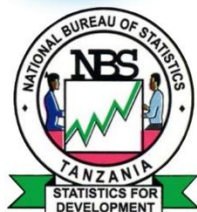




KEY INDICATORS OF THE LABOUR MARKET OF THE UNITED REPUBLIC OF TANZANIA

INTEGRATED LABOUR FORCE SURVEY, 2025



June, 2026



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**National Bureau of Statistics
Ministry of Finance
Dodoma**



**Office of the Chief Government Statistician
President's Office Finance and Planning
Zanzibar**

JUNE, 2026

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ACKNOWLEDGEMENT

On behalf of the National Bureau of Statistics (NBS) and the Office of the Chief Government Statistician (OCGS), we wish to extend our sincere gratitude to all stakeholders whose invaluable contributions made it possible to successfully complete the 2025 Integrated Labour Force Survey (ILFS) and produce this important report. This achievement is a result of collective efforts and commitment from a wide range of partners.

We are particularly grateful to the Governments of the United Republic of Tanzania (URT) and Zanzibar for their unwavering political will and steadfast commitment to the production and dissemination of Labour Market Information (LMI) in the country. Their support provided the enabling environment necessary for the effective planning and execution of the survey.

We also wish to express our deep appreciation to the international development partners, especially the World Bank (WB) and the International Labour Organization (ILO), for their generous technical and financial support. Their collaboration was instrumental in ensuring the successful implementation of the survey and the compilation of high-quality, internationally comparable labour statistics.

Special thanks go to the 2025 ILFS Technical Committees, both on Mainland Tanzania and in Zanzibar, for their professionalism, dedication, and tireless efforts throughout all phases of the survey, from design and data collection to analysis and report writing. Their work has been critical in maintaining the integrity and accuracy of the data presented in this report.

Last but certainly not least, we extend our heartfelt thanks to all the respondents who participated in the survey. We are deeply appreciative of the time they took to engage with our interviewers and for their willingness to share honest and valuable information. Their cooperation was vital in enabling NBS and OCGS to gather the comprehensive data required to provide insights into Tanzania's labour market dynamics.

Once again, we thank all parties involved for their support and contributions, without which this important work would not have been possible.

FOREWORD

Labour Market Information has long been a critical component of the National Statistical Systems in both Mainland Tanzania and Zanzibar. High-quality and reliable Labour Market Information (LMI) is vital for analysing employment trends, workforce dynamics, and informing policies aimed at promoting decent employment. The 2025 Integrated Labour Force Survey, conducted, across Mainland Tanzania and Zanzibar, from January to December 2025, represents a major step forward in strengthening the quality, comparability, and coherence of labour statistics in the United Republic of Tanzania (URT).

This survey builds upon the foundations of the 2020/21 and 2024 surveys and reflects a consolidated effort to harmonise definitions, sampling strategies, and data collection tools in the United Republic of Tanzania. Like previous rounds, the 2025 ILFS provides fully integrated, nationally representative labour statistics that align with international standards, particularly those established by the 19th and 20th International Conferences of Labour Statisticians (ICLS). The findings of the 2025 ILFS provide timely insights into employment patterns, workforce skills, and emerging labour market challenges. These insights are indispensable for tracking progress towards the Tanzania Development Vision 2050, Zanzibar Development Vision 2050 and the National Five-Year Development Plans, as well as international commitments such as the African Union's Agenda 2063 and the United Nations Sustainable Development Goals (SDGs).

The successful implementation of this survey was made possible through the collaboration of the National Bureau of Statistics (NBS), the Office of the Chief Government Statistician (OCGS), relevant government ministries and development partners, with support from the Prime Minister's Office – Labour, Employment and Relations (Mainland Tanzania) and the Ministry of Youth, Employment and Empowerment (Zanzibar). Funding was provided through the Tanzania Statistical Master Plan II (TSMP II), which emphasizes enhancing labour statistics among its key goals.

This harmonised 2025 ILFS strengthens Tanzania's capacity for evidence-based planning and effective governance. The availability of robust, unified LMI allows for better policy design, improved program monitoring, and a more inclusive, adaptive, and sustainable labour market responsive to socio-economic changes.



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EXECUTIVE SUMMARY

The 2025 Integrated Labour Force Survey (ILFS) provides a comprehensive overview of employment, unemployment, and labour market dynamics in the United Republic of Tanzania (URT). Conducted across both Mainland Tanzania and Zanzibar, the survey represents a major milestone in the production of harmonised, nationally representative labour statistics. It builds on the 2020/21 ILFS, applying internationally recognised concepts and definitions to ensure comparability with global standards and alignment with Tanzania's national development priorities.

The survey was carried out between January and December 2025, using a stratified two-stage sampling design based on the 2022 Population and Housing Census. A total of 14,232 households were selected, 10,584 in Mainland Tanzania and 3,648 in Zanzibar. Data were collected quarterly to capture seasonal variations in employment, using Computer-Assisted Personal Interviewing (CAPI) to improve accuracy and timeliness. Three core modules were included: Labour Force, Informal Sector, and Working Children, ensuring coverage of both formal and informal employment as well as child labour issues. The overall response rate was 99.63 percent, providing information on 60,889 enumerated individuals. This exceptionally high coverage makes the results both highly reliable and nationally representative.

The results reveal both progress and challenges:

1. Labour Force Participation

- Labour Force Participation Rate increased slightly from 73.2 percent in 2024 to 75.9 percent in 2025.
- Gender disparities remain wide: 82.5 percent of men participate compared to 69.7 percent of women in 2025.

2. Employment Trends

- Employment-to-Population Ratio rose from 68.7 percent in 2024 to 71.4 percent in 2025, reflecting improved job absorption.
- Agriculture remains the dominant employer with slightly increase from 54.2 percent in 2024 to 54.4 percent in 2025. Employment in services remain the same with 35.5 percent where industry sector decreased from 10.3 percent to 10.1 percent.
- The majority of workers are dependent contractors (51.5 percent), while 13.2 percent hold paid employment in 2025.

3. Informality and Working Conditions

- There is a rising share of employment in the informal sector, increasing from 27.3 percent in 2024

to 28.2 percent in 2025. In both periods, the level of informality is slightly higher among women than men.

- Informal employment rose from 94.6 percent in 2024 to 95.7 percent in 2025, with slightly higher rates among women.
- Average working hours increased nationally from 39 to 46 hours per week.

4. Education and Skills

- Illiteracy fell from 11.5 percent in 2024 to 10.9 percent in 2025, reflecting expanded education access.
- Gender disparities persist, with women recording higher illiteracy rates than men.

5. Wages and Incomes

- Average monthly wages increased from TZS 477,241 in 2024 to TZS 478,627 in 2025.
- A persistent gender wage gap remains, with men earning more than women across all education and location categories.

6. Unemployment and Underutilisation

Overall, the 2025 ILFS highlights significant gains in participation, literacy and wage growth, but also shows that high informality and gender disparities. Addressing these challenges will be vital to realise Tanzania Development Vision 2050, Zanzibar Development Vision 2050, and international commitments under the SDGs and Agenda 2063.

Key policy actions recommended include:

- i). Invest in retraining and skill development, particularly for women, young people and people with disabilities.
- ii). Reduce the prevalence of informal activities by promoting business formalisation, improving access to financial services and enhancing social protection systems.
- iii). Promote gender equity through targeted training, mentorship and measures to close the wage gap.
- iv). Diversify employment by investing in high-potential sectors such as services, industry, technology and the blue economy.

CHAPTER ONE

BACKGROUND

The 2025 Integrated Labour Force Survey (ILFS) was designed to generate reliable, up-to-date, and nationally comparable statistics on the size, structure, and characteristics of the labour force in the United Republic of Tanzania. Conducted between January and December 2025, the survey aimed to capture employment dynamics, measure unemployment and underemployment, and provide a deeper understanding of the informal sector and child labour.

The objectives of the survey were fourfold:

1. To assess labour force participation, employment-to-population ratios, and status in employment.
2. To analyse employment distribution by sector, occupation, hours of work, wages, and educational attainment.
3. To examine the extent of unemployment, youth unemployment, long-term unemployment, and time-related underemployment.
4. To provide evidence on informal sector activities and the participation of children in economic and non-economic work, consistent with international standards on labour statistics and child labour.

The 2025 ILFS builds on the experiences of the 2020/21 and 2024 ILFS, while introducing refinements in sampling, field operations, and survey instruments. Importantly, it integrates data from both Mainland Tanzania and Zanzibar, ensuring harmonisation and comparability. The survey employed internationally recognised definitions and concepts, enabling the results to be benchmarked against global labour statistics.

The findings are intended to serve a wide range of users. Policymakers will use the data to design and monitor employment and social protection strategies. Development planners will rely on the statistics to align national priorities with long-term visions such as TDV 2050 and ZDV 2050. Researchers, private sector actors, and development partners will also find the data critical for evidence-based analysis and programming.

This report is organised into four main chapters. Chapter One introduces the report. Chapter Two describes the survey methodology. Chapter Three presents the structure of employment and the labour market, covering participation rates, employment characteristics, and wages. Chapter Four focuses on labour underutilisation, including unemployment and underemployment dynamics. The report is complemented by annexes that summarise key findings, provide policy recommendations and detail survey quality measurements.

CHAPTER TWO

SURVEY METHODOLOGY

2.1 INTRODUCTION

This section outlines the methodology and procedures used in the 2025 ILFS. It provides a brief overview of key methodological components, including: the organization of the survey; the design and content of the survey instruments; the implementation of pre-test; the sample design; the recruitment and training of enumerators; data collection, processing, and analysis; sample weighting; and the dissemination of survey results. These methodological elements form the foundation for interpreting the findings presented in the thematic sections, and ensures that results are replicable, and scientifically valid.

2.2 PLANNING AND ORGANIZATION OF THE SURVEY

The implementation of the survey was organized into two main phases. The first phase focused on preparatory activities, which included: reviewing the survey instruments; designing the sample; developing the data capture system—Computer-Assisted Personal Interviewing (CAPI); recruiting and training of trainers and enumerators; and listing households. The second phase involved the actual data collection. This included field data collection, electronic transmission of data from the field, supervision of data collection activities, data validation and analysis, report writing, and dissemination of results.

2.3 SURVEY INSTRUMENTS

The survey instruments for the 2025 ILFS consisted of questionnaires, listing forms, instruction manuals for enumerators and supervisors, and quality assurance guidelines. All instruments were developed by the survey's Technical Committee through a series of working sessions held prior to the main survey.

The questionnaires were prepared in both English and Kiswahili following extensive consultations with stakeholders and data users. These consultations were conducted through stakeholder meetings that facilitated discussions between the data producers namely, NBS and OCGS and a broad community of data users. Feedback from these sessions, including suggestions for improving the instruments, was used to refine the questionnaires further. Additional consultations were held with the International Labour Organization (ILO) and the World Bank, both provided key technical advice and guidance. The 2025 ILFS questionnaire included three modules: Labour Force (LF), Informal Sector (IS) and Working Children (WC).²

2.3.1 LABOUR FORCE MODULE

The Labour Force Module consisted of two forms: the Roster Form, and the Labour Force Survey Form. The Roster Form was administered to all individuals in the selected households and was designed to collect information on household members' profiles, including disability status, migration, educational attainment, and literacy.

The Labour Force Survey Form, was the cornerstone of the 2025 ILFS. It was an individual questionnaire administered to all usual household members aged 5 years and above. This form collected detailed information on both economically active and inactive individuals. For economically active persons, the Labour Force Survey Form captured data on current employment status, unemployment, main and secondary economic activities, hours worked, and income from employment.

2.3.2 INFORMAL SECTOR MODULE

As part of the 2025 ILFS, a dedicated module on the Informal Sector (IS) was included to gather information on the nature and dynamics of informal sector enterprises across Mainland Tanzania and Zanzibar. The informal sector represents a significant portion of the Tanzanian economy, particularly in terms of employment and income generation and understanding its characteristics is essential for informed policy formulation and support strategies.

The Informal Sector module collected data on a range of aspects, beginning with enterprise ownership. This included information on the type of ownership (individual, household, or partnership), gender and age of owners, and whether the business was registered or unregistered. The module also explored respondents' motivations for engaging in informal sector activities. In addition, it captured the physical location of enterprises whether operated from home, roadside, market areas, or other informal settings and examined whether the businesses had fixed premises or were mobile in nature.

To gain insight into the operational environment of informal sector enterprises, the module similarly investigated key challenges faced by business owners. These included limited access to capital, lack of market access, regulatory constraints, and competition from formal enterprises. Furthermore, respondents were asked to indicate whether they had ever applied for a loan or credit, the source of any credit received and the purposes for which the credit was used. By capturing this data, the Informal Sector module provided valuable information to support efforts aimed at improving the business environment, facilitating access to finance, and enhancing the productivity and sustainability of informal sector enterprises.

2.3.3 WORKING CHILDREN MODULE

The Working Children (WC) module was a key component of the 2025 ILFS, designed to capture

vital information on the involvement of children aged 5 to 17 years in various forms of work. This module was administered directly to children within this age group, aiming at generating a deeper understanding of both economic and non-economic activities in which children are engaged.

