success of youth employment programs, and whether there have been efforts to scale them up.*

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As seen in Section 3 above, there is a diverse range of national programs and donor and civil society interventions that attempt to respond to Tanzania's youth employment challenge. However, there is a lack of evidence on the success of many of these programs, and a lack of information on whether there have been efforts to scale them. With each initiative having a slightly different agenda, many efforts are duplicative, and could benefit from better coordination with other interventions, particularly those that target the same sector. Youth employment is a complex and multifaceted issue, yet the initiatives that attempt to address youth employment tend to focus on a certain cohort, sector, and/or constraint. For this reason, it is even more challenging to coordinate interventions and, at the same time, important to do so.

Some organizations have managed to harness such linkages. Tamasha, for example, has been prolific in creating partnerships and networks with international and local organizations on projects related to youth. Twaweza, which focuses on citizen outreach, also has partnered with relevant organizations for a more participatory approach towards research. Such networking and partnership efforts would benefit from a central repository of organizations and projects related to youth skill building, civic empowerment, and employment.

There is also a dearth of evidence on private sector linkages to training programs. Initiatives like 'Kijana Jijiri' and organizations such as TechnoServe attempt to integrate youth directly



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into sectoral production and value chains and provide support throughout this process. But it is less clear if and how vocational programs (such as VETA) are attempting to place graduates and whether there is private sector demand for the skills that young graduates have acquired. A deeper understanding of the recruitment process and job profiles by sector in the private sector would be an important step towards assessing the potential for linkages between training initiatives and job placement opportunities.

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*A central database of lessons learned and evaluations conducted on completed projects would help organizations gauge the value of intervening in a given sector.*

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Evidence gaps also exist on the evaluation side. For a range of reasons, organizations often do not make information on failed interventions public, or do not evaluate them appropriately for effectiveness. This prevents newer initiatives from building upon what has already been done and learned, and contributes to duplication and inefficiencies. A central database of lessons learned and evaluations conducted on completed projects would allow organizations to better assess the value of an

additional intervention in a given sector. One positive recent step was a workshop on youth employment, organized by the Economic and Social Research Foundation in partnership with IDRC which brought together the various actors working on youth employment initiatives to share findings, network for partnerships, and learn from each other's projects. It would be worthwhile to follow up on these efforts with detailed interviews and systematic documentation of the work of these organizations, as well as others involved in youth employment.

Another finding from the survey of youth employment initiatives is that the definition of youth is a moveable one. This is evident both from how data is collected from surveys of a certain age cohort, and from the age groups targeted by certain interventions, with the age range considered 'youth' not standardized between international, country-level, and some organizational-level definitions. In some cases, there can be good reasons to use varying definitions of youth. For example, for a policy targeting the education system and/or the school-to-work transition process, it would seem more practical to look at a younger age group. However, an intervention that targets business productivity and training of young self-employed individuals might best target a slightly older age range of individuals that are already active in the labour market. However, the 'youth' definition does have implications for how findings from both surveys and interventions feed into policymaking and program-funding decisions. From a research perspective, it would be worth delving into the implications of how the varying definitions of youth have affected the scope and cost of national and nongovernmental interventions, and what this would mean for policymaking.

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*Some areas for research include the potential impact of new technologies, and the effects of structural shifts underway, including migration.*

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Other areas ripe for research include the potential impact of new technologies, and the effects of structural shifts underway, including migration. Given the widespread use of cellphone technology in Tanzania, for example, there may be ways to enhance the use of virtual networks for distance and technical training, or to address information gaps in the labour market. As well, the large-scale movement of youth from rural to urban areas to seek productive employment opportunities merits further research.

Lastly, understanding the factors underlying the pronounced gender gaps in youth job markets is crucial. Identifying incentives that can keep girls in school longer, or measures to increase workplace flexibility for better work-life balance could not only help women find more secure employment, but also improve overall productivity and growth. It will be important to ensure the next generation of Tanzanian workers more fully represents the strengths of its young population.

# 5 Conclusion

It is clear that Tanzania faces major labour market challenges, particularly with its youth labour market. To reap the benefits of its demographic dividend, Tanzania will need a clear and integrated strategy to improve employment prospects for the youth population. While the evidence currently available contributes substantively to our knowledge base on the scope, scale, and nature of the youth employment challenge, there remain evidence gaps that would benefit from further research. Given the magnitude and complexity of the problem, a deeper understanding is needed of factors that lead to high unemployment and an evidence-based understanding of what initiatives are working.

For example, we know that Tanzanian youth are more likely to be engaged in informal, vulnerable and irregular forms of employment, engaged in low-skilled or 'elementary' roles, and that young women do not fare as well as young men in the labour market. For many young Tanzanians, high barriers to entry into formal jobs and a large informal economy lead to self-employment as the only viable option to make a living. We see also that levels of education make a significant difference in labour market outcomes. And where the youth are employed, they are more likely to have found the job through informal networks, suggesting problems of information mismatch.

While this is a solid foundation of knowledge, it opens up more questions, and presents an excellent place for researchers to delve for further answers. Current findings can be used as a basis from which to explore the potential for innovation and technology to increase opportunities for youth in the labour market by substantially cutting down on transaction costs, information gaps, and barriers of physical connectivity. There also exist knowledge gaps regarding the effect of proximity and migration to job opportunities, and gender differentials in earning capacity in various sectors.



GLOBAL FINLAND/FIMARIA-LEENA KULTANEN

Employment opportunities for young women are different from, and more constrained than, those for young men. This merits further research. Young women are often confined to sectors such as trade and hospitality, with little or no representation in technical or labour-intensive roles. Young women are also constrained by social norms and the fear of sexual harassment, and faced with marriage and fertility choices at the time they would enter the labour market. Given the losses in overall productivity due to constraints in female participation in the job market, further research in this area is merited.

Addressing the youth employment challenge involves addressing the fundamental factors for growth and economic development for the country. As better evidence is gathered towards improving youth livelihood opportunities, and linkages are created between stakeholders working toward similar goals, Tanzania may reap the benefits of a larger, more skilled, and more productive workforce.



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