



The Effectiveness of the TASAF III Program in Improving Household Income Among Beneficiaries in Meru District Council, Arusha, Tanzania

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Abstract

Conditional Cash Transfer (CCT) programs are significant effectiveness in promoting healthier behaviors and providing financial support, which is crucial for long-term poverty alleviation. This study evaluatee the extent to which the TASAF III program improved household income levels among beneficiaries in the Meru District Council. A cross sectional research design was used exhaust data from 111 household beneficiaries whom were random systematically sampled. Data were collected through questionnaires surveys and documentary review. Data were analyzed using descriptive statistics of mean and standard deviation. Findings revealed that the TASAF III program was highly effective in improving household income levels among beneficiaries in the Meru District Council. The increase in mean monthly income, coupled with the reduction in income variability, suggests that TASAF III successfully addressed income inequality and lifted many households out of extreme poverty. The study concludes that TASAF III has been effective in poverty reduction to a certain extent, yet calls for better management and increased support to enhance its long-term impact. It is recommended that the government should design and implement a more extensive capacity-building programmes to empower TASAF III household beneficiaries to leverage their financial resources effectively.

Keywords: TASAF, Household, Income, Beneficiaries, Poverty, Empowerment

Introduction

Globally, poverty remains a pervasive challenge affecting over 648 million people who subsist on less than \$2.15 per day, as measured by purchasing power parity (PPP) (World Bank, 2022b) ^[21]. Poverty manifests through various dimensions lack of access to essential services like healthcare and education, inadequate nutrition, and insufficient employment opportunities (Sachs *et al.*, 2022) ^[15]. These conditions not only diminish the quality of life but also perpetuate a cycle of economic and social disenfranchisement (Neil and Umar, 2021) ^[12].

Efforts to mitigate poverty have been diverse and widespread. (World Bank, 2019) ^[19] documented that social action funds globally have aimed to enhance poverty reduction through community involvement in project planning and the implementation of labour-intensive programs targeting the poorest districts. In regions like Latin America, Conditional Cash Transfer (CCT) programs such as Bolsa Escola in Brazil and Progresa in Mexico have demonstrated significant effectiveness in promoting healthier behaviors and providing financial support, which is crucial for long-term poverty alleviation (Bouillon and Tejerina, 2019; Ranganathan and Mylene, 2020) ^[2, 13]. Similarly, in Indonesia, poverty alleviation efforts have focused on improving infrastructure and supporting marginalized groups. However, challenges such as inadequate resources have hampered these initiatives (Negara, 2018) ^[11]. These global experiences underscore the complexity of addressing poverty, which involves both immediate relief and sustainable development strategies to ensure long-term improvement in living standards.

In Tanzania, the establishment of the Tanzania Social Action Fund (TASAF) in 2000 marked a significant policy response to the urgent need for poverty reduction (TASAF, 2022). The First Phase of TASAF which is known as TASAF-I started in 2000, Main focus of TASAF-I was to improve social service delivery, addressing income poverty for poor able-bodied but food insecure households, and capacity enhancement. TASAF-I has many achievements such as training beneficiaries on issues related to project management, many sub-projects funded (TASAF, 2019) ^[16]. The Second Phase of TASAF which was known as TASAF-II started in 2005 and ended in 2013 and it was focused on addressing lack and/or shortage of social services and income poverty in rural and urban areas (TASAF, 2019) ^[16].

TASAF's initiatives, particularly Phase III, have been instrumental in providing targeted support to impoverished communities through cash transfers and development projects aimed at enhancing access to basic services and economic opportunities (Research on Poverty Alleviation (REPOA), 2021) ^[14]. Despite these efforts, persistent challenges such as the efficient use of funds and the actual impact on beneficiaries' economic status raise questions about the effectiveness of these interventions (Gamboa *et al.*, 2020; Lyimo, 2021) ^[5].