The WC module collected detailed information on several aspects of children's lives, including their school attendance, type of work performed, the number of hours worked per week, and the working conditions focusing on health and safety risks, exposure to hazardous environments, and the physical or psychological demands of their work. This holistic approach ensured a clear distinction between acceptable forms of child work such as light household chores that do not interfere with education and child labour, which may be exploitative, hazardous, or detrimental to a child's development and well-being.

The data generated through this module is intended to inform national policies and programs aimed at eliminating child labour, improving educational access, and strengthening child protection systems. Ultimately, the findings contribute to Tanzania's commitments under the Sustainable Development Goals (SDGs), particularly Goal 8.7, which calls for the eradication of child labour in all its forms.

2.4 PRE-TESTING OF QUESTIONNAIRES AND PILOT TEST

The 2025 ILFS used the same questionnaire as the 2020/21 and 2024 rounds; therefore, the questionnaire had already been pre-tested in the previous ILFS surveys. Questionnaires in Kiswahili were tested in the field to assess the logical flow and relevance of the questions as well as to evaluate the data collection program (CAPI), which had been developed alongside the questionnaires. Based on observations and findings from the pre-test, both the Kiswahili and English versions of the questionnaires, as well as the data collection program, were revised accordingly.

A pilot survey was not conducted for the 2025 ILFS, as there was sufficient experience from similar surveys, the 2020/21 and 2024 ILFS which used the same tools and methodology. These insights contributed significantly to the planning and implementation of the 2025 ILFS.

2.5 SAMPLING DESIGN

The sampling frame for the 2025 ILFS was derived from the inventory of Enumeration Areas (EAs) compiled during the 2022 Population and Housing Census (PHC). The sample was designed to provide representative estimates with a 95 percent confidence interval across three domains in Mainland Tanzania: rural areas, other urban areas, and Dar es Salaam; and 7 domains for Zanzibar, namely: rural, urban, Kaskazini Pemba, Kaskazini Unguja, Kusini Pemba, Kusini Unguja and, Mjini Magharibi.

The sampling design followed a stratified two-stage approach. In the first stage, EAs were selected within each stratum using Probability Proportional to Size (PPS). In the second stage, households were systematically selected from each of the previously chosen EAs. A total of 441 EAs were selected at the first stage in Mainland Tanzania and 152 in Zanzibar. At the second stage, 24 households were selected from each sampled EA, resulting in 10,584 households in Mainland Tanzania, 3,648 in Zanzibar, and a total of 14,232 households for the entire United Republic of Tanzania (URT). Further details are provided in Table 2.1.

Table 2.1: Distribution of Sampled Enumeration Areas and Selected Households, ILFS 2025

Main Domains	Sub Domains	Number of Enumeration Areas Selected				Number of Households Selected			
		Rural	Other Urban Areas	DSM	TOTAL	Rural	Other Urban Areas	DSM	TOTAL
URT	-	302	183	108	593	7,248	4,392	2,592	14,232
TZM	-	200	133	108	441	4,800	3,192	2,592	10,584
ZNZ	Sub total	108	44	-	152	2,592	1,056	-	3,648
	Kaskazini Pemba	37	3	-	40	888	72	-	960
	Kaskazini Unguja	13	2	-	15	312	48	-	360
	Kusini Pemba	8	26	-	34	192	624	-	816
	Kusini Unguja	27	7	-	34	648	168	-	816
	Mjini Magharibi	23	6	-	29	552	144	-	696

2.6 RECRUITMENT

Given the technical complexity and methodological accuracy required for labour force surveys, the recruitment of qualified and experienced enumerators was a critical component of the 2025 Integrated Labour Force Survey (ILFS). Enumerators play a pivotal role in ensuring the accuracy and reliability of data collected at the household level, which in turn informs national policy-making and planning in the areas of employment, unemployment, and labour market dynamics.

For the 2025 ILFS, formal education and prior field experience were significant considerations during the recruitment process. The majority of the enumerators had previously participated in household-based surveys, which meant they were already familiar with the challenges and best practices associated with fieldwork. Their experience was particularly valuable in navigating household dynamics, ensuring respondent cooperation, and adhering to data collection protocols. A total of 176 enumerators were recruited to carry out the 2025 ILFS field activities across the country. Of these, 135 were assigned to Mainland Tanzania, reflecting its larger

geographical and population size, while 41 were deployed in Zanzibar.

This distribution ensured adequate coverage and logistical efficiency, aligning with the survey's national scope. The careful selection and deployment of these enumerators laid a strong foundation for high-quality data collection, reinforcing the overall success of the 2025 ILFS.

2.7 TRAINING OF TRAINERS AND ENUMERATORS

The 2025 ILFS training was carried out in two phases: Training of Trainers (ToT) and Training of Enumerators (ToE), conducted simultaneously in Zanzibar and Mainland Tanzania in January 2025.

The ToT phase trained Regional Statistical Managers (RSMs) on survey tools, data collection procedures, and supervision, ensuring they could effectively guide enumerators and maintain quality standards. The ToE phase prepared enumerators through intensive training that combined lectures, assessments, mock interviews, and field practice, ensuring consistent understanding and readiness for data collection. Overall, the two-phase approach ensured effective knowledge transfer, standardized implementation, and high data quality for the survey.

2.8 FIELDWORK AND DATA COLLECTION

Data collection for the 2025 ILFS was carried out on a quarterly basis, with each round conducted at three-month intervals. This approach was specifically designed to capture seasonal variations in economic activities, which are critical for producing a comprehensive picture of the labour market characteristics throughout the year.

The survey targeted a total sample size of 14,232 households, which were evenly spread across the four quarters-Quarter I (Q1), Quarter II (Q2), Quarter III (Q3), and Quarter IV (Q4). This allocation resulted in 3,558 households being surveyed in each quarter. At the conclusion of the fieldwork, the overall response rate was exceptionally high at 99.63 percent. Both Mainland Tanzania and Zanzibar achieved near-perfect response rates of 99.51 percent and 99.97 percent, respectively. In total, 60,889 individuals were successfully enumerated of which 42,225 were from Mainland Tanzania and 18,664 from Zanzibar providing a robust dataset for analysis.

Regular field supervision by national and regional supervisors ensured adherence to survey protocols and supported enumerators during data collection. These efforts helped maintain data quality by reducing non-sampling errors such as recording mistakes, inconsistent interviews, and procedural deviations.

2.9 DATA PROCESSING AND ANALYSIS

The 2025 ILFS data processing involved a structured approach to ensure accuracy and completeness. Using CAPI, data were transmitted in real time to central servers after initial field validation, improving efficiency. Automated checks within the system identified inconsistencies and errors, followed by further manual and statistical reviews.

Data analysis and tabulation were conducted using SPSS and STATA, with quarterly datasets processed and accompanied by editing reports shared with regional supervisors to improve subsequent data collection. Finally, all quarterly datasets were merged into a single microdata file, with careful preservation of unique household identifiers to maintain consistency and support reliable analysis.

2.10 WEIGHTING PROCEDURES

Sampling weights (expansion factors) were applied in the 2025 ILFS to ensure the survey results represent the national population. Each household's data was weighted to reflect its share in the population, correcting for the sample design. The basic weight was calculated as the inverse of a household's probability of selection, derived from a multi-stage sampling process (from selection of Enumeration Areas to households). This ensured that each observation was properly scaled. A structured Excel system was used to track sampling details such as household counts, selection probabilities, and intervals allowing accurate computation of weights. These weights were then applied during analysis to produce reliable, nationally representative labour force estimates. The weighting factors were computed as follows: -

$$W_{hi} = \frac{M_h \cdot M'_{hi}}{n_h \cdot M_{hi} \cdot m_{hia}}$$

Where:

- W_{hi} = basic weight for the sampled households in the i-th sample EA in stratum h
- M_h = total number of households in the sampling frame of EAs for stratum h M'_{hi} = total number of households listed in the i-th sample EA in stratum h
- n_h = number of samples EAs selected in stratum h
- M_{hi} = total number of households in the frame for the i-th sample EA in stratum h
- m_{hi} = number of sample households selected in the i-th sample EA in stratum h

If m_{hi} is constant for each stratum (24, for example), the sample will be approximately self-weighting within each stratum. These weights will actually vary slightly based on the difference between the number of households listed in each sample EA and the corresponding number from the sampling frame.

2.11 REPORT WRITING

The preparation of the survey report for the 2025 ILFS was undertaken by members of the survey's Technical Committee (TC). This committee comprised experts from the NBS, OCGS, and representatives from ministries responsible for employment in both Mainland Tanzania and Zanzibar. The collaborative composition of the TC ensured that the report reflected a comprehensive understanding of national labour market dynamics and policy priorities.

Before the commencement of data analysis and report writing, members of the Technical Committee participated in a series of specialized capacity-building sessions. These training sessions were designed to enhance the team's analytical skills and ensure alignment with international labour statistics standards. By equipping the TC with updated technical knowledge and analytical tools, the trainings helped to ensure that the final 2025 ILFS report was both methodologically sound and internationally comparable.

2.12 DISSEMINATION

This report for the 2025 ILFS is available for public access on the National Bureau of Statistics (NBS) website (www.nbs.go.tz) and the Office of the Chief Government Statistician (OCGS) website (www.ocgs.go.tz). Additionally, a limited number of hard copies can be found at the NBS and OCGS libraries for in-person reference.

2.13 CHAPTER TWO SUMMARY

The chapter describes the methodology of the 2025 ILFS. The survey was conducted in two phases: preparatory work, including instrument reviewing, sampling, and training; and field implementation with quarterly data collection to capture seasonal variations. A stratified two-stage sampling design, based on the 2022 Population and Housing Census, ensured surveys' representativeness across Mainland Tanzania and Zanzibar. Data collection employed trained enumerators and supervisors using Computer-Assisted Personal Interviewing (CAPI) to enhance quality and timeliness. Rigorous data processing, weighting, and validation procedures produced nationally reliable estimates.

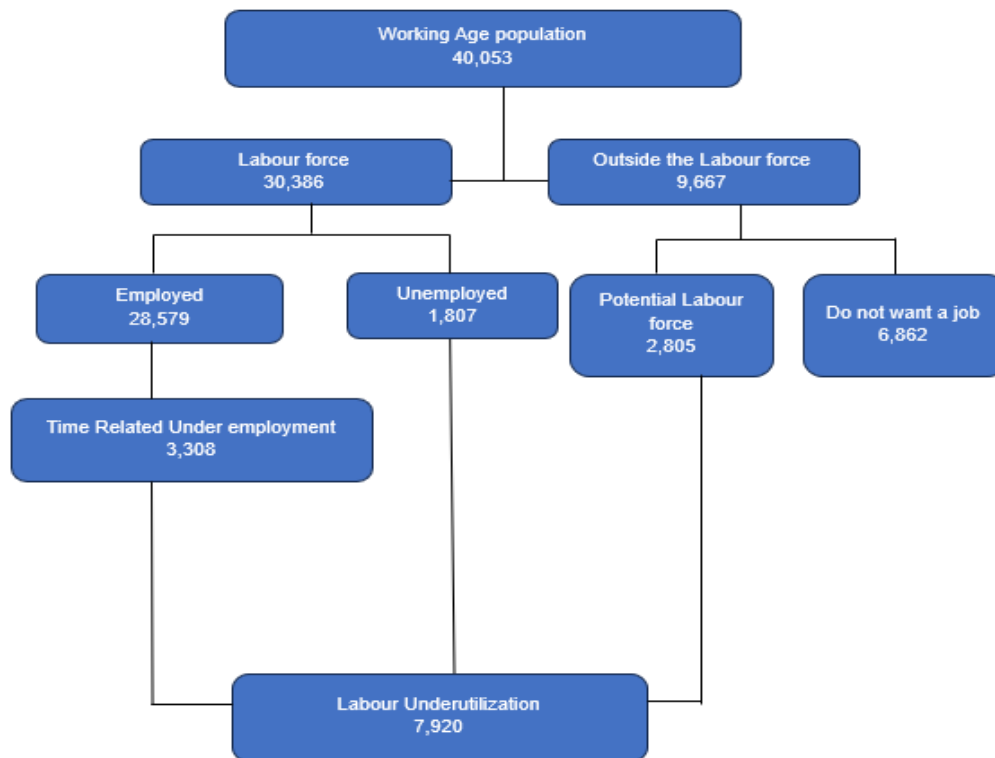
CHAPTER THREE

EMPLOYMENT AND STRUCTURE OF THE LABOUR MARKET

3.1: INTRODUCTION

This section highlights the structure and characteristics of the United Republic of Tanzania (URT) labour market, covering a wide range of employment- related variables, including:- Labour Force Participation Rate; Employment-to-population ratio; Status in employment; Employment by Sector; Occupation, Hours of work, Informal sector and employment, Education attainment and literacy; and Wages and compensation costs. Generally, these indicators provide a robust foundation for assessing and addressing key issues related to productive employment and decent work.

Figure 3.1: Labour Force Flow Chart of the United Republic of Tanzania (000) ILFS 2025



3.2: LABOUR FORCE PARTICIPATION RATE

The Labour Force Participation Rate (LFPR) presents the percentage of the working age population typically individuals aged 15 and above who are actively involved in the labour market, either by being employed or by actively seeking and being available for work. This key economic indicator provides valuable insight into the proportion of the population that is contributing to, or is ready to contribute to, the production of goods and services within a country. By measuring both those who are working and those who are unemployed but willing and able to work, the LFPR reflects the available supply of labour and helps policymakers assess the economy's capacity for growth, identify potential workforce gaps, and make informed decisions regarding employment and social welfare policies.

