

GENDER PAY GAP AND LABOUR-MARKET INEQUALITIES IN THE UNITED REPUBLIC OF TANZANIA



Introduction

Despite progress in women's economic and political participation, formal employment and education attainment, a gender pay gap remains a pervasive labour-market feature across the world. More and more countries – both industrialized and developing – have passed laws mandating the equal treatment of women in the labour market, with the objective of reducing gender economic inequalities. The objective of this brief is to present an overview of the adjusted gender pay gap and labour-market inequalities in the United Republic of Tanzania. It uses data from the Tanzanian Integrated Labour Force Survey (2020–2021)¹ and relies on the findings of the UN Women (2023) study titled “Why Women Earn Less: Gender Pay Gap and Labour-Market Inequalities in Tanzania”.

Tanzania is a lower-middle-income country with a population of 65.5 million (as at 2022).² The country

has made progress towards gender equality in terms of women's economic and political participation, formal employment and education attainment. In 2021, the country made history by inaugurating the first female president, and 36.7 per cent of the seats in parliament were held by women in 2021.³ Yet, the gender pay gap remains a pervasive labour-market feature in Tanzania. Tanzania's socialist policies have had multifaceted effects on the labour market. The historical emphasis on fostering social equality and achieving economic self-sufficiency has left its mark on the country's labour market, including on the education system. In 2007, Tanzania successfully attained almost universal access to primary education.⁴ Since then, however, the enrolment of children of primary school age in education has declined.

Labour-market structure

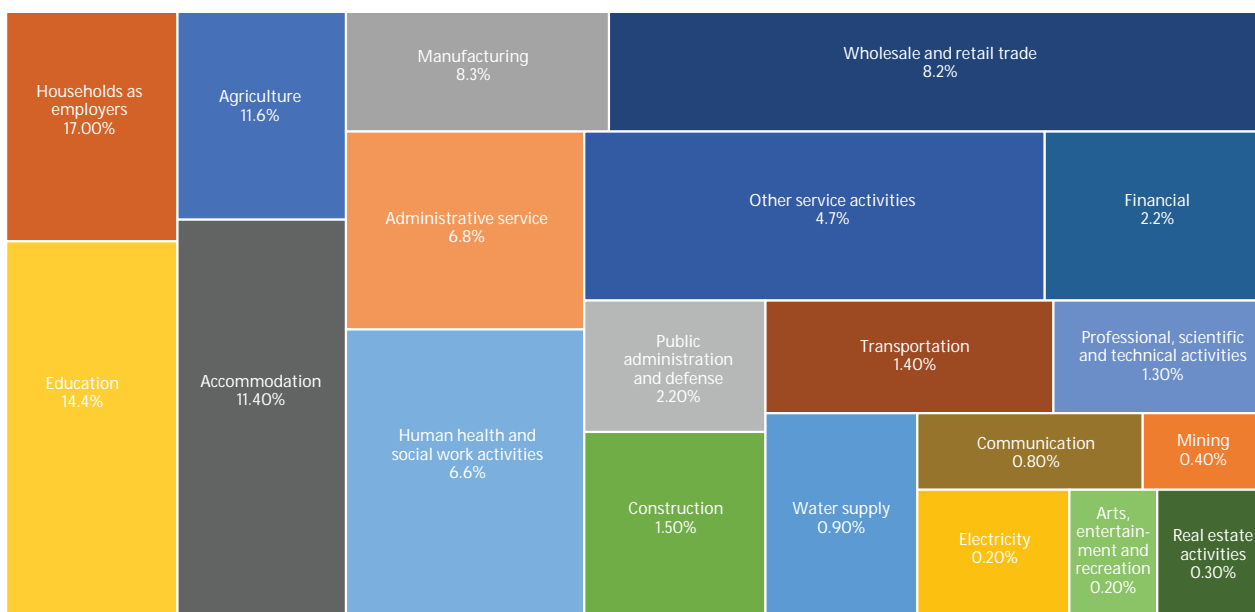
The employment rate in Tanzania is 79.9 per cent for individuals aged 15–64 years. The employment rate of women is lower (75.5 per cent) than the employment rate of men (84.6 per cent).

As shown in Figure 1, the sectors that account for most women's employment, in terms of percentage of employment, are activities of households as employers, education, agriculture, accommodation

and food services, and manufacturing. Many of these are care sectors (education and health) or sectors dominated by care workers (activities of households as employers). Figure 2 shows that traditionally “masculine” sectors, such as manufacturing, construction and transport, make up the majority of men's wage employment, as well as agriculture and education.

