



ZANZIBAR PLANNING COMMISSION

HARNESSING THE DEMOGRAPHIC DIVIDEND IN ZANZIBAR

Towards Achieving the Zanzibar Development Vision 2050 Aspirations

Demographic Dividend Report

2025

FOREWORD

The Demographic Dividend study in Zanzibar assessed the socio-economic and human development potential of the islands over the short, medium, and long-term periods using a comprehensive analytical approach. The study generated critical evidence-based information to guide policy and programmatic decisions aimed at propelling Zanzibar towards the aspirations of the Zanzibar Development Vision 2050 (ZDV 2050).

The primary objective of the study was to evaluate Zanzibar's prospects for harnessing the demographic dividend and to identify priority policy and program options that the islands should adopt in order to optimize the potential benefits of its youthful population, in the context of medium- and long-term socio-economic development aspirations.

The Government of Zanzibar recognizes that targeted and strategic actions are essential to unlock the potential of the next generations of healthier, better-educated, and skilled workers. Currently, children aged 0-14 constitute 40.8% of the total population, while youth aged 15–35 account for 37%, highlighting the demographic opportunity. Investment in education is therefore critical to ensure that young people acquire skills and knowledge relevant to the current and future economy and labor markets. Equally important is investment in health, including reproductive and adolescent health, which supports the demographic transition through declining fertility and mortality rates and ensures that young people make a healthy transition into productive adulthood.

The resulting change in age structure characterized by a larger working population and fewer dependents provides Zanzibar with an opportunity for accelerated economic growth and stability. The Government, citizens, and stakeholders are committed to taking deliberate actions to harness this demographic dividend, ensuring sustainable and inclusive socio-economic development, where no Zanzibari is left behind.

Empowering the Next Generation: A Roadmap to Zanzibar's Demographic Dividend

This study also provides evidence-based policy recommendations, drawing on local data, international experiences, and best practices, to guide investments in human capital, health, education, and skills development. These interventions are aimed at maximizing the potential of Zanzibar's youthful population and ensuring that the islands fully realize the benefits of the demographic transition in alignment with the ZDV2050 aspirations.



ACKNOWLEDGMENT

The Revolutionary Government of Zanzibar, through the Zanzibar Planning Commission, in collaboration with the United Nations Population Fund (UNFPA) Tanzania Country Office, commissioned the Zanzibar Demographic Dividend Study in 2025. UNFPA provided financial and technical support for the study, ensuring that the process aligned with international best practices in demographic analysis and development planning. The Zanzibar Planning Commission (ZPC) provided overall strategic leadership, while the Department of Human Resource Development and Planning (HRDP) coordinated the technical work under the guidance of the lead consultant and his team.

ZPC acknowledge with gratitude the substantial contributions of the Office of the Chief Government Statistician (OCGS), whose provision of critical demographic and socioeconomic data, as well as technical inputs, formed the foundation of the modelling and analysis. We also extend appreciation to the multi-sectoral Technical Working Group, composed of representatives from various Ministries, Departments, and Agencies (MDAs), who provided technical oversight, validated key outputs, and enriched the analytical process with sector-specific expertise.

ZPC further recognize the supportive role played by civil society organizations, academia, private sector representatives, and community stakeholders who participated in consultations and validation workshops. Their perspectives ensured that the study reflects the diverse experiences and development needs of the people of Zanzibar.

The study also benefited from the dedication and professionalism of the lead consultant and his technical team, who provided methodological guidance, carried out the modelling, and produced the analytical report. Their work was informed by continuous engagement with HRDP, OCGS, and UNFPA to ensure quality, accuracy, and policy relevance.

Empowering the Next Generation: A Roadmap to Zanzibar's Demographic Dividend

The Government of Zanzibar expresses its sincere appreciation to all institutions and individuals whose commitment and collaboration made this study possible. It is our expectation that the findings and recommendations of this report will serve as an important resource for guiding policy formulation, development planning, and strategic investments aimed at enabling Zanzibar to fully harness the demographic dividend and achieve the aspirations of the Zanzibar Development Vision 2050.

Dr. Afua K. Mohamed
Acting Executive Secretary
Zanzibar Planning Commission

EXECUTIVE SUMMARY

Zanzibar's population growth, which nearly doubled over the past two decades to reach 1.89 million in 2022, signals profound demographic shifts with far-reaching socioeconomic implications. With more than 60 percent of the population under the age of 24, the country is characterized by a predominantly youthful age structure. This presents both opportunities and challenges: if Zanzibar invests strategically in education, skills development, health, and productive employment, its young population can become a powerful engine of economic growth. Without targeted policies, however, the pressure from a rapidly expanding youth population could strain public resources, increase unemployment, and widen social inequalities. The study assessed Zanzibar's demographic and economic context, examined the opportunities and risks linked to its youthful population, and applied demographic-economic modelling to forecast the potential demographic dividend (DD) under four policy scenarios:

- Business-as-Usual** – slow progress in economic reforms and minimal demographic transition;
- Social Emphasis** – strong investment in health and education with modest economic reforms;
- Economic Emphasis** – prioritising economic competitiveness and productivity with limited social investment;
- Combined Scenario** – a simultaneous focus on economic reforms and comprehensive social sector investments to strengthen human capital.