Table 3.1: Labour Force Participation Rates by Geographical Areas, Disability Status, Age and Sex

Categories	2024									2025								
	TZM			ZNZ			URT			TZM			ZNZ			URT		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
Rural	77.4	65.8	71.4	76.9	58.4	67.6	77.4	65.6	71.3	82.6	70.4	76.3	80.5	61.5	70.7	82.5	70.2	76.2
Urban	83.4	71.1	76.8	72.6	54.2	63.0	82.8	70.2	76.1	82.6	69.7	75.8	76.0	54.6	64.7	82.2	68.9	75.1
DSM	85.6	70.6	77.6	-	-	-	85.6	70.6	77.6	83.2	69.3	75.8	-	-	-	83.2	69.3	75.8
Total	79.7	67.7	73.4	75.0	56.4	65.5	79.6	67.4	73.2	82.6	70.1	76.1	78.4	58.2	67.9	82.5	69.7	75.9
Persons without disability	81.8	69.9	75.6	76.9	57.8	67.1	81.7	69.5	75.4	84.3	71.9	77.9	80.0	58.8	69.0	84.2	71.4	77.6
Persons with disability	59.8	50.8	54.7	45.2	38.7	41.6	59.5	50.6	54.4	60.4	51.9	55.6	35.9	39.0	37.4	60.0	51.8	55.3
Total	79.7	67.7	73.4	75.0	56.4	65.5	79.6	67.4	73.2	82.6	70.1	76.1	78.4	58.2	67.9	82.5	69.7	75.9
15-24	65.7	56.4	61.0	47.0	36.9	41.8	65.0	55.8	60.3	68.7	59.0	63.8	51.3	32.9	41.7	68.1	58.2	63.1
15-35	77.1	65.6	71.1	66.0	50.1	57.8	76.8	65.1	70.6	79.5	67.9	73.6	69.4	49.6	58.8	79.2	67.3	73.1
36+	82.9	70.4	76.4	87.6	65.4	76.2	83.0	70.3	76.4	87.4	73.4	80.0	89.7	70.8	80.2	87.5	73.3	80.0

Source: ILFS 2024 and 2025

Key Message: Data in Table 3.1 indicates that the overall Labour Force Participation Rate (LFPR) increased modestly from 73.2 percent in 2024 to 75.9 percent in 2025, signalling stronger engagement of the working-age population in economic activity. However, gender disparities remain pronounced: in 2025, male participation reached 82.5 percent compared to 69.7 percent for females, reflecting a persistent 12.8-point gap. Rural participation stood at 76.2 percent, which is higher compared to urban areas (75.1 percent), the results also show that Dar es Salaam recorded the second highest LFPR at 75.8 percent. Participation is also stratified by age: youth (15–24) recorded a relatively low LFPR of 63.1 percent, compared to 73.1 percent which is the highest among those aged 15–35, and 80.0 percent among adults aged 36 years and above. Persons with disabilities remain significantly disadvantaged, with only 55.3 percent participating compared to 77.6 percent of those without disabilities.

3.3: EMPLOYMENT TO POPULATION RATIO

The employment-to-population ratio measures the proportion of a country's working-age population typically individuals aged 15 and above that is currently employed. This indicator serves as a crucial measure of an economy's ability to create sufficient employment opportunities for its population and reflects the extent to which the available labour force is being utilized in productive activities. A higher employment-to-population ratio generally signals a healthy labour market and robust economic performance, while a lower ratio may indicate underutilization of the workforce, potential structural issues in the economy, or barriers preventing individuals from accessing employment.

Table 3.2: Employment to Population Ratio by Geographical Areas, Disability Status, Age and Sex

Categories	2024									2025								
	TZM			ZNZ			URT			TZM			ZNZ			URT		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
Rural	73.1	61.7	67.2	73.7	51.1	62.3	73.1	61.4	67.1	78.7	66.7	72.6	78.2	55.7	66.7	78.7	66.4	72.4
Urban	80.1	65.5	72.3	65.9	42.2	53.5	79.3	64.3	71.3	78.7	63.4	70.6	72.8	46.2	58.8	78.4	62.4	69.9
DSM	82.2	62.7	71.8	-	-	-	82.2	62.7	71.8	79.2	59.6	68.8	-	-	-	79.2	59.6	68.8
Total	75.8	62.8	69.0	70.2	47.0	58.3	75.6	62.3	68.7	78.7	65.0	71.6	75.7	51.1	62.9	78.6	64.6	71.4
Persons without disability	77.8	64.7	71.0	72.1	47.9	59.7	77.6	64.2	70.6	80.3	66.5	73.2	77.3	51.7	63.9	80.2	66.0	72.9
Persons with disability	57.0	47.8	51.8	41.6	35.6	38.3	56.7	47.5	51.5	58.1	49.8	53.3	35.3	33.2	34.3	57.7	49.6	53.1
Total	75.8	62.8	69.0	70.2	47.0	58.3	75.6	62.3	68.7	78.7	65.0	71.6	75.7	51.1	62.9	78.6	64.6	71.4
15-24	60.5	49.9	55.1	38.6	24.4	31.3	59.8	49.0	54.3	63.4	52.7	58.0	46.1	24.9	35.0	62.9	51.7	57.2

15-35	72.5	58.9	65.3	59.2	36.7	47.6	72.0	58.2	64.7	75.0	61.6	68.1	65.3	41.2	52.3	74.7	60.9	67.6
36+	78.1	64.0	70.7	85.3	62.7	73.7	78.3	64.0	70.8	84.5	70.2	77.0	88.9	65.7	77.3	84.7	70.1	77.0

Source: ILFS 2024 and 2025

Key Message: The results in Table 3.2 indicate that Tanzania’s Employment-to-Population Ratio (EPR) rose from 68.7 percent in 2024 to 71.4 percent in 2025, reflecting stronger integration of the working-age population into employment. Nonetheless, persistent gender gaps remain. In 2025, male EPR stood at 78.6 percent, compared to 64.6 percent for females. The disparity is particularly stark in Zanzibar, where female EPR was only 51.1 percent against 75.7 percent for men, underscoring regional inequalities in women’s access to employment. Age-based analysis shows encouraging progress: youth (15–24) shows their EPR increase from 54.3 percent to 57.2 percent, while the 15–35 group recorded a sharp rise from 64.7 percent to 67.6 percent. Adults aged 36 years and above also improved, from 70.8 percent to 77.0 percent. Persons with disabilities experienced modest gains, with EPR rising from 51.5 percent in 2024 to 53.1 percent in 2025, though their participation remains significantly lower than that of persons without disabilities.

3.4: EMPLOYMENT STATUS

The indicator of status in employment classifies total employment into six distinct categories: Independent workers in household market enterprises, dependent contractors, wage and salaried workers (also referred to as employees), contributing family workers, Owner-operators of corporations and workers not classifiable by status. This classification helps to illustrate the structure of the labour market by identifying the different roles individuals occupy based on the nature of their employment relationship. By distinguishing between these categories, the indicator provides valuable insights into how employment is distributed across various forms of work arrangements, highlighting patterns of labour dynamics, economic dependence, and the degree of autonomy individuals have within their jobs.

Table 3.3: Percentage Distribution of Employed Persons by Employment Status and Sex

Status in Employment	TZM			ZNZ			URT		
	M	F	T	M	F	T	M	F	T
Independent workers in household market enterprises	14.6	14.0	14.3	24.0	32.9	27.8	14.8	14.5	14.7
Dependent contractors	54.7	48.2	51.6	50.8	44.7	48.2	54.6	48.1	51.5
Contributing family workers	15.1	27.4	20.9	2.3	3.1	2.7	14.7	26.8	20.4
Owner-operators of corporations	0.2	0.1	0.1	0.9	0.3	0.7	0.2	0.1	0.2
Employees	15.4	10.3	13.0	21.8	18.9	20.6	15.6	10.5	13.2
Workers not classifiable by status	0.0	0.0	0.0	0.2	0.0	0.1	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: ILFS 2025

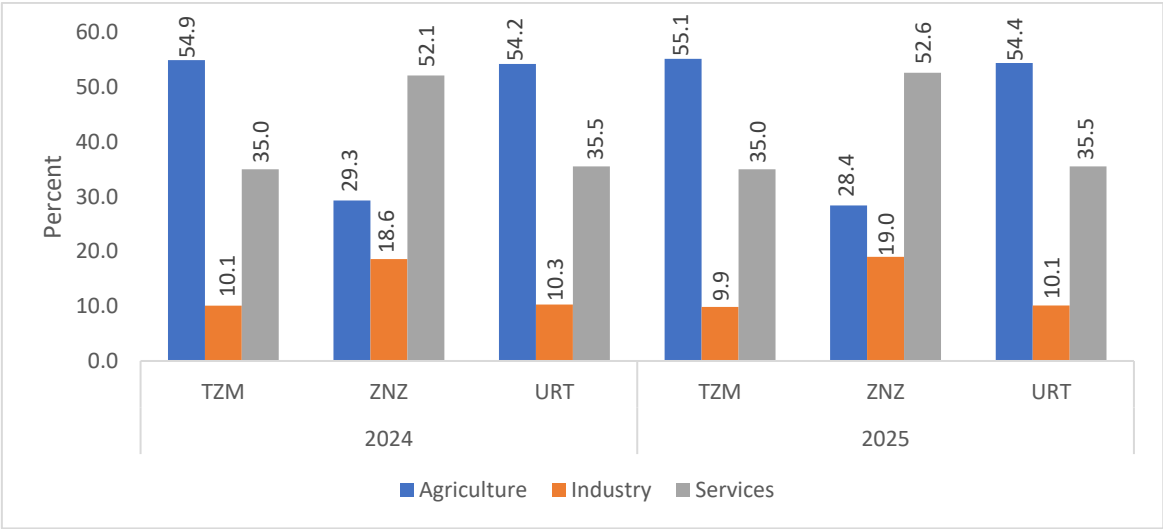
Key Message: Table 3.3 indicates that the Tanzanian labour market is dominated by dependent contractors (51.5 percent), highlighting the predominance of informal and vulnerable work arrangements. Contributing family workers accounted for 20.4 percent, with women disproportionately represented (26.8 percent compared to 14.7 percent for men), underscoring gendered patterns of unpaid or low-paid family labour. By contrast, only 13.2 percent of workers were in paid employment, with a higher share in Zanzibar (20.6 percent) than in Mainland Tanzania (13.0 percent), reflecting structural differences in labour market opportunities between the two regions. Other forms of employment, such as owner-operators (0.2

percent) and those not classifiable by status (0.01 percent), remain negligible. This structure points to a labour market still heavily reliant on informal, insecure, and non-salaried work, with limited absorption into formal wage employment. It underscores the urgent need for policies that expand decent, stable, and well-regulated jobs, while also addressing the gender imbalance in family-based work.

3.5: EMPLOYMENT BY SECTOR

The analysis of the distribution of employment by industry across the agriculture, industry, and services sectors provides a comprehensive view of how labour is allocated within an economy. This distribution reflects the stage of economic development, structural transformation, and sectoral priorities of a country. Typically, economies shift from a heavy reliance on agriculture to increased industrialization and eventually to a service-oriented structure as they develop. Analysis of distribution of employment across these three broad sectors, provides valuable insights into productivity trends, economic diversification, and potential areas for policy interventions.

Figure 3.2: Percentage Distribution of Employed Persons by Sector and Geographical Areas



Source: ILFS 2024 and 2025

Key Message: The findings presented in Figure 3.2 illustrates recent trends in the distribution of employment across the major sectors in Tanzania. In 2025, agriculture remains the dominant source of employment, with its share increasing slightly from 54.2 percent in 2024 to 54.4 percent. The services sector remains the second-largest employer, maintaining a stable share of 35.5 percent in both years. In contrast, the industry sector continues to account for the smallest share of employment, declining marginally from 10.3 percent in 2024 to 10.1 percent in 2025.