This study focused on TASAF III's implementation in the Meru District Council, specifically in Akheri and Nkoaranga Wards, where over 5,526 beneficiaries have been targeted for poverty reduction initiatives since 2000. With the national basic needs poverty line set at TZS 49,320 per adult per month, there was a notable decline in poverty levels from 34.4% in 2007 to 26.4% in 2018 (National Bureau of Statistics, 2019) ^[10]. However, the real impact of TASAF III on improving the beneficiaries' quality of life and economic stability remained inadequately explored. The study evaluated the extent to which the TASAF III program improved household income levels among beneficiaries in the study area.

Statement of the Problem

Tanzania has implemented Cash Transfer (CT) programs for over 23 years, covering more than 10 percent of the population in Tanzania. However, still, the population remained poor, including TASAF III household beneficiaries (World Bank, 2019) ^[19]. However, it was argued that distributing cash might not lead to long-term poverty alleviation (Mpoki, 2019) ^[9]. Criticisms also arose over the usage of these funds, with some policymakers worried that recipients might spend them on non-essential items like alcohol and gambling, potentially intensifying the poverty cycle rather than alleviating it (Evans *et al.*, 2019) ^[4]. The World Bank (2019) ^[19] highlighted that while Conditional Cash Transfer (CCT) programs may temporarily elevate households above the poverty line, there was a risk of recipients falling back into poverty once the aid was withdrawn, suggesting a lack of lasting impact from these transfers. Vulnerable groups, particularly in rural areas, women, and individuals with disabilities, continued to suffer disproportionately. As of 2022, around 26 million Tanzanians still experienced extreme poverty, subsisting on less than \$1.90 per day (World Bank, 2019) ^[19]. While CTs aimed to reduce poverty, there appeared to be a disconnect between the intentions of these programs and their actual impact on the ground. This mismatch underlined the need for a comprehensive evaluation of the TASAF program,

particularly TASAF III, to assess its effectiveness in not only alleviating poverty temporarily but also in fostering sustainable economic growth and improving the quality of life among the targeted populations (TASAF, 2019) ^[16].

The basic needs poverty headcount fell in all areas but most dramatically in rural areas. In the past decade, the proportion of Tanzanians who are extremely poor and cannot afford basic foodstuffs to meet their minimum nutritional requirements of 2,200 kilocalories (Kcal) per adult per day also declined from about 12 to 8 percent. The incidence of poverty is higher in Rural Areas (31.3%) than in urban areas (15.8%) and the exceeding majority (74%) of poor Tanzanians are primarily dependent on agriculture, Tanzania Mainland Assessment Report (2019). In 2000, the Meru District Council established a program to reduce poverty among household members. An allocation of Sh. 175,380,000 million was designated to benefit 5,526 beneficiaries of the TASAF Phase III program in the Meru District Council, targeting assistance to impoverished households (Meru TASAF Report 2020). The study assesses the effectiveness of the TASAF III in poverty reduction among household beneficiaries in the Meru District Council.

Theoretical Review

The study deployed the basic needs theory propounded by Doyal and Gough (1991) ^[3]. This Theory clarifies that, poverty reduction programs should aim to meet individuals' essential needs, such as food, shelter, education, and healthcare. This is to say that, once household's income is improved then the basic needs will automatically be met. TASAF III can be evaluated through this lens, particularly regarding its role in improving household income and access to social services like healthcare and education. Evaluating TASAF III through this theory helps assess its impact on improving household income and access to essential social services like healthcare and education. The theory offers valuable insights into household income by providing a more comprehensive evaluation of income improvement.