Figure 1

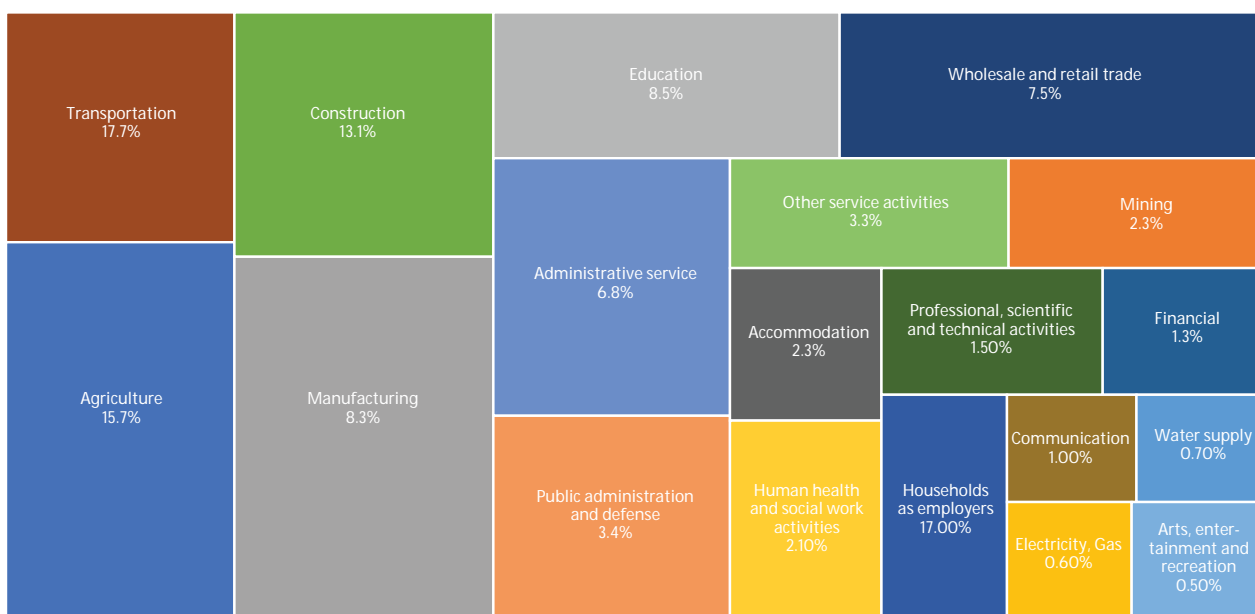
Women's share of wage employment by sector, as a percentage of women's total employment



Source: Authors' own calculations.

Figure 2

Men's share of employment by sector, as a percentage of men's total employment



Source: Authors' own calculations.

Table 1 shows that the occupational categories professionals, technical professionals, and service and sales workers account for larger shares of women's employment than of men's employment. Interestingly, there is minimal difference in women's

and men's participation in formal or informal wage employment. However, it is important to note that the feminization of informal jobs may become apparent if data were available on contributing family members.

Table 1

Percentage of employment by occupation (as per the International Standard Classification of Occupations) and formality status, by gender

	Men (%)	Women (%)
Managers	1.5	1.5
Professionals	5.0	5.1
Technicians and associate professionals	3.3	4.9
Clerical support workers	2.8	5.2
Services and sales workers	14.0	36.5
Skilled agricultural, forestry and fish workers	10.2	6.2
Craft and related trades workers	21.5	11.1
Plant and machine operators and assemblers	15.9	5.6
Elementary occupations	25.8	24.0
Formality status		
Formal	37.9	40.6
Informal	62.1	59.4

Source: Authors' own calculations.

Gender pay gap

The **unadjusted or raw gender pay gap** in Tanzania is a positive **2.9 per cent** when considered at the hourly level and a negative **4 per cent** when considered at the monthly level. These gaps are so small that they do not have any economic meaning. For the rest of this brief, only the hourly wage gap is considered. The gaps are negligible for all educational levels. Interestingly, the gap is positive, at 29.9 per cent, for married individuals, indicating that married women earn more than married men. On the other hand, there is no such pay gap for single individuals. The unadjusted gender pay gap also varies by sector and occupation. In sectors that account for the largest shares of women's employment, the raw gender pay gap ranges from 1.1 per cent in education to 12.7 per cent in human health. The gap varies in magnitude and in terms of whether it's positive or negative in sectors where men account for a larger share of employment. For example, women are paid



67.2%

more than men in construction but



23%

less in wholesale and retail trade.



The gap is a negative

20.7%

in elementary occupations, which account for most wage employees in Tanzania. Similarly, women in occupations dominated by women, such as service and sales workers, earn less than men. Women earn more in some occupations dominated by men, for instance as craft and related trade workers and plant and machine operators. Interestingly, women also earn more as managers and professionals.