Modelling results show that the most transformative outcomes occur under the Combined Scenario. Under this pathway, fertility declines from 4.7 to 3.2 children per woman by 2050, creating a more balanced age structure and a larger, healthy, and highly productive workforce. Significant improvements in education and health accompany this demographic shift, including increased recurrent expenditure per student, higher secondary school enrolment, and major expansion of the health workforce. Raising male and female labour force participation rates to 95 percent further accelerates Zanzibar's potential to harness the demographic dividend. As a result, GDP per capital is projected to

rise from TZS 2.86 million in 2022 to TZS 20.1 million by 2050 far surpassing what would be achieved under baseline or partial reform scenarios.

The report outlines a set of strategic recommendations aimed at positioning Zanzibar to fully harness this demographic dividend. Foremost is the need to expand access to quality education and vocational training, ensuring that young people acquire the competencies, digital skills, and technical expertise required to compete in a rapidly evolving labour market. Equally important is the imperative to strengthen reproductive health and family planning services, enabling individuals particularly women and adolescents to make informed choices that support improved health outcomes, lower fertility rates, and enhanced household well-being. To translate demographic potential into economic gains, the recommendations emphasize the promotion of inclusive economic growth and job creation, especially for youth and women across both traditional and emerging sectors. The report also calls for integrating demographic dividend considerations into national plans and sectoral strategies so that population dynamics guide policy priorities and resource allocation. Finally, it stresses the urgency of strengthening governance systems, advancing gender equity, and enhancing climate resilience. These cross-cutting priorities are essential for creating an enabling environment where human capital can thrive, economic diversification can occur sustainably, and institutions are equipped to support long-term development outcomes.

Overall, the modelling demonstrates that ZDV2050 aspirations are attainable if the country adopts a coordinated and integrated development approach that accelerates economic transformation, strengthens human capital, and fully leverages its youthful population. With the right investments and reforms, Zanzibar can unlock a substantial demographic dividend raising incomes, boosting productivity, expanding fiscal space, and building a more competitive, inclusive, and resilient economy by 2050.

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ACRONYMS AND ABBREVIATION

ASFR	Age-Specific Fertility Rate
AU	African Union
CFR	Case Fatality Rate
CMR	Child Mortality Rate
DD	Demographic Dividend
DHIS2	District Health Information System 2
FGD	Focused Group Discussion
GDP	Gross Domestic Product
HBS	Household Budget Survey
HRDP	Human Resource Development Planning
HRH	Human Resource For Health
ILFS	Integrated Labour Force Survey
LEB	Life Expectancy at Birth
LDCs	Least Developed Countries
MDAs	Ministries, Departments, and Agencies
MoEVT	Ministry of Education and Vocational Training
MSNEs	Micro, Small and Medium Enterprises
NBS	National Bureau of Statistics
OCGS	Office of the Chief Government Statistician
SDGs	Sustainable Development Goals
STEM	Science, Technology, Engineering and Mathematics
SRHR	Sexual and Reproductive Health and Rights
TASAF	Tanzania Social Action Fund
TFR	Total Fertility Rate
TPHC	Tanzania Population and Housing Census
TVET	Technical Vocational Education and Training
TZS	Tanzania Shillings
TDHS	Tanzania Demographic and Health Survey
U5MR	Under-five Mortality Rate
UNFPA	United Nations Population Fund
VTa	Vocational Training Authority
WHO	World Health Organization
ZBS	Zanzibar Bureau of Statistics
ZDV	Zanzibar Development Vision
ZEEA	Zanzibar Economic Empowerment Authority
ZAWA	Zanzibar Water Authority
ZADEP	Zanzibar Development Plan
ZHSF	Zanzibar Health Services Fund
ZPC	Zanzibar Planning Commission

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Introduction



1.1 Background

Zanzibar is classified as a lower-middle-income economy within the United Republic of Tanzania, with a per capita GDP estimated at approximately USD 1,200 in 2023. Over the past decade, the islands have maintained a steady economic growth trajectory, averaging between 4.5 and 7.0 percent, driven primarily by tourism, services, construction, and public-sector investments. Although growth slowed slightly during the COVID-19 pandemic, Zanzibar's economy has since rebounded, with improved performance in key productive sectors. This sustained progress has contributed to a gradual decline in poverty levels and improved social well-being. However, significant challenges remain, particularly in reducing youth unemployment and transitioning toward a diversified, skills-driven economy.

Since the 1988, Zanzibar has experienced rapid population growth. The annual population growth rate increased from 3.0 percent in 1988 to 3.7 percent in 2022, with the population rising from 640,685 to 1,889,773, respectively. Urban and rural areas are almost equally distributed, with 49 percent of the population residing in urban centers and 51 percent in rural areas. Although fertility is gradually declining, projections indicate that Zanzibar's population could double by 2041, reaching 3.77 million and rise to 4.63 million by 2050 if current trends persist. These dynamics underscore the urgent need for strategic investments in human capital, social services, and economic opportunities to accommodate a rapidly expanding population.

The demographic profile of Zanzibar is characterized by a youthful population, with children aged 0–14 accounting for 40.8 percent of the total population, and youth aged 15–35 representing 37 percent. Approximately 65–70 percent of the population is under 30 years of age, resulting in a high total dependency ratio. High fertility and a large proportion of dependents place considerable pressure on households, limit investments in health, nutrition, and education per child, and constrain future workforce productivity. Sustained government interventions such as expanded access to reproductive health services, improved maternal healthcare, and community awareness programs have contributed to a decline in the Total Fertility Rate from 6.4 children per woman in 1991 to 4.7 in

2022, though uptake of modern family planning methods remains below national targets. Improvements in child survival, maternal, and reproductive health have contributed to a gradual demographic transition. As fertility continues to decline, the proportion of the working-age population relative to dependents is expected to increase, creating a window of opportunity to harness the Demographic Dividend (DD).