Methodology

Study Area

This study was conducted in Nkoaranga and Akheri Wards of Meru District Council. The wards are characterized by their rural-urban dynamics, situated in semi-rural areas where agricultural activities and small-scale businesses dominate. These wards represent communities with limited access to resources, primarily engaging in informal and subsistence-based economic activities. The high levels of poverty in these areas make them prime candidates for poverty alleviation interventions under TASAF III, which aims to provide financial support and promote economic empowerment in underserved regions (National Bureau of Statistics, 2020) ^[10]. The substantial participation of households in the TASAF III program is a key factor in selecting Nkoaranga and Akheri for this study. These wards have a large number of beneficiaries, offering ample data for assessing how effectively TASAF III has contributed to poverty reduction. Also, the wards were chosen for their representativeness and accessibility, reflecting broader socio-economic challenges across rural and semi-rural Tanzania. The active participation of households in TASAF III allows for the collection of detailed data on the program's outcomes. These wards present a range of economic activities, from farming to petty trade,

which allows for a comprehensive evaluation of how TASAF III has addressed different types of economic vulnerabilities.

Study design

This study used a cross-sectional design. The design enabled the researcher to use scarce resources effectively and efficiently in terms of time and finances for the study. National censuses, for instance, provided a snapshot of conditions in the country at that time (Thomas, 2020) ^[17].

Study Population

The study population was 154 beneficiaries of TASAF III whereas 85 and 69 were from Akheri and Nkoaranga respectively.

Sample Size

The sample size for the TASAF III household beneficiaries was computed using Yamane's formula (Yamane, 1967) ^[22] which resulted into 111 beneficiaries for this study. Then, due to differences in number of beneficiaries in the two wards, it was necessary to compute proportionate samples in which the calculation resulted into, 50 household beneficiaries from Nkoaranga Ward and 61 from Akheri Ward.

Sampling Technique

The researcher selects the sample size using probability preferably the systematic random sampling technique to obtain 111 TASAF III household beneficiaries through the use of the nth term from both Akheri and Nkoaranga wards which was 2 in each ward. The reason behind the use of systematic sampling is that it helps to minimize biased samples and poor survey results (Kumar, 2021) ^[8].

Data Collection Methods

Data were collected using Questionnaire survey and Documentary methods. A questionnaire survey involved the use of structured questionnaire instrument primarily consisting of closed-ended questions, for household beneficiaries in the study area. While, the research incorporated secondary data from multiple sources, including TASAF reports, local government records, and relevant socio-economic reports of the Meru District Council which provided essential contextual insights and statistical benchmarks related to the topic under study.

Data Analysis

The data analysis for this study involved calculation of the Households income of the beneficiaries by considering the difference before and after TASAF III programme implementation. Mean and standard deviation were the statistics used in the analysis. By analyzing the mean (\bar{x}) and standard deviation (σ), it helped to get valuable insights into the program's effectiveness in reducing poverty and improving the economic status of beneficiary households. The computation was done using the Statistical Package for Social Sciences (SPSS).

Results and Discussion

The extent to which the TASAF III program improved household income levels among the household beneficiaries in the study area

The descriptive statistics in this study helped to evaluate the extent to which the Tanzania Social Action Fund III (TASAF III) program improved household income levels among

beneficiaries in the Meru District Council. The mean monthly income before the TASAF III intervention (MIB) was TZS 68,972.97, with a standard deviation of TZS 36,727.86. This relatively low mean income indicates that, before TASAF III, households in the study area were struggling with limited financial resources. The large standard deviation reflects considerable variability in income levels, suggesting that household income sources were diverse and unstable, this is a common scenario in rural and semi-urban communities dependent on agriculture or informal employment (Khan *et al.*, 2021) ^[7]. Income inequality among these households could have been exacerbated by seasonal fluctuations in agricultural production, market access challenges, and limited access to formal financial services.

After the implementation of TASAF III, the mean monthly income (MIA) rose extensively to TZS 140,108.11, with a reduced standard deviation of TZS 33,634.76. This represents an increase of over 00% in average household income, highlighting the substantial impact of TASAF III on improving the financial standing of its beneficiaries. The lower standard deviation post-intervention suggests that household income disparities diminished, indicating that the program successfully lifted a significant portion of the population closer to a common income level. This is in line with findings from similar social protection programs in sub-Saharan Africa, where cash transfers have been shown to reduce income inequality by providing a consistent income stream to the poorest households (Evans *et al.*, 2020).