Table 3.4: Percentage Distribution of Employed Persons Aged 15+ by Industry and Sex and Area, Tanzania

Industry	TZM			ZNZ			URT		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Agriculture, Forestry and Fishing	52.4	58.2	55.1	31.7	23.9	28.4	51.8	57.3	54.4
Mining and Quarrying	1.9	0.4	1.2	1.1	1.0	1.0	1.9	0.4	1.2
Manufacturing	7.0	3.5	5.4	6.9	14.9	10.3	7.0	3.8	5.5
Electricity, Gas, Steam and Air Conditioning Supply	0.3	0.0	0.2	0.4	0.2	0.3	0.3	0.0	0.2
Water Supply, Sewerage, Waste Management and Remediation Activities	0.2	0.0	0.1	0.3	0.2	0.2	0.2	0.0	0.1
Construction	5.5	0.2	3.0	12.1	0.4	7.1	5.7	0.2	3.1
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	13.0	18.0	15.4	17.5	33.7	24.4	13.2	18.4	15.6
Transportation and Storage	8.1	0.2	4.4	10.9	0.3	6.5	8.2	0.2	4.4
Accommodation and Food Service Activities	1.5	8.0	4.6	2.5	5.5	3.7	1.5	8.0	4.5
Information and Communication	0.2	0.1	0.2	0.3	0.1	0.2	0.2	0.1	0.2
Financial and Insurance Activities	0.3	0.7	0.5	0.5	0.3	0.4	0.3	0.7	0.5
Real Estate Activities	0.1	0.1	0.1	0.2	-	0.1	0.1	0.1	0.1
Professional, Scientific and Technical Activities	0.3	0.2	0.2	0.2	0.3	0.3	0.3	0.2	0.2
Administrative and Support Service Activities	2.8	3.3	3.1	6.2	4.0	5.3	2.9	3.3	3.1
Public Administration and Defence; Social Security	0.7	0.2	0.5	3.8	1.4	2.7	0.8	0.3	0.6
Education	2.0	1.7	1.8	2.7	5.7	4.0	2.0	1.8	1.9
Human Health and Social Work Activities	0.6	0.8	0.7	1.5	2.1	1.7	0.6	0.8	0.7
Arts, Entertainment and Recreation	0.3	0.1	0.2	0.3	0.2	0.3	0.3	0.1	0.2
Other Service Activities	2.8	4.2	3.5	0.9	5.9	3.0	2.8	4.2	3.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: ILFS 2025

Key Message: Table 3.4 indicates that agriculture, forestry and fishing dominate employment in Tanzania, accounting for over half of all jobs (54.4 percent) followed by wholesale and retail trade; repair of motor vehicles and motorcycles (15.6 percent), manufacturing (5.5 percent) and accommodation services (4.5 percent). This pattern is consistent across both Mainland Tanzania and Zanzibar.

3.6: EMPLOYMENT BY OCCUPATION

Employment by occupation is a key labour market indicator that categorizes individuals based on their job roles, as defined by the Tanzania Standard Classification of Occupations (TASCO), which is domesticated from ISCO-08. It analyses changes in the distribution of employment across different occupations which helps to identify and assess stages of economic development and productivity. Additionally, this indicator offers insights into the workforce structure, highlighting the contributions of various occupational groups to total employment.

Table 3.5: Percentage Distribution of Employed Persons by Occupation and Sex

Occupation	2024									2025								
	TZM			ZNZ			URT			TZM			ZNZ			URT		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
Legislators, administrators and managers	0.7	0.3	0.5	0.6	0.3	0.5	0.7	0.3	0.5	0.5	0.2	0.3	2.0	0.5	1.4	0.5	0.2	0.4
Professionals	2.3	1.5	1.9	2.2	3.5	2.7	2.3	1.5	1.9	1.8	1.2	1.5	3.2	3.6	3.4	1.9	1.2	1.6
Technicians and associate professionals	2.2	1.9	2.1	3.8	8.5	5.7	2.3	2.1	2.2	1.9	1.6	1.8	2.8	5.2	3.8	1.9	1.7	1.8
Clerks	0.4	0.7	0.5	0.8	1.0	0.9	0.4	0.7	0.5	0.3	0.6	0.4	0.8	1.3	1.0	0.3	0.6	0.4
Service workers and shop sales workers	12.5	17.9	15.1	21.9	29.0	24.9	12.8	18.2	15.3	13.4	18.2	15.6	21.2	25.4	23.0	13.6	18.4	15.9
Skilled agricultural and fishery workers	52.7	55.4	54.0	17.4	11.1	14.8	51.6	54.4	52.9	49.8	56.1	52.8	14.0	9.4	12.0	48.7	54.9	51.6
Craft and related workers	11.8	4.6	8.4	19.1	16.0	17.8	12.0	4.9	8.6	10.4	4.2	7.5	19.3	17.4	18.5	10.7	4.6	7.8
Plant and machine operators and assemblers	5.9	0.5	3.3	8.8	0.1	5.2	5.9	0.5	3.3	8.3	0.2	4.5	9.1	0.0	5.3	8.3	0.2	4.5
Elementary occupations	11.5	17.2	14.2	25.4	30.7	27.6	11.9	17.5	14.5	13.7	17.8	15.6	27.6	37.1	31.6	14.1	18.3	16.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: ILFS 2024 and 2025

Key Message: Table 3.5 indicates that the share of persons employed in agriculture and fisheries decreased from 52.9 percent in 2024 to 51.6 percent in 2025. In contrast, the distribution across other occupational groups remained largely unchanged, with only slight variations observed between the two years. This decline in agricultural and fisheries employment suggests a gradual movement away from traditional, low-productivity activities toward more industrial and service-oriented work, reflecting an ongoing process of structural transformation in the economy.

3.7: HOURS OF WORK

Working time measurements provide an overview of the duration that employed individuals spend producing goods and services, measured in actual hours worked during the reference period. "Actual hours worked" refers to the number of hours devoted to work activities during the reference week. Analysing working time indicators offers valuable insights into labour force participation, work-life balance, and the overall functioning of the labour market.

Table 3.6: Average Current Working Hours per Week by Age Groups

Age Groups	2024									2025								
	TZM			ZNZ			URT			TZM			ZNZ			URT		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
15-24	35	30	32	46	38	43	35	30	33	43	37	40	44	32	39	43	37	40
25-35	48	37	43	57	41	51	48	38	43	55	44	50	54	37	46	55	43	50
36+	44	36	40	54	40	48	44	36	40	51	41	46	52	39	46	51	41	46
Total	43	35	39	53	40	48	43	35	39	50	41	46	51	37	45	50	41	46

Source: ILFS 2024 and 2025

Key message: The results presented in Table 3.6 show an increase in the average number of hours worked per week by employed persons in the United Republic of Tanzania (URT), rising from 39 hours in 2024 to 46 hours in 2025. The results also indicate that male employees consistently work more hours (50) than female employees (41 hours), a pattern observed in both 2024 and 2025.

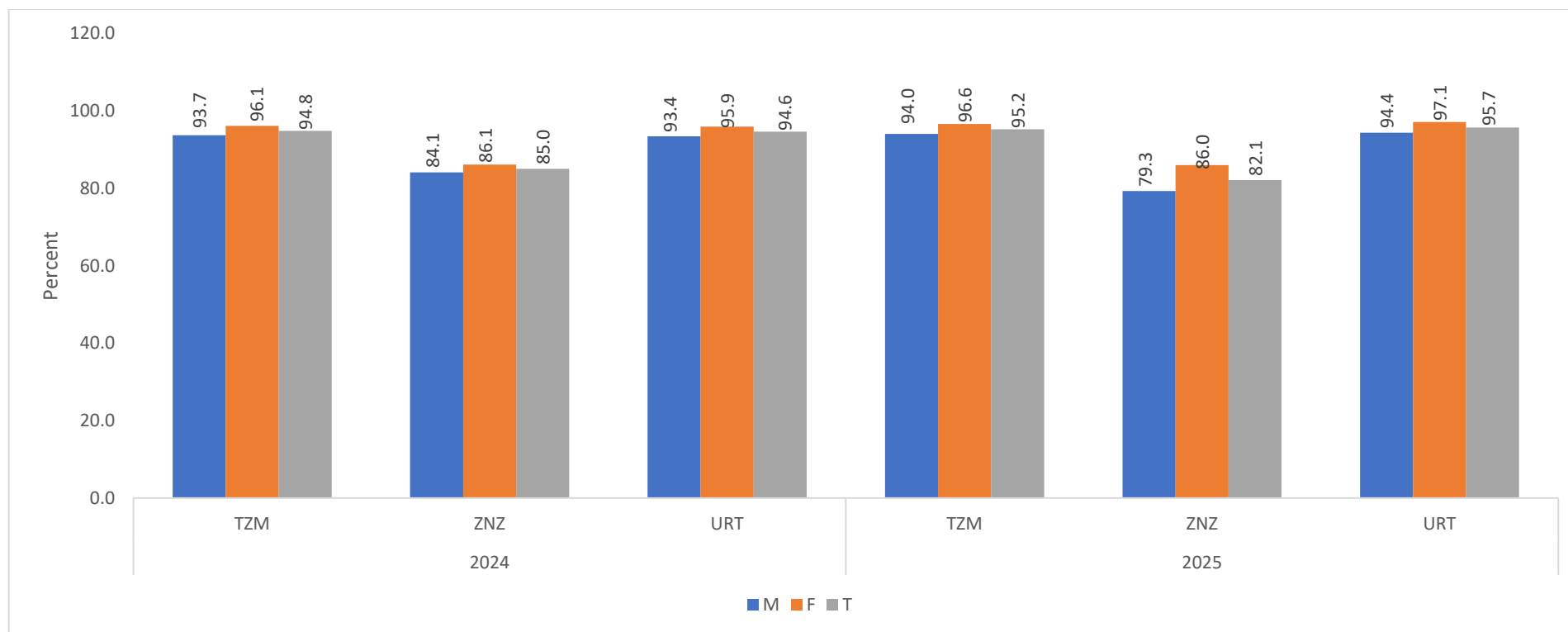
3.8: EMPLOYMENT IN THE INFORMAL ECONOMY AND INFORMAL SECTOR

Employment in the informal economy focuses on measuring the share and characteristics of workers who are employed outside the formal labour market, that is, workers who do not have formal contract arrangements, or may not be covered by social protection schemes or labour laws. Normally these workers often work in

unregistered or small-scale enterprises. Employment in the informal economy make up a significant portion of employment in many developing countries including Tanzania. Thus, this analysis helps policymakers understand job quality, vulnerability, and income insecurity, and also helps address goals like decent work for all and inclusive economic growth.

On the other hand, the 15th International Conference of Labour Statisticians (ICLS) characterized informal sector enterprises using several key conditions. These enterprises are privately owned and unincorporated, excluding quasi-corporations. They are operated by individuals or households and do not exist as legal entities separate from their owners. As a result, they do not maintain complete accounting records, such as balance sheets of assets and liabilities that would allow the enterprise's production activities to be clearly distinguished from the other activities of the owner. The enterprises produce goods or services intended wholly or partly for sale or exchange, are not registered under specific national laws, and employ fewer than a specified number of workers determined by national context (for international comparison purposes, fewer than five employees as recommended by the Delhi Group). In addition, they operate outside the agricultural sector. Tanzania's definition of the informal sector follows the framework established by the 15th ICLS.

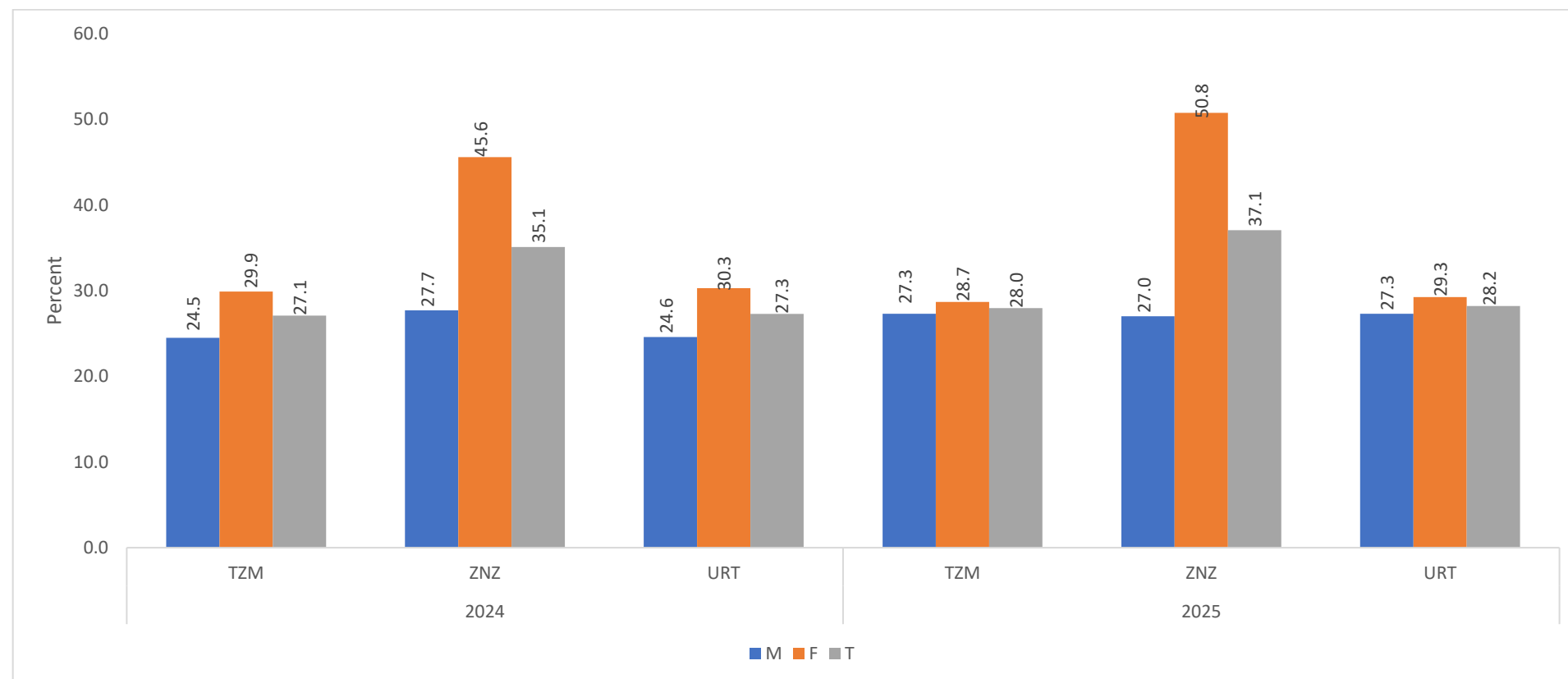
Figure 3.3A: Percentage of Employment in the Informal Economy



Source: ILFS 2024 and 2025

Key message: Figure 3.3A shows a slight increase in informal employment, rising from 94.6 percent in 2024 to 95.7 percent in 2025. In both years, informality rates are consistently higher among females than males, indicating persistent gender disparities in access to formal employment opportunities. This pattern is evident in both Mainland Tanzania and Zanzibar, reflecting a nationwide trend.