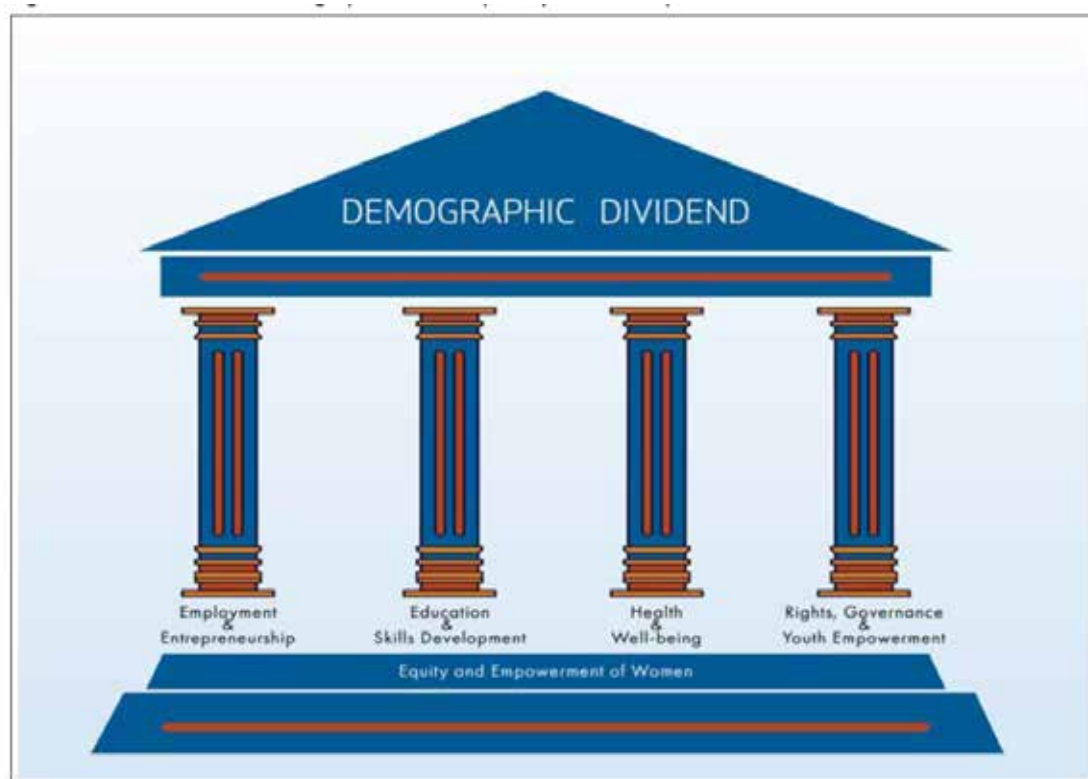
The Demographic Dividend refers to the temporary economic benefit that can arise from a growing share of working-age adults relative to dependents, resulting from fertility decline. The DD can last between 20 to 50 years and its magnitude is dependent on intensity of investments in human capital to increase productivity, creation of mass quality jobs for the working-age bulge, and an environment that encourages investments and savings (Lee, Mason, & Miller, 2003). Indeed, the DD is not automatic or guaranteed; investments that facilitate rapid decline in fertility rate will open the window of opportunity for harnessing an initial dividend, which can be enhanced through sustained reforms and investments to ensure that the working-age population is well educated, skilled, healthy and gainfully employed.

International experience demonstrates the transformative potential of the demographic dividend. Analyses of East Asian economies such as South Korea, Singapore, Taiwan, and Malaysia show that between one-quarter and one-third of their rapid socio-economic growth between 1970 and 2000 can be attributed to demographic dividend effects (Bloom and Williamson, 1998; Bloom, Canning, and Malaney, 2000).

The African Union has recognized the strategic importance of the demographic dividend as a driver of socio-economic transformation. In 2017, the AU designated “Harnessing the Demographic Dividend through Investments in Youth” as the theme for its summit, highlighting the critical role of the DD framework in achieving Agenda 2063 aspirations and national development visions. The African Union’s roadmap calls on member states to domesticate the agenda and maximize opportunities by prioritizing investments across four interrelated pillars:

1. **Employment and Entrepreneurship** – expanding opportunities for gainful work and promoting innovative business development among youth.
2. **Education and Skills Development** – ensuring young people acquire relevant knowledge and skills to participate fully in the labour market.
3. **Health and Wellbeing** – including reproductive health and family planning services to support a healthy, productive population.
4. **Rights, Governance, and Youth Empowerment** – strengthening institutional frameworks and enabling youth participation in decision-making processes.

Figure 1.1: African Union demographic dividend priority investment pillars



Source: *AFIDEP 2017 Development Perspectives*

To adapt these pillars to Zanzibar's context, Empowerment of Women has been included as a cross-cutting element, represented as a horizontal bar in Figure 1.1. This underscores the critical importance of addressing gender inequalities in order to fully harness the potential of the demographic dividend. These pillars are interdependent; effective action in one area reinforces progress in others,

creating the conditions necessary for sustainable, inclusive, and youth-led socioeconomic transformation.