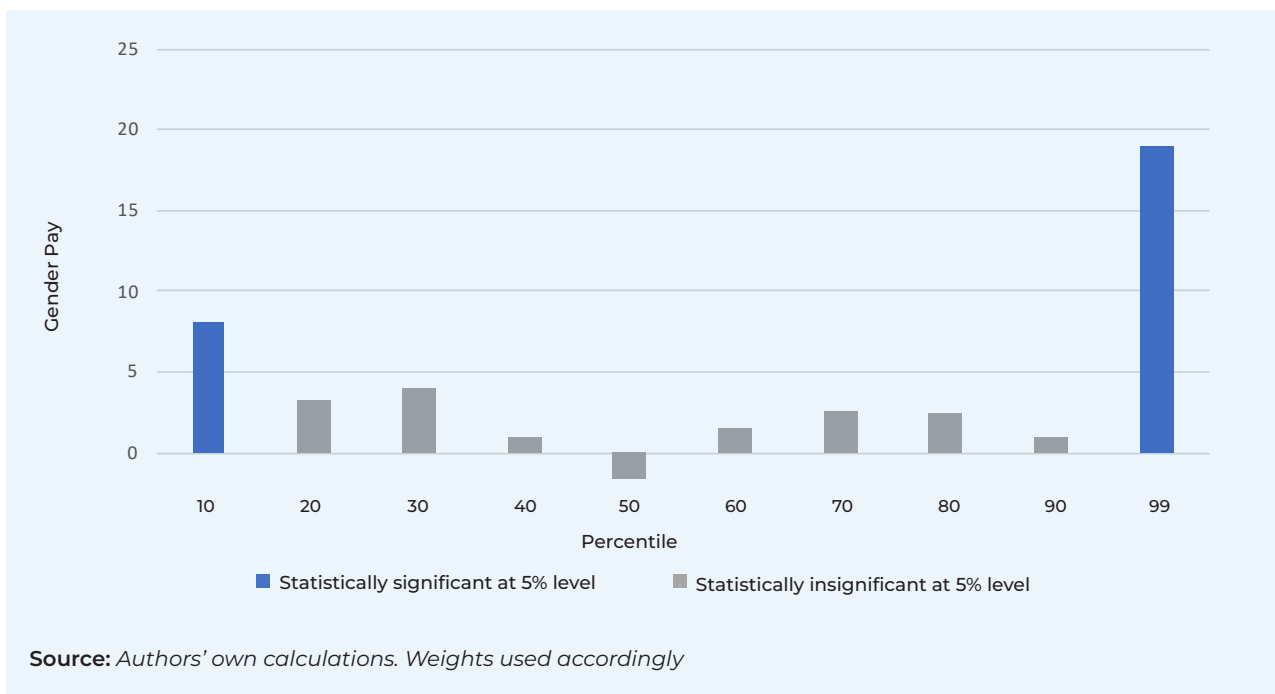
Personal and labour-market characteristics of individuals are important determinants of the pay gap observed from the data. Men and women have different characteristics, which can explain at least part of the difference in their pay. A regression analysis that adjusts for these characteristics is used to estimate what is called the adjusted gender pay gap. After accounting for age, marital status, educational level, occupation and sector, the **adjusted gender pay gap is statistically insignificant and negligible.**

Gender pay gap by percentile

Figure 3 presents the adjusted pay gap across deciles (and the top centile). Understanding the gender pay gap at different points of the wage distribution can be used to examine the prevalence of a “sticky floor” and “glass ceiling” in the economy. A “sticky floor” refers to a labour market where individuals, typically women, in low-paying roles encounter limited job mobility and barriers to career advancement. A “glass ceiling” refers to

obstacles that hinder women from reaching top managerial and leadership positions. Notably, the gap is positive for both the bottom 10 and the top 1 percentile, indicating the absence of a persistent low-wage scenario or an impenetrable barrier for top earners, i.e. no sticky floor nor a glass ceiling. Specifically, the gender pay gap is 8.05 per cent for the bottom 10 percentile and 19 per cent for the top 1 percentile.

Figure 3
Adjusted gender pay gap by decile and top percentile



Occupational and sectoral segregation by gender

Women and men are distributed unevenly across sectors and occupations in the economy and such horizontal segregation is a big driver of the gender pay gap. To examine this segregation further, Table 2 present Duncan Segregation Index values for Tanzania.⁵ The overall occupational segregation value is 0.2, which shows that about 20 per cent employed women and men would need to switch occupations for the distribution of women and men

to become equal. The overall sectoral segregation index value is 0.3, which shows that about 30 per cent of women and men would need to switch sectors for the distribution to become identical. In terms of education level, the index values show that levels of occupational and sectoral segregation are highest for individuals with a secondary-level education.