Figure 3.3B: Percentage of Employment in the Informal Sector



Source: ILFS 2024 and 2025

Key message: Figure 3.3B shows a rising share of employment in the informal sector, increasing from 27.3 percent in 2024 to 28.2 percent. In both periods, the level of informality is slightly higher among women than men, indicating persistent gender disparities in access to formal employment. This pattern is evident in both Mainland Tanzania and Zanzibar, suggesting that it is a nationwide phenomenon. The results underscore the need for sustained and targeted policy interventions to reduce informality and expand access to stable and regulated employment, with particular emphasis on promoting gender equality.

3.9: EDUCATION ATTAINMENT AND ILLITERACY

This indicator reflects both the level and distribution of knowledge and skills within the labour force, serving as a measure of human capital formation, which is a critical component of overall socio-economic development. A well-educated and skilled workforce contributes significantly to productivity, innovation, and economic growth. Conversely, high levels of illiteracy can severely limit employment opportunities, leading to lower incomes and poor working conditions for workers. This not only hampers individual well-being but also poses a broader challenge to national development by reducing the efficiency and competitiveness of the labour market.

Table 3.7: Percentage of Illiterate Persons in the Population by Geographical Areas, Disability Status, Age and Sex

Area	2024									2025								
	TZM			ZNZ			URT			TZM			ZNZ			URT		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
Rural	10.8	20.3	15.7	7.8	13.9	10.9	10.7	20.1	15.6	11.1	19.0	15.1	6.9	12.5	9.8	11.0	18.8	15.0
Urban	3.1	7.9	5.6	1.7	3.8	2.8	3	7.7	5.5	3.2	7.4	5.4	1.3	3.0	2.2	3.1	7.1	5.2
DSM	0.9	2.8	1.9	-	-	-	0.9	2.8	1.9	0.7	1.8	1.3	-	-	-	0.7	1.8	1.3
Total	7.8	15.2	11.7	5.1	9.2	7.2	7.7	15	11.5	8.0	14.0	11.1	4.3	7.9	6.2	7.8	13.8	10.9
Persons without disability	6.7	13	10	4.2	7.9	6.1	6.6	12.8	9.8	7.1	12.5	9.9	3.7	7.1	5.5	7.0	12.3	9.7
Persons with disability	18.4	31.9	26.1	18.9	26.8	23.2	18.4	31.9	26	19.1	29.5	25.1	18.7	30.5	24.5	19.1	29.5	25.0
Total	7.8	15.2	11.7	5.1	9.2	7.2	7.7	15	11.5	8.0	14.0	11.1	4.3	7.9	6.2	7.8	13.8	10.9
15-24	6.2	7.7	6.9	2.8	1.6	2.2	6.1	7.5	6.8	6.7	6.8	6.8	1.6	1.1	1.3	6.5	6.6	6.6
25-35	5.9	8.5	7.3	2.8	2.5	2.7	5.8	8.3	7.1	5.3	8.3	6.9	2.3	2.3	2.3	5.2	8.1	6.7
36+	10.2	23.4	17.1	8.2	18.7	13.6	10.1	23.3	17	10.9	23.7	17.6	7.3	17.1	12.2	10.7	23.5	17.4

Source: ILFS 2024 and 2025

Key message: Results in Table 3.6 reveal a marked improvement in literacy levels across the United Republic of Tanzania. Nationally, the share of illiterate individuals declined from 11.5 percent in 2024 to 10.9 percent in 2025, with Mainland Tanzania and Zanzibar both recording substantial reductions. This positive trend is also reflected in rural areas, where the proportion of illiterate individuals declined from 15.6 percent to 15.0 percent over the same period, indicating improved access to education and literacy programs. Urban areas registered even lower illiteracy rates, falling from 5.5 percent to 5.2 percent, while Dar es Salaam recorded the lowest levels at just 1.3 percent in 2025. Despite these gains, disparities remain pronounced. Women consistently show higher illiteracy rates than men across all areas, although the gender gap has narrowed slightly in both 2024 and 2025. Age-based analysis highlights slight progress among young people: illiteracy among those aged 15–24 dropped from 6.8 percent to 6.6 percent.

However, older age groups, particularly those 36 years and above, still report higher levels of illiteracy (17.4 percent in 2025). Furthermore, persons with disabilities remain disproportionately affected. Although their illiteracy rate fell from 26.0 percent to 25.0 percent, this level is still more than double the national average, pointing to the urgent need for inclusive education policies.

3.10: WAGES AND COMPENSATION COST

Wages and compensation costs are a critical lens through which the overall health, fairness, and efficiency of a labour market can be assessed. As the primary source of income for workers, wages are closely linked to factors such as skill level, educational attainment, work experience, industry demand, and broader economic conditions. Examining wage patterns offers valuable insights into labour productivity, employer cost structures, and the economic well-being of workers. It also highlights disparities across gender, age, education, and geographical location, which are important for understanding inequality in the labour market. This section analyses trends in wage levels and compensation costs, identifying key disparities and the underlying drivers of variation. Such evidence enables policymakers to design strategies that promote fair pay, ensure sustainable labour costs for employers, and advance inclusive economic growth.

Table 3.8A: Average Monthly Incomes (TZS) of Persons in Paid Employment by Geographical Areas, Education and Sex

Area	TZM			ZNZ			URT		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Rural	321,757	318,002	320,508	605,483	444,550	547,433	330,909	322,600	328,136
Urban	637,132	500,346	586,416	643,194	504,446	582,187	637,392	500,577	586,213
DSM	653,174	489,645	589,098	-	-	-	653,174	489,645	589,098
Total	501,063	426,303	474,228	625,407	481,030	566,931	504,823	428,301	477,241
Never Attended	218,476	203,811	211,495	227,778	119,682	173,525	218,547	203,098	211,190
Primary Education	267,888	188,727	241,739	360,025	177,924	297,444	268,688	188,628	242,232
Secondary Education	404,836	338,135	381,960	565,151	451,054	522,332	415,051	346,337	391,337
Vocational Training	968,090	814,793	895,698	754,675	494,342	630,483	948,386	784,686	871,008
Tertiary non-University	1,110,154	841,749	983,843	743,543	533,316	637,845	1,098,524	830,668	972,180
University	1,731,316	1,516,478	1,656,230	1,101,120	780,568	950,085	1,705,785	1,468,323	1,621,366
Total	501,063	426,303	474,228	625,407	481,030	566,931	504,823	428,301	477,241

Source: ILFS 2024

Table 3.8B: Average Monthly Incomes (TZS) of Persons in Paid Employment by Geographical Areas, Education and Sex

Area	TZM			ZNZ			URT		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Rural	368,000	363,445	366,544	531,854	437,890	502,158	373,460	365,886	371,040
Other Urban	548,078	456,827	515,776	651,636	449,208	572,898	553,484	456,369	518,919
DSM	703,767	481,350	613,860	-	-	-	703,767	481,350	613,860
Total	502,067	428,356	476,210	602,223	445,387	545,628	505,502	428,965	478,627
Never Attended	299,747	290,430	295,455	266,666	168,962	232,449	299,485	289,822	295,041
Primary Education	325,244	251,272	301,792	332,755	209,406	290,517	325,310	250,861	301,689
Secondary Education	421,977	313,020	383,639	533,134	369,285	481,905	430,139	316,523	390,471
Vocational Training	956,676	853,487	911,383	679,064	460,676	591,628	935,783	827,974	888,757
Tertiary non-University	942,541	713,070	836,434	673,213	526,996	600,131	934,374	706,547	828,750
University	1,474,240	1,288,758	1,408,517	1,138,440	727,828	941,930	1,457,229	1,242,799	1,379,597
Total	502,067	428,356	476,210	602,223	445,387	545,628	505,502	428,965	478,627

Source: ILFS 2025

Key message:

Tables 3.8A and 3.8B indicate that there isn't much change in nominal wages and salaries for paid employees between 2024 and 2025. However, a slight increase is observed, from TZS 477,241 in 2024 to TZS 478,627 in 2025. The analysis also highlights a gender-based wage disparity. In both years, male employees earned slightly higher wages and salaries than their female counterparts. Although the gap is not substantial, its persistence over time suggests the influence of underlying structural or socio-economic factors that continue to drive gender-based income inequality.

3.11: WORKING CHILDREN AND CHILD LABOUR

The United Republic of Tanzania has joined hand in the global fight against child labour by ratifying a number of international conventions to eliminate child labour. This presents the need for reliable and up-to-date information on children engagement in economic and non-economic activities to determine the factors behind child labour, the socio-economic patterns and its consequences. Understanding of these factors is important for generating public awareness and specifically in design of local interventions to combat and eliminate child labour. This section discusses activities of children aged 5-17 years with regards to child work ¹and child labour².

¹ Child work is when the child's engagement in work is beneficial to a child's development as well as to the welfare of the child's family.

² Child labour is when the extent of child's engagement in child work is detrimental to child's development, especially when it endangers the child's health and well-being.

Table 3.9A: Percentage Distribution Children Aged 5-17 by Child Work Status, Area and Sex

Categories			Child Labour	Not Child Labour	Children not in economic activities	Total	Number
TZM	Rural	Male	32.1	11.6	56.3	100.0	7,614,122
		Female	25.0	9.8	65.1	100.0	7,206,704
		Total	28.7	10.7	60.6	100.0	14,820,827
	Other Urban	Male	18.2	7.5	74.3	100.0	2,370,452
		Female	16.4	5.6	78.0	100.0	2,306,429
		Total	17.3	6.5	76.1	100.0	4,676,881
	DSM	Male	7.6	2.9	89.5	100.0	672,560
		Female	10.1	3.1	86.8	100.0	704,406
		Total	8.9	3.0	88.1	100.0	1,376,966
	Total	Male	27.5	10.1	62.4	100.0	10,657,134
		Female	22.1	8.4	69.5	100.0	10,217,539
		Total	24.8	9.3	65.9	100.0	20,874,673
ZNZ	Rural	Male	6.8	1.3	92.0	100.0	195,151
		Female	2.1	0.5	97.4	100.0	202,116
		Total	4.4	0.9	94.7	100.0	397,267
	Other Urban	Male	3.6	0.4	96.0	100.0	141,143
		Female	2.7	0.7	96.6	100.0	144,652
		Total	3.1	0.6	96.3	100.0	285,795
	Total	Male	5.4	0.9	93.7	100.0	336,293
		Female	2.3	0.6	97.1	100.0	346,768
		Total	3.9	0.7	95.4	100.0	683,061
URT	Rural	Male	31.5	11.3	57.2	100.0	7,809,273
		Female	24.4	9.6	66.0	100.0	7,408,820
		Total	28.0	10.5	61.5	100.0	15,218,093
	Other Urban	Male	17.4	7.1	75.6	100.0	2,511,595
		Female	15.6	5.3	79.1	100.0	2,451,081
		Total	16.5	6.2	77.3	100.0	4,962,675
	DSM	Male	7.6	2.9	89.5	100.0	672,560
		Female	10.1	3.1	86.8	100.0	704,406
		Total	8.9	3.0	88.1	100.0	1,376,966
	Total	Male	26.8	9.9	63.4	100.0	10,993,428
		Female	21.4	8.2	70.4	100.0	10,564,307
		Total	24.2	9.0	66.8	100.0	21,557,735

Source: ILFS 2024

Table 3.9B: Percentage Distribution Children Aged 5-17 by Child Work Status, Area and Sex

Categories			Children Work Status			Total	Number
			child labour	not child labour	children not in economic activities		
TZM	Rural	Male	27.7	1.5	70.8	100.0	7,958,917
		Female	24.0	1.0	75.0	100.0	7,454,820
		Total	25.9	1.3	72.8	100.0	15,413,737
	Other Urban	Male	15.1	1.1	83.8	100.0	2,786,874
		Female	14.1	1.0	84.9	100.0	2,940,215
		Total	14.6	1.1	84.4	100.0	5,727,089
	DSM	Male	3.6	0.7	95.7	100.0	712,476
		Female	5.3	1.1	93.6	100.0	744,853
		Total	4.5	0.9	94.6	100.0	1,457,329
	Total	Male	23.1	1.4	75.5	100.0	11,458,268
		Female	20.2	1.0	78.8	100.0	11,139,888
		Total	21.7	1.2	77.1	100.0	22,598,156
ZNZ	Rural	Male	9.0	0.8	90.2	100.0	218,825
		Female	2.5	0.4	97.1	100.0	211,661
		Total	5.8	0.6	93.6	100.0	430,486
	Other Urban	Male	3.6	0.5	95.8	100.0	158,910
		Female	2.3	0.2	97.5	100.0	172,734
		Total	2.9	0.4	96.7	100.0	331,644
	Total	Male	6.7	0.7	92.6	100.0	377,735
		Female	2.4	0.3	97.2	100.0	384,396
		Total	4.6	0.5	94.9	100.0	762,130
URT	Rural	Male	27.2	1.5	71.3	100.0	8,177,742
		Female	23.4	1.0	75.6	100.0	7,666,481
		Total	25.4	1.3	73.4	100.0	15,844,223
	Other Urban	Male	14.5	1.1	84.4	100.0	2,945,784
		Female	13.5	1.0	85.6	100.0	3,112,949
		Total	13.9	1.0	85.0	100.0	6,058,734
	DSM	Male	3.6	0.7	95.7	100.0	712,476
		Female	5.3	1.1	93.6	100.0	744,853
		Total	4.5	0.9	94.6	100.0	1,457,329
	Total	Male	22.6	1.3	76.0	100.0	11,836,002
		Female	19.6	1.0	79.4	100.0	11,524,284
		Total	21.1	1.2	77.7	100.0	23,360,286

Source: ILFS 2025

Key message: Table 3.9B indicates that 21.1 percent equivalent to 4.93 million children aged 5-17 in the URT are engaged in child labour, with 21.7 percent in Tanzania Mainland and 4.6 percent in Zanzibar. Child labour rates have slightly decreased in 2025 from 2024 as indicated in Table 3.9A. Generally, the findings indicate that, there are proportionately more boy-child labourers than girls, and child labour is more prevalent in rural areas (25.4 percent) than in urban areas (13.9 percent in urban areas and 4.5 percent in Dar es Salaam).