Realizing Zanzibar's demographic dividend requires strategic, coordinated investments in these pillars, alongside strong governance and policy frameworks. These interventions are critical to ensure that the islands' youthful population can contribute fully to economic growth, social development, and the achievement of the Zanzibar Development Vision 2050.

1.2 Objectives and Scope of the Study

The overarching aim of this study is to provide evidence-based insights and policy guidance to enable Zanzibar to harness the demographic dividend and accelerate socioeconomic transformation in alignment with the Zanzibar Development Vision 2050. The study focuses on identifying strategic interventions across key sectors that will optimize the contributions of the islands' youthful population to economic growth, social development, and human capital accumulation.

The specific objectives of the study are to:

1. **Assess demographic trends and population dynamics** in Zanzibar, including fertility, mortality, age structure, and urbanization, and their implications for socioeconomic development.
2. **Examine the potential for harnessing the demographic dividend**, including opportunities arising from the demographic dividends.
3. **Identify priority policy and program interventions** in key sectors such as health, education, skills development, employment, and governance to maximize the demographic dividend potential.
4. **Provide evidence-based recommendations** to guide investments in human capital, economic opportunities, and social services, ensuring inclusive and sustainable development for all citizens.
5. **Promote gender equity and empowerment**, recognizing that women's full participation in education, the labor market, and leadership roles is essential for realizing the demographic dividend.

The study covers the entire Zanzibar archipelago, incorporating both Unguja and Pemba islands, and considers urban and rural contexts. It examines short-,

medium-, and long-term scenarios to provide a comprehensive understanding of demographic and socioeconomic dynamics and to inform planning across multiple sectors.

1.3 Policy Relevance and Expected Outcomes

The findings of this study are directly relevant to national and sectoral policies in Zanzibar and provide guidance for strategic investments aimed at harnessing the demographic dividend. By identifying key opportunities and interventions, the study supports evidence-based planning in line with the Zanzibar Development Vision 2050, which emphasizes human capital development, economic transformation, and knowledge-driven growth.

1.3.1 Policy Relevance

1. **Human Capital Development** – Investments in education, skills, and health, including reproductive health, are critical to ensure a productive, healthy, and well-prepared workforce.
2. **Employment and Economic Transformation** – Insights into youth demographics and labor market dynamics inform policies for job creation, entrepreneurship, and economic diversification.
3. **Gender Equity and Empowerment** – Addressing gender inequalities in education, employment, and leadership maximizes the demographic dividend and ensures inclusive development.
4. **Governance and Institutional Strengthening** – Effective governance, accountability, and youth engagement are necessary to translate investments into sustainable outcomes.
5. **Alignment with Regional and Global Frameworks** – The study aligns with the African Union demographic dividend agenda and Agenda 2063, providing Zanzibar-specific guidance for domesticating the AU pillars.

1.3.2 Expected Outcomes

1. **A well-educated and skilled workforce**, equipped to participate effectively in the labor market.
2. **Increased employment and entrepreneurial opportunities for youth**, supporting inclusive economic growth.

3. **Improved health outcomes, including reproductive health**, contributing to a gradual demographic transition and a healthier population.
4. **Enhanced women's participation and empowerment**, ensuring equitable access to education, employment, and decision-making.
5. **Stronger governance and institutional capacity**, enabling evidence-based policy-making and effective implementation of demographic dividend strategies.

By achieving these outcomes, Zanzibar can leverage its demographic transition to accelerate socioeconomic development, reduce dependency ratios, and create a foundation for sustained, inclusive, and knowledge-led growth. By investing across these pillars in a coordinated and strategic manner, Zanzibar can create a well-educated, healthy, and skilled workforce, expand youth employment and entrepreneurship, and promote inclusive socioeconomic development. This framework guides policymakers, development partners, and stakeholders in designing interventions that will ensure sustainable, equitable, and long-term growth in alignment with the Zanzibar Development Vision 2050.

1.4 Study Methodology and Approach

The study applied the Spectrum modelling software to estimate Zanzibar's potential to harness the demographic dividend under different policy scenarios. Two modules were used: DemProj, which projects demographic trends, and **RAPID**, which projects social and economic outcomes. **DemProj** generated projections on fertility, mortality, population growth, and age structure, while **RAPID** assessed key parameters in education, health, and the economy. Although **RAPID** supports five thematic areas, the analysis focused on three priority sectors economy, education, and health based on data availability and relevance to demographic dividend pathways.

The modelling framework consists of a demographic sub-model and an economic sub-model. The demographic component estimates population size and age structure, while the economic component uses these projections, together with policy assumptions, to estimate future economic performance, including GDP and GDP per capital. Four policy scenarios were developed to compare the potential impact of different levels of investment in the three thematic areas.

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These scenarios provided insights into how policy choices may shape Zanzibar's demographic and economic future.