Table 2
Horizontal gender segregation index values, by occupation and sector

	All	Educational level		
		Primary or less	Secondary	Tertiary or above
Occupation	0.198	0.222	0.276	0.121
Sector	0.304	0.274	0.436	0.191

Source: Authors' own calculations. Weights used accordingly.

It is more difficult to examine vertical segregation, i.e. men's domination in high-paying and high-status jobs within occupations, because of data limitations. Table 3 considers the composition of occupational group 1, which includes legislators and managerial workers and is considered the highest-skill occupational group as per international

classification. Men clearly dominate all occupations in this group except senior officials. For occupational group 1 overall, the gender pay gap is positive, with women receiving 50 per cent higher wages than men. In addition, women at the top decile do not experience a "glass ceiling" (Figure 3).

Table 3
Proportions of employment in occupational group 1

	Men (%)	Women (%)
Legislative and constitutional officers*	82.6	17.4
Local authority officials	75.1	24.9
Government administrators	73.9	26.1
Senior officials of special interest*	12.7	87.3
Directors and chief executives	100.0	0.0
Specialized departmental managers	58.4	41.6
Other departmental managers	64.5	35.5
Non-departmental managers	75.1	24.9
Other administrators and managers	61.0	39.0

Source: Authors' own calculations. Weights used accordingly.

* The number of observations for this subcategory is very small and results should be considered with great caution.

Conclusion

The objective of this study was to calculate and shed light on the gender pay gap and other labour-market inequalities in Tanzania. Strikingly, there is an employment gap of 9.1 percentage points between women and men, with women facing lower employment rates, particularly those with a secondary-level education and aged 15-24 years. Among the employed population, women consistently work fewer hours than men. The unadjusted gender pay gap in Tanzania is 4 per cent at the monthly level and 2.9 per cent at the hourly level, highlighting differences in working hours. The

unadjusted hourly gender pay gap is positive for both the primary and tertiary educational level, it is negative for the secondary educational level group. When analysing marital status, the gender pay gap is notably larger and positive for married individuals, indicating that married women are paid higher wages than married men in the country. After accounting for individual and labour-market characteristics, the resulting adjusted gender pay gap is statistically insignificant.

Closing the gender pay gap and addressing other labour-market inequalities is important for improving women's socioeconomic position and achieving social justice for more than half of the world's population. However, as this study highlights, the gender pay gap and other labour-market inequalities are complex issues influenced by various factors, such as occupational segregation, differences in education and care responsibilities, discrimination and societal norms. Addressing these issues, therefore, requires a comprehensive approach that involves multiple stakeholders, including governments, employers, civil society organizations and individuals.

In conclusion, achieving gender pay equality and addressing labour-market inequalities requires a multifaceted approach involving various stakeholders across the economy. Better data on the pay distribution, collected at frequent intervals, would enable a better understanding

of the gender pay gap in the region and inform work to advocate for policies to address it. Public policy efforts to tackle the “explained” part of the gender pay gap could prioritize enhancing educational opportunities for women and girls, promoting women's participation in high-paying and traditionally “masculine” occupations and sectors, supporting women's labour force reintegration after career breaks and providing a robust social protection system. Tackling the “unexplained” part of the gender pay gap requires regulating the private sector, to ensure that equal compensation and equal opportunities are provided to women, and introducing interventions to break down gendered cultural norms. Policies to recognize, reduce and redistribute women's and girls' unpaid care work responsibilities would complement all policy efforts to reduce the gender pay gap. In this way, Tanzania can unlock the full potential of its workforce, fostering socioeconomic advancement, innovation and sustainable economic growth.

References

1. This brief uses data from the Tanzanian Integrated Labour Force Survey (2020–21). This survey comprises 11,517 households and 51,751 individuals, of whom 27,760 are of working age, i.e. between the ages of 15 and 64 years. The survey includes 4,346 wage employees. After cleaning the data to remove individuals who did not report their wages or hours worked, the final sample size is 4,229.
2. World Bank (2024). “Population, Total – Tanzania.” Accessed 15 January 2024. <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=TZ>.
3. UN Women (2024). “United Republic of Tanzania.” Accessed 15 January 2024. <https://data.unwomen.org/country/united-republic-of-tanzania>.
4. UNICEF United Republic of Tanzania (2023). “Education.” Accessed 15 January 2024. <https://www.unicef.org/tanzania/what-we-do/education>.