3.11 CHAPTER THREE SUMMARY

Results reveal modest improvements in Tanzania's labour market, with more people engaged in economic activity, but persistent inequalities remain. Men continue to participate more than women, young people are less attached to the labour force than older groups, and persons with disabilities remain significantly disadvantaged. Employment is still dominated by informal and vulnerable arrangements, with limited absorption into stable, paid jobs. While agriculture remains the main source of work, there is a gradual shift towards services and industry, reflecting slow structural transformation. Average working hours have not changed significantly, and informality remains pervasive. Literacy levels have improved, yet women and persons with disabilities still face greater challenges, and a gender pay gap persists despite overall wage growth. In summary, progress has been made, but deep-rooted gender, age, disability, and regional disparities continue to constrain inclusive labour market development.

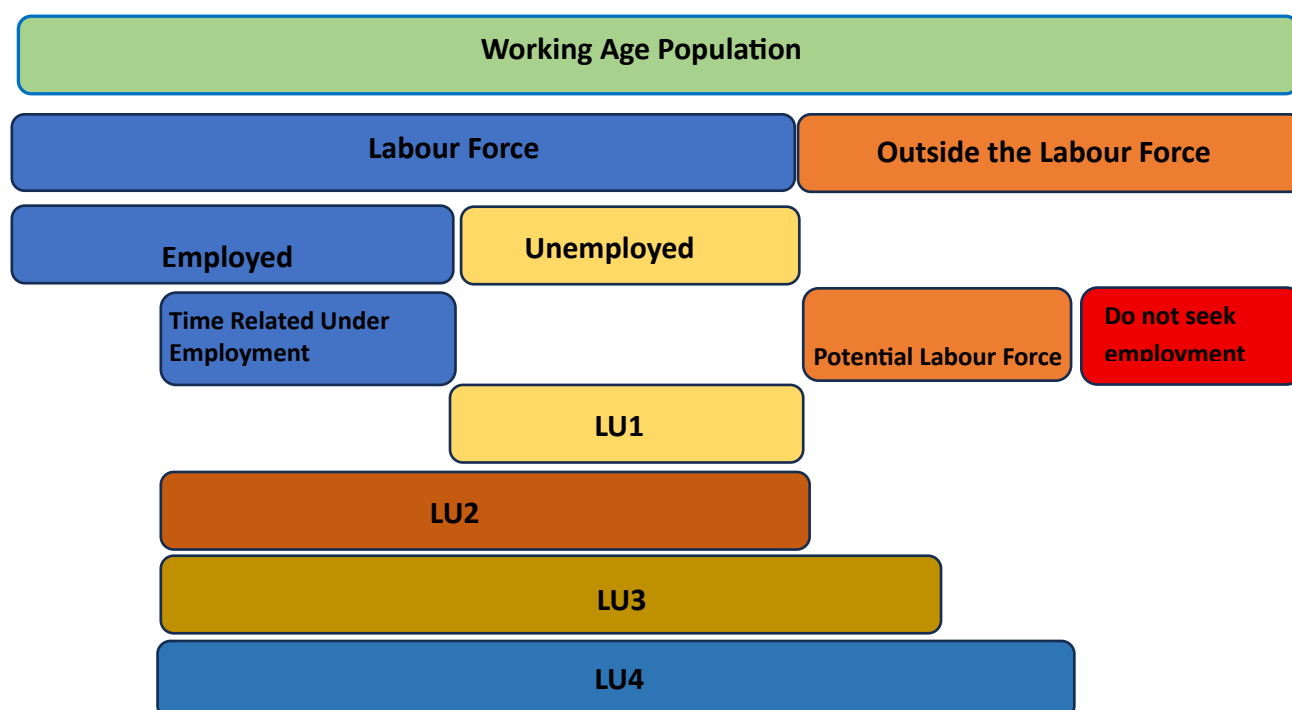
CHAPTER FOUR

LABOUR UNDERUTILISATION

4.1: INTRODUCTION

This chapter presents a comprehensive analysis of Labour Underutilization (LU) based on data from 2024 and 2025 ILFS. The analysis provides a broader overview of multidimensional nature of labour market slack to understand labour dynamics across different population groups, sectors, and regions. The labour underutilization uses indicators specified in the International Labour Organization's LU1–LU4 series to examine time-related underemployment, potential labour force, and composite measures. This chapter is organized into six sections. Sections 4.2, 4.3 and 4.4 elaborates on unemployment and its variants; Sections 4.5 and 4.6 highlight on time-related under employment and population outside labour force, respectively, and Section 4.7 concludes main findings presented in Chapter four. Figure 4.1 shows a pictorial conceptualisation of different indicators of labour market statistics.

Figure 4.1: Labour Force Flow Chart of the United Republic of Tanzania showing Labour Underutilization



Note: LU1- Unemployment rate

LU2- Combined rate of time-related underemployment and unemployment

LU3- Combined rate of unemployment and potential labour force

LU4- Aggregate measure of labour underutilization

4.2: UNEMPLOYMENT RATE

Unemployment refers to individuals who, during a specified reference period (one week), were: without work, that is they were neither in a paid employment nor self-employment; currently available for work; and actively seeking work, that is having taken specific steps to find employment during the reference period. Additionally, the unemployment rate is a key economic indicator that measures the proportion of the labour force that is unemployed. The referred rate reflects the extent of underutilized labour capacity within an economy and serves as a key indicator for policymakers in evaluating economic performance and guiding decision-making.

Table 4.1: Unemployment Rates by Geographical Areas, Level of Education, Age Group and Sex

Area	2024									2025								
	TZM			ZNZ			URT			TZM			ZNZ			URT		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
Rural	5.5	6.4	5.9	4.2	12.5	7.8	5.5	6.5	6.0	4.7	5.3	5.0	2.8	9.4	5.7	4.7	5.4	5.0
Urban	3.9	7.8	5.8	9.1	22.0	14.9	4.2	8.4	6.2	4.6	9.1	6.8	4.2	15.4	9.2	4.6	9.4	6.9
DSM	3.9	11.3	7.5	-	-	-	3.9	11.3	7.5	4.8	14.0	9.3	-	-	-	4.8	14.0	9.3
Total	4.9	7.3	6.1	6.3	16.7	10.9	4.9	7.5	6.2	4.7	7.2	5.9	3.4	12.1	7.3	4.7	7.4	5.9
Educational																		
Never Attended	6.6	4.8	5.5	0.7	3.1	2.1	6.4	4.8	5.4	5.2	4.0	4.5	1.4	4.6	3.4	5.1	4.0	4.5
Primary Education	4.9	7.1	5.9	2.8	11.5	6.1	4.9	7.1	5.9	4.8	6.9	5.8	1.5	9.0	4.4	4.7	6.9	5.7
Secondary Education	4.9	9.4	6.9	8.3	21.1	14.0	5.1	10.2	7.4	4.7	9.8	6.9	4.0	14.1	8.5	4.6	10.2	7.1
Vocational Training	3.0	6.2	4.6	9.6	27.8	17.9	3.6	7.9	5.7	1.5	7.3	4.1	7.8	11.6	9.6	1.9	7.7	4.5
Tertiary non-University	2.3	7.5	4.8	7.3	5.7	6.5	2.4	7.5	4.9	4.8	9.0	6.8	12.8	23.0	18.0	5.0	9.5	7.2

Univer sity	3.5	10.7	6.1	7.6	15.9	11.1	3.7	11.0	6.3	4.3	11.0	6.8	2.9	15.3	8.7	4.2	11.3	6.9
Total	4.9	7.3	6.1	6.3	16.7	10.9	4.9	7.5	6.2	4.7	7.2	5.9	3.4	12.1	7.3	4.7	7.4	5.9
Age																		
15-24	7.8	11.6	9.6	17.9	33.9	25.1	8.1	12.1	10.0	7.6	10.8	9.1	10.1	24.4	16.0	7.7	11.1	9.3
15-35	6.1	10.2	8.1	10.3	26.8	17.7	6.2	10.6	8.3	5.7	9.3	7.4	6.0	17.0	10.9	5.7	9.5	7.5
36+	3.6	4.0	3.8	2.1	5.8	3.7	3.5	4.0	3.8	3.3	4.3	3.8	0.9	7.2	3.7	3.2	4.4	3.8

Source: ILFS 2024 and 2025

Key message: According to Table 4.1, unemployment rate in the United Republic of Tanzania (URT) declined from 6.2 percent in 2024 to 5.9 percent in 2025. However, unemployment remains higher among females than males, underscoring the need for greater efforts to enhance female employability. Regionally, Dar es Salaam consistently recorded the highest unemployment rates, surpassing those in both other urban and rural areas during the two-year period although urban unemployment rate (6.9 percent) is higher than the rural rate (5.0 percent) in 2025. Furthermore, the highest unemployment rates were observed among youth aged 15–24 compared to other age groups.

4.3: YOUTH UNEMPLOYMENT

Youth unemployment is a serious problem with wide social and economic effects, making it important to understand the factors that influence young people's participation in the labour market. Youth are internationally recognized as individuals between the ages of 15 and 24. However, for the purposes of this analysis, this report considers youth as individuals within the 15–24 and 15–35 age groups. The dual categorization allows for a broader and detailed examination of labour market characteristics that facilitates meaningful comparisons. The characteristics are aligned with international standards and practices, particularly those relevant to youth employment trends in similarly structured economies.

Table 4.2: Unemployment Rates for Youth Aged 15-24 by Area, Level of Education and Sex

Area	2024									2025								
	TZM			ZNZ			URT			TZM			ZNZ			URT		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
Rural	7.5	10.2	8.7	5.3	7.8	6.3	7.5	10.2	8.7	6.3	7.7	6.9	8.0	21.2	13.2	6.3	7.9	7.0
Urban	4.0	6.9	5.5	15.1	18.2	16.6	4.5	7.4	6.0	9.3	15.7	12.4	13.2	28.4	19.8	9.5	16.1	12.7
DSM	12.2	15.3	13.9	-	-	-	12.2	15.3	13.9	17.4	20.1	19.0	-	-	-	17.4	20.1	19.0
Total	7.1	9.9	8.4	9.1	12.8	10.8	7.1	10.0	8.5	7.6	10.8	9.1	10.1	24.4	16.0	7.7	11.1	9.3
Education																		
Never Attended	10.0	11.6	10.9	-	2.5	1.1	9.9	11.6	10.8	9.5	5.1	7.2	2.6	5.3	3.8	9.4	5.1	7.2
Primary Education	8.2	11.0	9.4	4.2	11.2	6.5	8.1	11.0	9.4	7.6	10.8	9.0	3.3	17.6	7.2	7.6	10.8	9.0
Secondary Education	4.6	8.1	6.3	10.7	13.2	11.9	4.8	8.3	6.5	7.0	11.6	9.2	11.0	24.6	17.0	7.1	12.1	9.5
Vocational Training	13.3	8.9	10.8	8.7	6.1	7.3	12.8	8.7	10.5	-	10.2	5.4	27.1	26.0	26.5	1.6	11.3	6.7
Tertiary non-University	8.5	10.0	9.5	31.5	46.2	38.4	9.6	10.8	10.4	21.4	13.7	16.9	72.0	43.4	52.7	23.1	15.2	18.4
University	11.0	14.4	12.8	14.5	10.5	12.9	11.2	14.3	12.8	18.6	24.9	21.4	17.9	44.8	29.1	18.5	26.0	21.9
Total	7.1	9.9	8.4	9.1	12.8	10.8	7.1	10.0	8.5	7.6	10.8	9.1	10.1	24.4	16.0	7.7	11.1	9.3

Source: ILFS 2024 and 2025

Key message: Table 4.2 presents a slight increase in youth unemployment among persons aged 15 – 24 over the period from 8.5 percent in 2024 to 9.3 percent in 2025. In rural areas, unemployment declined from 8.7 percent in 2024 to 7.0 percent in 2025, while urban areas unemployment increased from 6.0 percent to 12.7 percent. Also, the data show a continuing gender gap, with youth unemployment rates consistently higher for females than for males.