Demographic and Social Economic Profile



2

2.1 Introduction

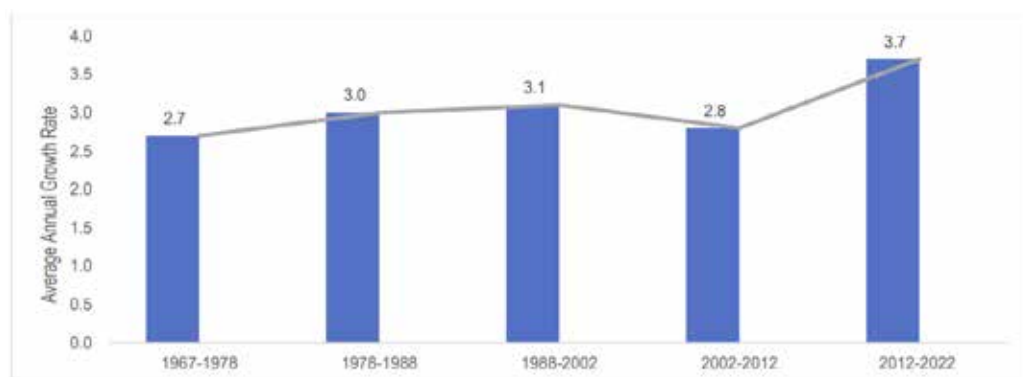
Zanzibar's demographic profile is characterized by sustained population growth, a predominantly youthful age structure, and an expanding urban population concentrated largely in Unguja. The population's high growth rate and persistent child dependency burden stem from a long period of high fertility combined with steadily improving child survival outcomes. Urbanization in Zanzibar is driven by natural population increase within urban centers, migration from rural areas to urban such as Zanzibar Municipals, and the continuous physical expansion of peri-urban settlements.

2.2 Population growth Trend

2.2.1 Demographic Profile

Since the 1988 to 2022, Zanzibar has experienced rapid population growth, with the rate increasing from 3% in 1988 to 3.7% in 2022. This growth caused the population to surge from 640,685 in 1988 to 1,889,773 by 2022. Although this growth rate is expected to decline over the coming decades due to declining fertility rate, Zanzibar's population is still projected to double in 19 years to come, reaching 3,779,546 by 2041 if the current growth rate prevails, Figure 2.1 shows trend of population growth rates of Zanzibar from 1967 to 2022. There is almost a balanced population in 2022 between urban and rural with a distribution of 49% and 51% between urban and rural respectively. However, over the past two decades, rural population was significantly higher but decreases over time.

Figure 2.1: Trend of Population Growth rate (1967 – 2022)



Source: 2022 TPHC

Population growth rates differ substantially across Zanzibar's regions, reflecting a complex interplay of internal migration dynamics, settlement patterns, and differential access to economic opportunities. As illustrated in Figure 2.1, the average annual inter-censal growth rate for Zanzibar as a whole stand at 3.7%, but regional variations diverge sharply from this national average.

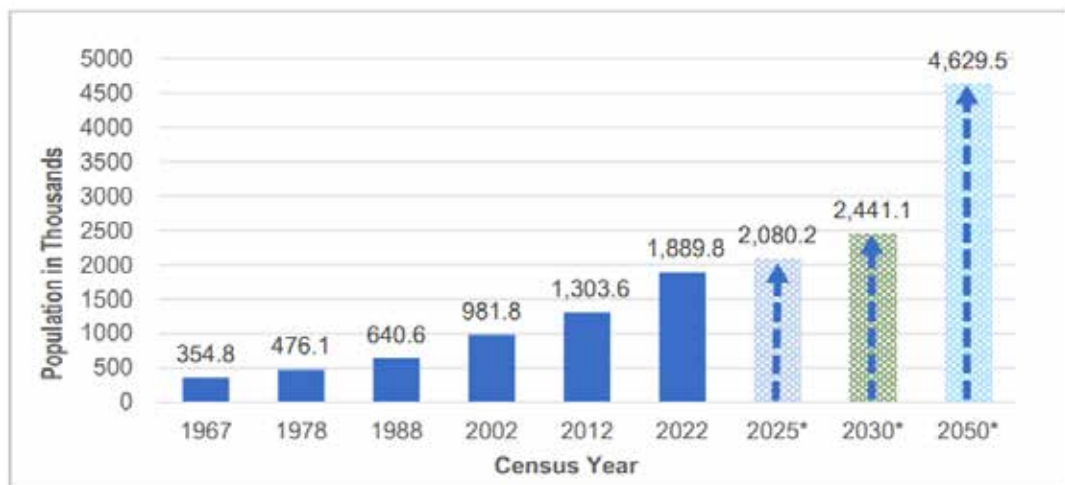
The highest growth rate observed in Kusini Unguja, which recorded a significant 5.3%, far surpassing the overall Zanzibar rate. This rapid expansion is closely linked to increased movement of people from densely populated urban areas especially Mjini Magharibi into emerging peri-urban and semi-rural communities where land is more accessible and housing development is expanding. Improved connectivity, new infrastructure investments, and the growing appeal of quieter residential environments have contributed to the fast-paced demographic rise in this region.

Over the past six decades, Zanzibar has experienced a steady and exponential increase in its population, reflecting long-term demographic momentum driven by high fertility, declining mortality, and sustained improvements in health and living conditions. As shown in Figure 2.1, the population rose from approximately 355,000 people in 1967 to 1.89 million in 2022, marking more than a fivefold increase within just 55 years. Each census year demonstrates a clear upward trajectory, with the largest increases occurring between the 1988–2002 and 2002–2022 periods, when the population expanded rapidly due to improved survival rates and intensified internal migration toward urban and peri-urban areas.

Population projections for the coming decades, however, suggest a gradual moderation in the pace of growth, even though the total population will continue to rise substantially. If the current demographic trends persist, particularly the current average annual growth rate, Zanzibar's population is projected to reach about 2.08 million by 2025, 2.44 million by 2030, and potentially 4.63 million by 2050. This indicates that while growth will continue, it will do so at a slightly slower rate compared to previous decades, reflecting emerging demographic shifts such as declining fertility, increased access to education, and expanding family planning uptake.