Table 1: The Degree of Improvement in Household Income

	N	Mean	Std. Deviation
Monthly Income Before TASAF III (MIB)-TASAF III	111	68,972.97	36727.859
Monthly Income After TASAF III (MIA)-TASAF III	111	140,108.11	33634.763

Source: (Researcher, 2024)

The substantial increase in income following TASAF III can be attributed to the cash transfers provided by the program, which are designed to enhance household resilience to economic shocks and enable investment in income-generating activities. Cash transfers have been widely recognized as an effective tool for poverty alleviation, particularly in low-income countries. Studies have demonstrated that when households receive regular and predictable income, they are more likely to invest in small businesses, improve agricultural productivity, or purchase assets that contribute to long-term economic security (Davis Handa *et al.*, 2019). In the case of Meru District Council, the increase in household income following TASAF III suggests that beneficiaries were able to use the cash transfers not only to meet immediate needs but also to engage in activities that generated additional income, thereby improving their overall economic stability.

Therefore, the descriptive statistics indicate that the TASAF III program was highly effective in improving household income levels among beneficiaries in the Meru District Council. The increase in mean monthly income, coupled with the reduction in income variability, suggests that TASAF III successfully addressed income inequality and lifted many households out of extreme poverty. These findings are

consistent with the broader literature on the effectiveness of cash transfer programs in poverty reduction, which emphasizes their role in enhancing household resilience, reducing inequality, and improving living standards. The TASAF III program's success in the Meru District demonstrates the potential for well-targeted social protection interventions to transform the economic lives of vulnerable populations, offering a model for other regions facing similar challenges.

The increase in mean income following TASAF III also highlights the importance of social protection programs in mitigating the effects of economic shocks, such as those induced by the COVID-19 pandemic. During periods of economic uncertainty, vulnerable households are often the hardest hit, as they lack the financial reserves to withstand income losses. The TASAF III program, by providing regular cash transfers, likely helped cushion the impact of the pandemic on household incomes in Meru District, enabling beneficiaries to maintain their purchasing power and avoid falling deeper into poverty. This finding aligns with recent research on the role of cash transfers in building household resilience to shocks, which has become increasingly relevant in light of the global pandemic (Banerjee *et al.*, 2020) ^[1].

This study suggests that cash transfer programs like TASAF III not only improve income levels but also stimulate local economies. Studies by Hoynes and Rothstein (2021) ^[6] indicate that when beneficiaries spend their cash transfers locally, it benefits businesses and services within the community, generating a multiplier effect that positively impacts the wider economy. This community-based economic growth, fueled by TASAF III, supports the Basic Needs Theory's focus on the fundamental role of economic stability in facilitating broader socio-economic development. In the context of Meru District, increased local purchasing power contributed to a more vibrant local economy, supporting both the recipients and surrounding community members.

Conclusion

The extent to which the TASAF III program has improved household income levels among beneficiaries is noteworthy. The data indicated that households receiving TASAF III support experienced a marked increase in their income levels. Beneficiaries reported that the cash transfers facilitated not only immediate consumption needs but also allowed for investment in income-generating activities. This boost in income has been critical in enabling families to cover essential expenditures such as food, healthcare, and education, ultimately contributing to a reduction in poverty levels. Moreover, the study highlighted the accessibility of basic social services, including healthcare, education, and food security, and how these services interacted with demographic factors such as gender, marital status, and age among TASAF III beneficiaries. The findings illustrated those beneficiaries benefitted significantly from improved access to healthcare services, which directly resulted from the financial assistance provided.

Recommendations

This study recommends that more extensive capacity-building initiatives be implemented by the government to empower beneficiaries to leverage their financial resources effectively. Programs focusing on entrepreneurship training, vocational skills development, and financial management can equip beneficiaries with the tools necessary for establishing

sustainable income-generating activities. Such initiatives will not only promote economic independence among beneficiaries but also contribute to long-term poverty reduction efforts.

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