Table 4.3: Unemployment Rates for Youth Aged 15-35 by Area, Level of Education and Sex

Area	2024									2025								
	TZM			ZNZ			URT			TZM			ZNZ			URT		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
Rural	6.6	8.9	7.7	7.2	18.8	12.2	6.6	9.2	7.8	5.3	6.6	5.9	4.8	13.2	8.5	5.3	6.7	6.0
Urban	5.1	10.9	8.0	14.4	36.1	24.5	5.5	11.9	8.7	5.8	12.0	8.9	7.4	21.2	13.8	5.9	12.4	9.1
DSM	5.3	14.3	10.0	-	-	-	5.3	14.3	10.0	7.8	17.4	12.7	-	-	-	7.8	17.4	12.7
Total	6.1	10.2	8.1	10.3	26.8	17.7	6.2	10.6	8.3	5.7	9.3	7.4	6.0	17.0	10.9	5.7	9.5	7.5
Education																		
Never Attended	9.6	7.8	8.6	2.3	8.8	5.5	9.6	7.8	8.5	7.5	5.2	6.3	1.1	6.2	3.2	7.4	5.3	6.3
Primary Education	6.0	10.2	8.0	4.1	19.2	9.5	6.0	10.3	8.0	5.8	8.8	7.2	2.5	10.7	5.2	5.7	8.8	7.2
Secondary Education	5.6	10.5	7.9	12.5	28.7	20.2	6.0	11.4	8.5	5.1	10.7	7.7	6.5	17.7	11.8	5.2	11.1	7.9
Vocational Training	5.4	7.4	6.5	13.6	42.4	26.6	6.3	10.1	8.3	1.6	9.2	5.4	12.7	13.9	13.3	2.3	9.6	5.9
Tertiary non-University	4.1	9.9	7.4	13.0	7.4	10.4	4.4	9.9	7.5	8.6	13.2	11.0	22.7	33.8	28.8	9.0	13.9	11.6
University	6.6	15.8	10.5	13.6	26.1	19.0	6.9	16.2	10.9	8.2	14.4	10.9	6.4	23.2	15.3	8.1	14.9	11.1
Total	6.1	10.2	8.1	10.3	26.8	17.7	6.2	10.6	8.3	5.7	9.3	7.4	6.0	17.0	10.9	5.7	9.5	7.5

Source: ILFS 2024 and 2025

Key message: Table 4.3 indicates a decline in youth unemployment among persons aged 15–35 in Tanzania, from 8.3 percent in 2024 to 7.5 percent in 2025. In Mainland Tanzania, the youth unemployment rate fell from 8.1 percent in 2024 to 7.4 percent in 2025. By contrast, Zanzibar saw a slight decrease, with the rate falling from 17.7 percent to 10.9 percent over the same period. Despite the overall decline, youth unemployment rates remain consistently higher among females than males. Additionally, trends across the level of educations reveal a slight decrease in unemployment among youth with primary and secondary education.

4.4: LONG TERM UNEMPLOYMENT

Long-term unemployment refers to individuals who have been continuously unemployed for a period of 12 months or more. This indicator highlights not only the existence of unemployment but also the prolonged duration of joblessness among individuals who are actively seeking work and available to start employment during the reference period. Monitoring long-term unemployment is crucial for understanding deeper structural issues within the labour market. By analysing this group, policymakers and stakeholders can better design targeted interventions aimed at re-skilling, job matching, and supporting sustained labour market inclusion.

Table 4.4: Long Term Unemployment by Area, Level of Education, Age Group and Sex

Area	2024									2025								
	TZM			ZNZ			URT			TZM			ZNZ			URT		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
Rural	30.4	28.4	29.3	43.0	55.2	51.5	30.7	29.5	30.1	27.7	24.7	26.2	49.2	52.5	51.6	28.1	25.8	26.9
Urban	29.6	29.4	29.5	43.0	46.9	45.6	31.0	31.3	31.2	21.0	19.7	20.2	35.9	41.5	40.1	21.7	21.3	21.4
DSM	31.6	28.7	29.4	-	-	-	31.6	28.7	29.4	24.7	22.7	23.3	-	-	-	24.7	22.7	23.3
Total	30.3	28.7	29.4	43.0	50.4	48.0	30.8	29.9	30.3	25.7	22.6	23.9	41.8	46.2	45.0	26.0	23.6	24.6
Education																		
Never Attended	28.0	22.9	25.2	34.4	55.7	53.0	28.0	23.4	25.4	40.3	22.6	30.7	83.8	57.9	62.1	40.5	23.5	31.3
Primary Education	29.7	33.0	31.6	55.5	42.1	45.9	29.9	33.1	31.7	23.1	21.2	22.0	37.1	52.9	49.5	23.2	21.6	22.2
Secondary Education	31.2	20.3	24.6	38.5	54.3	49.1	32.0	25.1	27.7	27.2	25.1	25.9	47.1	44.3	45.1	28.4	27.1	27.5
Vocational Training	45.4	20.1	28.4	57.3	31.5	39.1	48.4	23.3	31.3	44.1	10.3	17.1	26.8	53.5	42.0	39.2	15.3	21.0
Tertiary non-University	30.3	55.4	49.2	36.5	33.4	35.2	30.8	55.0	48.7	18.6	38.0	31.0	7.7	52.5	36.8	17.8	39.2	31.5
University	42.2	18.1	26.9	55.6	53.0	54.0	43.4	20.8	29.2	26.8	21.5	23.5	31.5	32.4	32.3	26.9	22.4	24.1
Total	30.3	28.7	29.4	43.0	50.4	48.0	30.8	29.9	30.3	25.7	22.6	23.9	41.8	46.2	45.0	26.0	23.6	24.6
Age																		
15-24	31.1	26.8	28.7	35.5	49.0	43.7	31.4	28.2	29.6	24.5	23.4	23.9	44.4	37.7	40.2	25.1	24.0	24.5
25-35	30.2	27.4	28.5	39.7	49.5	46.3	30.7	28.7	29.5	29.5	25.0	26.5	34.6	47.2	44.8	29.6	25.9	27.2
36+	30.6	32.7	31.6	59.9	54.8	56.4	31.1	33.5	32.3	24.3	18.0	20.9	41.6	56.0	54.0	24.5	20.0	22.0
Total	30.3	28.7	29.4	43.0	50.4	48.0	30.8	29.9	30.3	25.7	22.6	23.9	41.8	46.2	45.0	26.0	23.6	24.6

Source: ILFS 2024 and 2025

Key message: The results presented in Table 4.4 show that the persons experiencing long-term unemployment declined from 30.3 percent in 2024 to 24.6 percent in 2025. A similar decline is observed across Mainland Tanzania and Zanzibar, as well as across urban and rural areas and various age groups. With regard to education, a substantial decline in long-term unemployment is observed for persons with tertiary non university education from 48.7 percent in 2024 to 31.5 percent in 2025.

4.5: TIME – RELATED UNDEREMPLOYMENT

Time-related underemployment (TRU) refers to the number of employed persons who work fewer than the standard 40 hours per week but are willing and available to work additional hours (cite). This form of time-related underemployment highlights a gap between the actual hours worked and the preferred level of employment, reflecting untapped labour potential. The TRU is an important indicator of labour market inefficiency, as it shows that while these individuals are classified as employed, their current jobs do not fully meet their economic needs or aspirations.

Table 4.5: Distribution of Time Related Underemployment by Area, Level of Education and Sex,

Area	2024									2025								
	TZM			ZNZ			URT			TZM			ZNZ			URT		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
Rural	13.5	11.9	12.8	12.2	13.6	12.7	13.5	12.0	12.8	14.2	12.8	13.5	10.9	14.5	12.5	14.1	12.8	13.5
Other Urban	8.2	7.6	7.9	10.5	18.1	13.6	8.4	8.0	8.2	7.9	8.7	8.3	13.3	25.2	18.3	8.2	9.3	8.8
DSM	9.8	11.2	10.4	-	-	-	9.8	11.2	10.4	5.7	8.7	7.1	-	-	-	5.7	8.7	7.1
Total	11.7	10.7	11.2	11.5	15.5	13.1	11.7	10.8	11.3	11.7	11.3	11.5	12.0	19.2	15.1	11.7	11.5	11.6
Education																		
Never Attended	11.0	11.3	11.2	9.1	9.7	9.5	11.0	11.3	11.1	14.0	13.1	13.5	8.7	9.9	9.5	13.9	13.1	13.4
Primary Education	13.3	11.5	12.4	14.0	12.9	13.6	13.3	11.5	12.4	13.6	12.1	12.9	12.9	19.1	15.1	13.6	12.1	12.9
Secondary Education	9.8	9.1	9.5	11.0	18.6	14.1	9.9	9.7	9.8	7.6	8.9	8.1	12.1	20.9	15.8	7.9	9.7	8.7
Vocational Training	12.0	9.8	11.0	13.4	18.0	15.2	12.2	10.3	11.3	6.5	8.6	7.4	11.9	25.0	17.9	6.9	9.8	8.2
Tertiary non-University	5.3	6.2	5.7	5.1	13.2	9.0	5.3	6.4	5.8	3.7	4.1	3.9	16.9	10.3	13.8	4.0	4.3	4.2
University	2.6	3.9	3.1	6.4	8.1	7.1	2.8	4.1	3.3	4.0	4.9	4.3	8.5	21.3	14.0	4.2	5.9	4.8
Total	11.7	10.7	11.2	11.5	15.5	13.1	11.7	10.8	11.3	11.7	11.3	11.5	12.0	19.2	15.1	11.7	11.5	11.6
Age																		
15-24	14.4	11.2	12.9	17.2	22.5	19.4	14.5	11.4	13.1	15.1	11.6	13.4	18.5	27.8	21.9	15.1	11.8	13.6
15-35	12.0	10.9	11.5	13.6	18.7	15.6	12.1	11.1	11.6	12.8	11.2	12.0	14.2	21.2	17.1	12.8	11.4	12.1

36+	11.4	10.4	10.9	9.4	12.7	10.8	11.3	10.5	10.9	10.1	11.4	10.7	8.7	15.5	11.6	10.1	11.5	10.8
Total	11.7	10.7	11.2	11.5	15.5	13.1	11.7	10.8	11.3	11.7	11.3	11.5	12.0	19.2	15.1	11.7	11.5	11.6

Source: ILFS 2024 and 2025

Key message: A slight increase in time-related underemployment is observed from 11.3 percent in 2024 to 11.6 percent 2025 in the United Republic of Tanzania (See Table 4.5). Specifically, in the Mainland Tanzania, underemployment increased from 11.2 percent to 11.5 percent, with more notable increase among youth. Similarly, Zanzibar experienced an increase from 13.1 percent to 15.1 percent, with an increase observed across both sex and particularly in other urban areas.

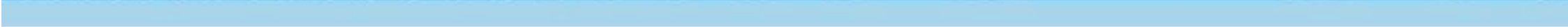
4.6: POPULATION OUTSIDE LABOUR FORCE

The population outside the labour force includes working-age individuals who are not employed and not actively seeking employment. This group consists of retirees, students, individuals with illnesses or disabilities, those involved in unpaid caregiving, and discouraged job seekers. Analysing this population provides important insights into social and economic dynamics, such as access to education, health conditions, caregiving responsibilities, and barriers to employment, helping identify potential areas for policy intervention and workforce inclusion.