The projections illustrated in Figure 2.2 highlight the importance of proactive planning in areas such as infrastructure development, employment creation, food security, and service delivery. Managing a population of over 4.6 million by 2050 will require well-coordinated policies that anticipate demographic pressures and support sustainable development across all regions of Zanzibar.

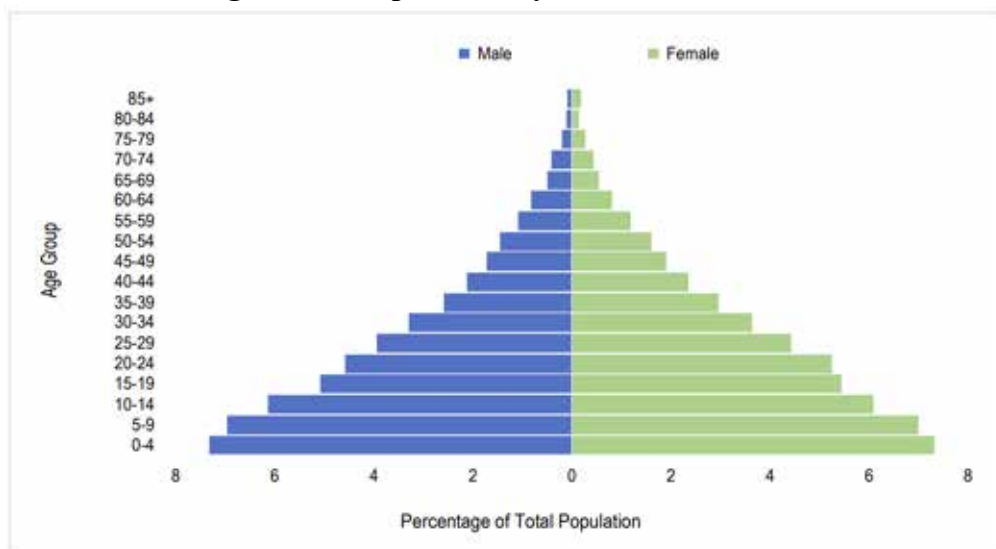
Figure 2.2: Projected Population of Zanzibar



Source: 2022 TPHC

Figure 2.3 shows sex and age population pyramid of Zanzibar. The figure shows similar pattern of age distribution as many other developing countries. Two fifth of the population (40%) is at the age of below 14 years and only 4.5% of the population are 65 years or above. There is an insignificant difference in age distribution between male and female at almost all age groups. However, the difference becomes significant at ages.

Figure 2.3: Population Pyramid for Zanzibar

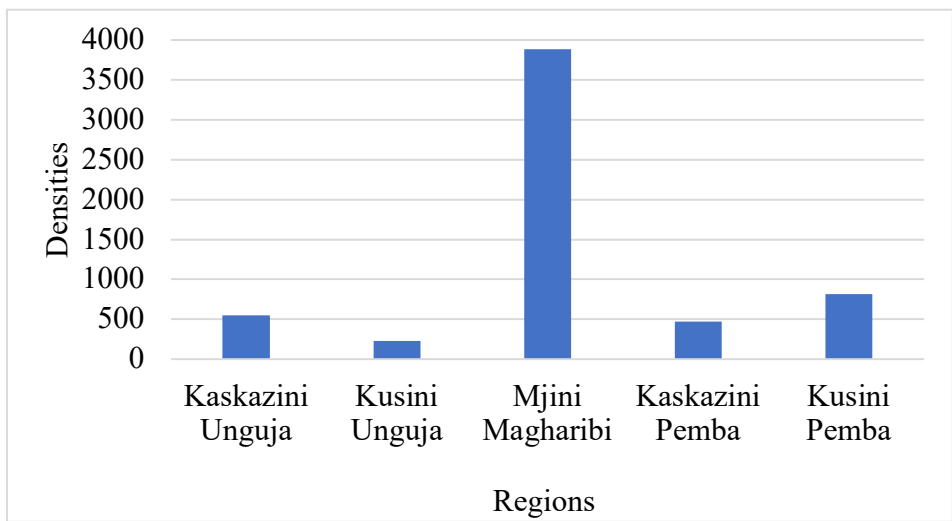


Source: 2022 TPHC

Overall sex ratio in Zanzibar, as of 2022, stood at 94, which is almost stagnant since 2012. However, there is a disparity among urban and rural whereby the ratio in rural is slightly higher (96) compared to that of urban (92). This indicates a significant age dependency ratio, which is at 78.

Zanzibar islands have been experienced a high population density. Due to high population growth, the density has increased from 399 habitants per square kilometre in 2002 to 530 in 2012 and then to 768 in 2022. Figure 2.4 shows population density by Region as of 2022.

Figure 2.4: Population Density by Region



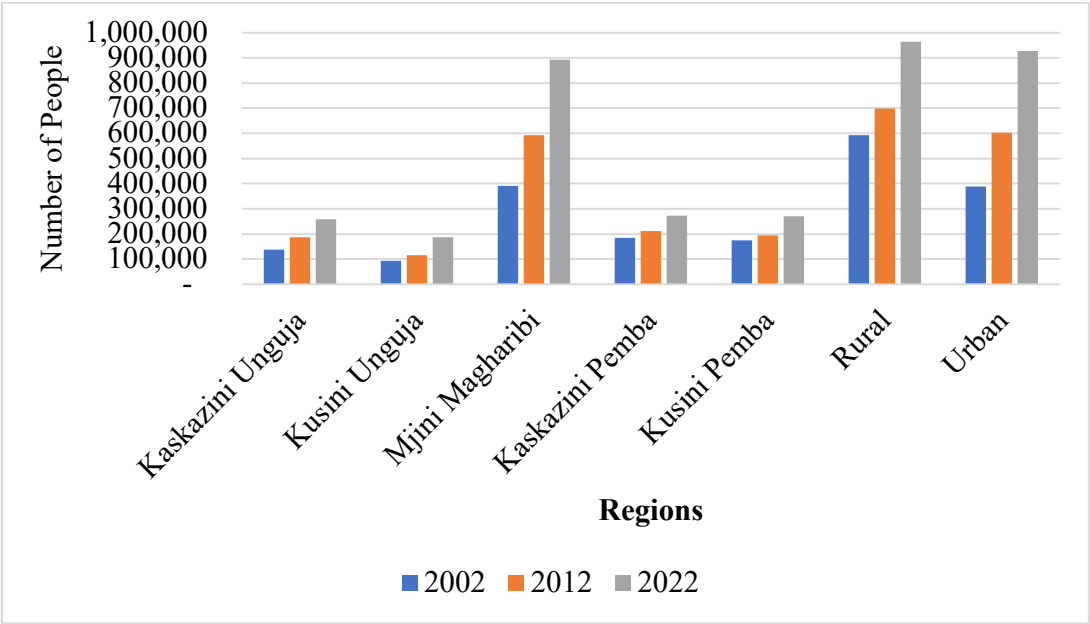
Source: 2022, TPHC

The population density presented in Figure 2.4 provides a detailed illustration of how Zanzibar’s demographic landscape has evolved across regions, between the 2002, 2012, and 2022 censuses. The graph clearly shows a consistent upward trend in almost all regions, reflecting the islands’ steady population growth over the last two decades. One of the most notable patterns is the significant increase recorded in Mjini Magharibi Region, which remains the most populous region in Zanzibar. Its population rose sharply from around 400,000 inhabitants in 2002 to nearly 600,000 in 2012, and surpassed 850,000 by 2022. This rapid expansion underscores the region’s role as the primary urban and economic hub, attracting people due to better employment opportunities, access to essential services, and expanding infrastructure.

The population dynamics in Pemba’s regions Kaskazini Pemba and Kusini Pemba has also show upward movement, though their growth rates remain relatively slower. Both regions display gradual increases across the census years, with Kaskazini Pemba moving from approximately 200,000 inhabitants in 2002 to close to 300,000 in 2022. These trends highlight continued demographic stability on the island, influenced by agricultural livelihoods and lower rates of urban migration compared to Unguja.

The figure further compares rural and urban population trends, revealing a widening gap between the two. Urban population numbers increased dramatically, rising from just above 400,000 in 2002 to more than 900,000 in 2022. This pattern signals strong urbanization driven by migration, natural population growth, and the expansion of urban boundaries. In contrast, the rural population although still substantial has grown more moderately, indicating gradual shifts away from traditional rural settlements toward urban and peri-urban zones.

Figure 2.5: Population by Administrative Areas

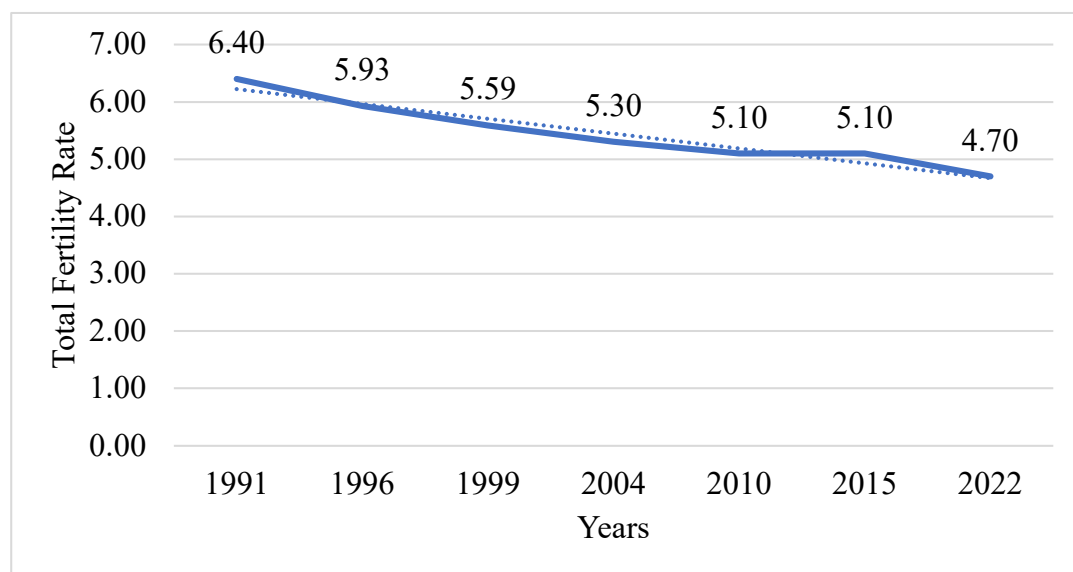


Source: 2022 TPHC

The Total Fertility Rate (TFR) remains a central driver of population growth in Zanzibar. Historically, fertility levels in the Islands have been relatively high, consistent with trends observed across Sub-Saharan Africa. However, successive government efforts particularly the expansion of reproductive health services, improved access to family planning, and intensified community awareness campaigns have contributed to a gradual but sustained fertility decline over the past three decades. According to national demographic surveys, Zanzibar’s TFR declined from 6.4 children per woman in 1991 to 4.7 in 2022 (see figure 2.6), signaling steady progress in the demographic transition.