Table 4.6: Percentage of Population Outside Labour Force by Area and Sex

Area		2024			2025		
		Potential labour force	Individuals not seeking employment	Total	Potential labour force	Individuals not seeking employment	Total
TZM	Male	6.5	13.7	20.3	5.4	15.7	21.0
	Female	12	20.2	32.3	13.3	29.4	42.6
	Total	9.4	17.1	26.6	9.1	22.2	31.4
ZNZ	Male	4.1	20.9	25	2.4	25.2	27.6
	Female	16.4	27.2	43.6	25.2	46.7	71.9
	Total	10.4	24.1	34.5	12.6	34.8	47.4
URT	Male	6.5	14	20.4	5.3	16.0	21.2
	Female	12.2	20.5	32.6	13.6	29.8	43.4
	Total	9.5	17.4	26.8	9.2	22.6	31.8

Source: ILFS 2024 and 2025

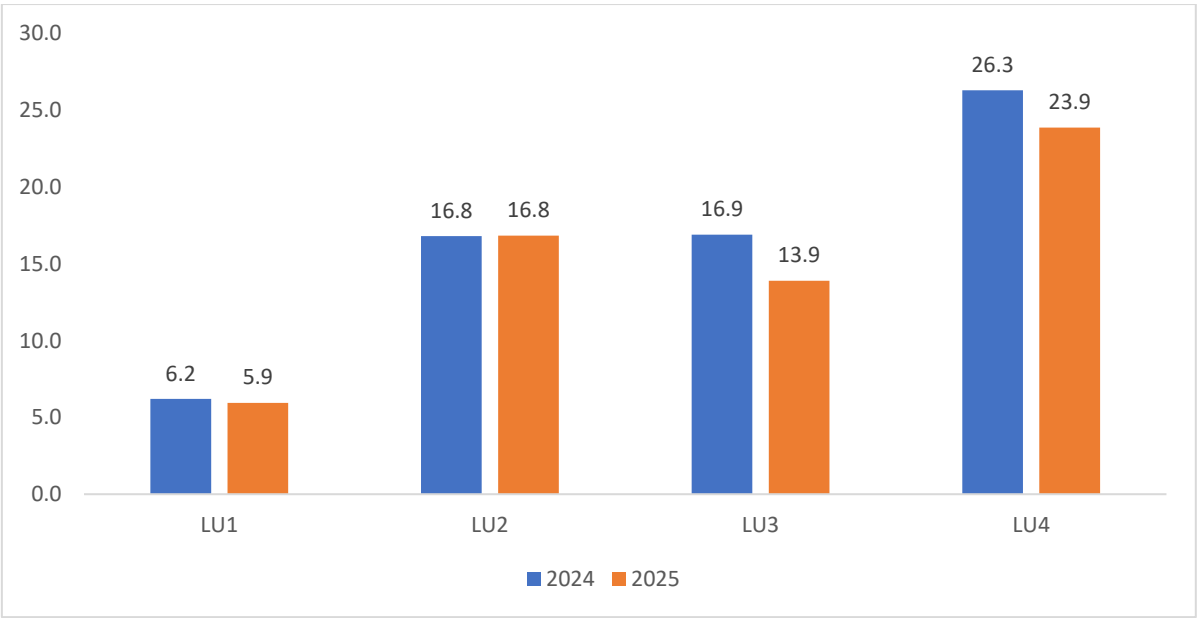


Key message: The proportion of the population outside the labour force remains higher for females than for males across all areas (Table 4.6). Compared to 2024, the overall share of people outside the labour force has increased, driven mainly by a rise in individuals not seeking employment, alongside a slight decline in the potential labour force (from 9.5 percent to 9.2 percent).

4.7 COMPOSITE MEASURES OF LABOUR UNDERUTILIZATION

Composite measures of labour underutilization provide a broader and more detailed understanding of labour market conditions than the standard unemployment rate alone. While the unemployment rate (LU1) captures those actively seeking work, it does not reflect individuals who are marginally attached to the labour force or those working fewer hours than they desire. To address this, additional measures such as LU2, LU3, and LU4 expand the definition of labour underutilization.

Figure 4.2: Composite measures of Labour Underutilization



Source: ILFS 2024 and 2025

Figure 4.2 indicates a notable improvement in the overall performance of the labour market 2024 and 2025, as evidenced by a consistent decline across all composite measures of labour underutilization (LU1, LU2, LU3, and LU4). LU1, which represents the standard unemployment rate, has decreased, reflecting stronger job creation. Similarly, LU2, which includes the unemployed and the under-employed, remained constant, suggesting improved re-engagement with the labour force. LU3, which includes unemployed, under - employed and potential labour force, showed a reduction, indicating increased access to employment opportunities. LU4, the broadest measure that captures all forms of slack in the labour market, also fell, highlighting a more efficient and inclusive labour market overall. These trends point to a strengthening economy.

Note:

- LU1- Unemployment rate
- LU2- Combined rate of time-related underemployment and unemployment
- LU3- Combined rate of unemployment and potential labour force

4.8 CHAPTER FOUR SUMMARY

The chapter analyzes Labour Underutilization in Tanzania using 2024–2025 ILFS data and ILO LU1–LU4 indicators, highlighting trends in unemployment, underemployment, and labour force participation.

Overall unemployment slightly declined. However, disparities persist where females continue to have higher unemployment than males, and youth (15–24) face the highest rates, with youth unemployment rising. Regionally, Dar es Salaam has the highest unemployment, and urban areas exceed rural areas in 2025. Notably, rural unemployment fell, while urban unemployment rose sharply. Long-term unemployment improved by declining across most groups and regions, with a significant drop among those with non-university tertiary education. Time-related underemployment slightly increased with rises in both Mainland Tanzania and Zanzibar, especially among youth and in urban areas. Additionally, more females remain outside the labour force compared to males. The total population outside the labour force increased, largely due to more people not seeking work, while the potential labour force slightly declined.

ANNEX A:

SUMMARY OF FINDINGS AND POLICY RECOMMENDATIONS

1. The increase in the Labour Force Participation Rate (LFPR) indicates that more persons are either employed or actively seeking work.

Recommendation: Investment in skills development and retraining initiatives is essential, particularly for individuals entering or re-entering the labour market—such as women, youth, and older workers—to take advantage of the rising LFPR. This approach will improve employability, better align skills with labour market needs, and support sustainable economic growth.

2. The increase in the Employment-to-Population Ratio (EPR) from 68.7 percent in 2024 to 71.4 percent in 2025 indicates overall employment progress. However, the persistent gender gap, especially the low female EPR in Zanzibar, underscores entrenched inequalities in access to employment.

Recommendation: Targeted initiatives should address social, economic, and cultural barriers while promoting women's participation in high-growth sectors such as digital technology, the blue economy, and finance through training, mentorship, and gender-inclusive hiring incentives.

3. There has been slightly increase in informal employment, rising from 94.6 percent in 2024 to 95.7 percent in 2025. However, the rate of informal employment is slightly higher among females than males, indicating persistent gender-based disparities in access to formal employment opportunities.

Recommendation; To address rising informal employment and persistent gender disparities, policymakers should promote the formalization of informal enterprises through incentives and simplified regulations, invest in skills development for women and youth and expand social protection for informal workers.

4. There has been an increase in nominal wages and salaries for paid employees, rising from TZS 477,241 in 2024 to TZS 478,627 in 2025. Additionally, males earn slightly higher wages than females during this period.

Recommendation: To sustain nominal wage growth and reduce the gender wage gap, policymakers should promote decent working conditions and gender mainstreaming in the

workplace. This includes enforcing equal pay laws, improving wage transparency and supporting women's access to higher-paying sectors through targeted training and mentorship programs.

5. Tanzania's unemployment rate declined from 6.2 percent in 2024 to 5.9 percent in 2025, despite still being recorded to be high among females.

Recommendation: To further reduce unemployment and narrow the gender gap, the government should strengthen initiatives that promote women's participation in the labour market including expanded access to skills training, entrepreneurship support and career development opportunities. These measures will foster a more inclusive job market and help reduce gender disparities.

ANNEX B:

SURVEY QUALITY MEASUREMENTS

i. Introduction

Survey estimates are derived from complex sampling procedures and are subject to various sources of error. These estimates may differ from the true population parameters due to unavoidable survey errors. Such errors, inherent in the survey process, arise from both sampling and non-sampling sources.

Total Survey Error (TSE) refers to the overall difference between a population parameter (such as a mean or total) and its corresponding estimate obtained from a sample survey. According to Biemer and Lyberg (2003), TSE is conceptually the sum of **sampling errors** and **non-sampling errors**. Understanding and minimizing TSE is critical for ensuring the quality and reliability of survey results.

ii. Sampling Errors

Sampling errors occur because surveys typically rely on data collected from a subset (sample) of the population rather than the entire population. These errors can be statistically evaluated and controlled through effective sample design and selection procedures. One of the key measures used to assess sampling error is the **Coefficient of Variation (CV)**.

The **Coefficient of Variation** is a standardized measure of dispersion that expresses the extent of variability in relation to the mean of the population. It is calculated as the ratio of the standard deviation to the mean and is usually expressed as a percentage.

- A **low CV** (e.g., less than 25 percent) indicates that the variability in the survey data is relatively small compared to the mean. This suggests that the sampling error is low and the survey estimates are relatively precise and reliable.
- A **high CV** (e.g., greater than 25 percent) suggests significant variability in the data relative to the mean, indicating less precise estimates and a higher level of uncertainty in the survey results.

iii. Non-Sampling Errors

Non-sampling errors are all other types of errors that may occur during the survey process, excluding those related to sampling. These can include errors in data collection, respondent misunderstandings, interviewer bias, data entry mistakes, non-response, and processing errors. Unlike sampling errors, non-sampling errors are often more difficult to quantify and control, yet they can have a significant impact on the accuracy of survey results.

Reducing non-sampling errors requires rigorous quality control measures at every stage of the survey—from questionnaire design and interviewer training to data validation and processing.

iv. Survey Quality Measures

Tables B1 to B11 present various survey quality indicators, including the Coefficients of Variation for key estimates from the 2025 ILFS. Generally, the results show that CV values for most estimates are generally low, indicating that the survey measurements are relatively precise and the sampling errors are within acceptable limits. This reflects well on the overall quality and reliability of the survey data.

Table B1: Employed Population

Geographical Areas of URT		Estimate	Standard Error	95% Confidence Interval		Coefficient of Variation	Cumulative	Unweighted Count
				Lower	Upper			
TZM	Employed Population	30.43	5.84	18.80	42.05	0.19	68.52	18,867
ZNZ	Employed Population	0.77	0.25	0.28	1.26	0.32	2.22	6,416

Table B2: Unemployed Population

Geographical Areas of URT		Estimate	Standard Error	95% Confidence Interval		Coefficient of Variation	Cumulative	Unweighted Count
				Lower	Upper			
TZM	Unemployed Population	0.63	0.14	0.34	0.92	0.23	68.52	391
ZNZ	Unemployed Population	0.06	0.02	0.02	0.10	0.34	2.22	477

Table B3: Population Outside the Labour Force

Geographical Areas of URT		Estimate	Standard Error	95% Confidence Interval		Coefficient of Variation	Cumulative	Unweighted Count
				Lower	Upper			
TZM	Population Outside the Labour Force	37.46	7.71	22.11	52.82	0.21	68.52	22,967
ZNZ	Population Outside the Labour Force	1.39	0.42	0.55	2.23	0.30	2.22	11,771

Table B4: Youth Aged 15-24

Geographical Areas of URT		Estimate	Standard Error	95% Confidence Interval		Coefficient of Variation	Cumulative	Unweighted Count
				Lower	Upper			
TZM	Youth Aged 15-24	12.99	2.53	7.96	18.02	0.19	38.76	7,213
ZNZ	Youth Aged 15-24	0.43	0.13	0.16	0.69	0.31	1.29	3,645

Table B5: Youth Aged 15-35

Geographical Areas of URT		Estimate	Standard Error	95% Confidence Interval		Coefficient of Variation	Cumulative	Unweighted Count
				Lower	Upper			
TZM	Youth Aged 15-35	23.37	4.43	14.55	32.19	0.19	38.76	14,040
ZNZ	Youth Aged 15-35	0.75	0.23	0.29	1.20	0.31	1.29	6,152

Table B6: Adult Population (36+)

Geographical Areas of URT		Estimate	Standard Error	95% Confidence Interval		Coefficient of Variation	Cumulative	Unweighted Count
				Lower	Upper			
TZM	Adult Population (36+)	15.39	3.05	9.31	21.47	0.20	38.76	10,819
ZNZ	Adult Population (36+)	0.55	0.17	0.20	0.89	0.32	1.29	4,593

Table B7: Employed in Agriculture

Geographical Areas of URT		Estimate	Standard Error	95% Confidence Interval		Coefficient of Variation	Cumulative	Unweighted Count
				Lower	Upper			
TZM	Employed in Agriculture	22.77	5.33	12.16	33.39	0.23	35.93	11,964
ZNZ	Employed in Agriculture	0.26	0.12	0.03	0.50	0.45	0.86	2,912

Table B8: Employed in Industry

Geographical Areas of URT		Estimate	Standard Error	95% Confidence Interval		Coefficient of Variation	Cumulative	Unweighted Count
				Lower	Upper			
TZM	Employed in Industry	2.87	0.51	1.87	3.88	0.18	35.93	2,008
ZNZ	Employed in Industry	0.16	0.05	0.06	0.26	0.32	0.86	1,276

Table B9: Employed in Services

Geographical Areas of URT		Estimate	Standard Error	95% Confidence Interval		Coefficient of Variation	Cumulative	Unweighted Count
				Lower	Upper			
TZM	Employed in Services	10.28	1.59	7.11	13.45	0.15	35.93	7,950
ZNZ	Employed in Services	0.43	0.13	0.18	0.69	0.29	0.86	3,009

Table B10: Employment in Public Sector

Geographical Areas of URT		Estimate	Standard Error	95% Confidence Interval		Coefficient of Variation	Cumulative	Unweighted Count
				Lower	Upper			
TZM	Employment in Public Sector	1.12	0.19	0.73	1.50	0.17	31.06	916
ZNZ	Employment in Public Sector	0.09	0.03	0.04	0.15	0.30	0.83	675

Table B11: Employment in Private Sector

Geographical Areas of URT		Estimate	Standard Error	95% Confidence Interval		Coefficient of Variation	Cumulative	Unweighted Count
				Lower	Upper			
TZM	Employment in Private Sector	29.94	5.82	18.35	41.53	0.19	31.06	18,342
ZNZ	Employment in Private Sector	0.74	0.24	0.26	1.21	0.32	0.83	6,218