Despite this progress, fertility patterns continue to vary substantially across sub-populations and geographical areas. The most recent Zanzibar Demographic and Health Survey (ZDHS) shows notable differences between rural and urban areas, with women in rural districts consistently bearing more children on average than their urban counterparts. Fertility also varies across the two Islands, often with higher rates recorded in Pemba compared to Unguja, reflecting disparities in education, contraceptive uptake, and socioeconomic conditions.

Figure 2.6: Trend of Total Fertility Rate during 1991 to 2022



Source: TDHS 1992/92, 1996, 1999, 2004/05, 2010, 2015/16, 2022

The most recent Zanzibar Demographic and Health Survey (ZDHS) shows that, on average, women in Zanzibar have 4.7 children, reflecting a gradual decline from historically high fertility levels. Similar to patterns observed across many developing countries, fertility in Zanzibar varies significantly between rural and urban areas. Women in rural districts continue to have notably more children than in urban areas. This is largely due to differences in access to reproductive health services, family planning, education, and socioeconomic opportunities. Fertility has declined more rapidly in urban Unguja, while rural areas—particularly in Pemba—maintain comparatively higher fertility levels.

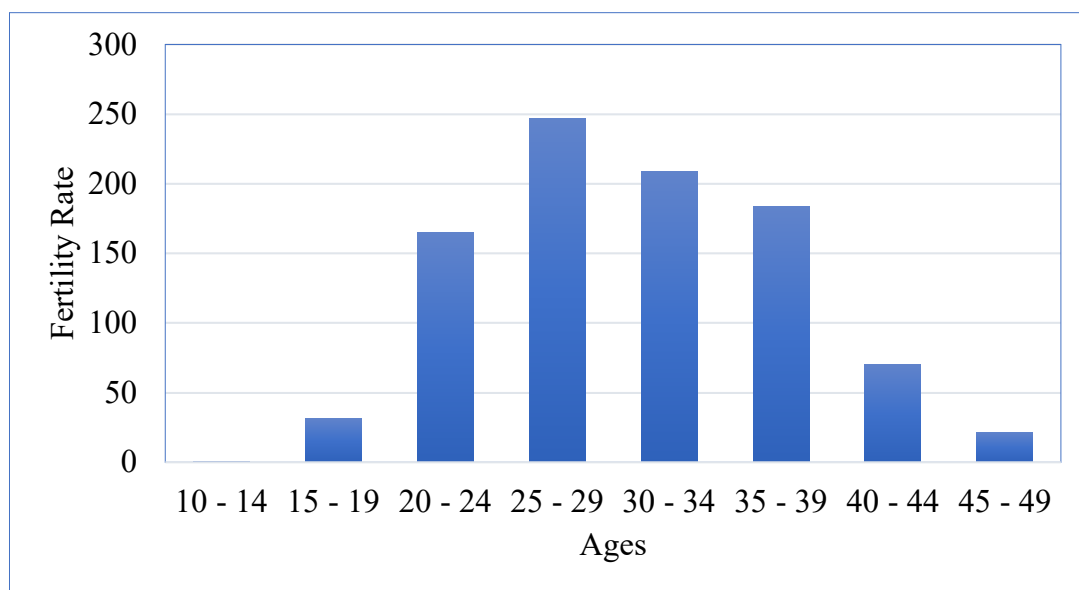
Population projections by the Office of the Chief Government Statistician (OCGS) indicate that this downward trajectory is expected to continue, with fertility projected to fall even further in the coming decades. If current demographic and social transitions persist, Zanzibar could approach replacement-level fertility by the early 2040s. This anticipated decline will likely be supported by continued improvements in girls' education, greater uptake of modern contraceptives, and expanded access to maternal and reproductive health services.

Sub-national differences remain substantial. Districts in Pemba consistently exhibit higher fertility levels than those in Unguja, reflecting variations in cultural norms, household income, and the availability and accessibility of health services. These disparities signal the need for targeted interventions to ensure equitable progress across all regions of Zanzibar.

Age-Specific Fertility Rates (ASFRs) reveal that teenage fertility remains a significant concern. A considerable proportion of adolescent girls aged 15–19 have already begun childbearing, contributing notably to the overall fertility level and slowing the pace of fertility decline. The ZDHS also indicates that many women aged 20–24 had given birth before age 18, underscoring persistent early marriage and limited reproductive health awareness among young people. Sub-nationally, teenage childbearing ranges widely across districts, with higher rates typically found in rural and underserved communities. These high levels of teenage fertility are closely linked to school dropout, early marriage, and long-term socioeconomic vulnerability for young women.

The Age-Specific Fertility Rate (ASFR) pattern in Zanzibar mirrors that of many developing countries. Among all age groups, women aged 25–29 record the highest birth rate, marking the peak of childbearing. Fertility peaks among women aged 25–29 and then begins to decline gradually for those aged 30–34, continuing to fall steadily across the older reproductive age groups. Figure 2.7 presents these ASFR trends in detail, illustrating the concentration of births among women in the 25–29 age group.

Figure 2.7: Age Specific Fertility Rate in 2022



Source: TDHS 2022

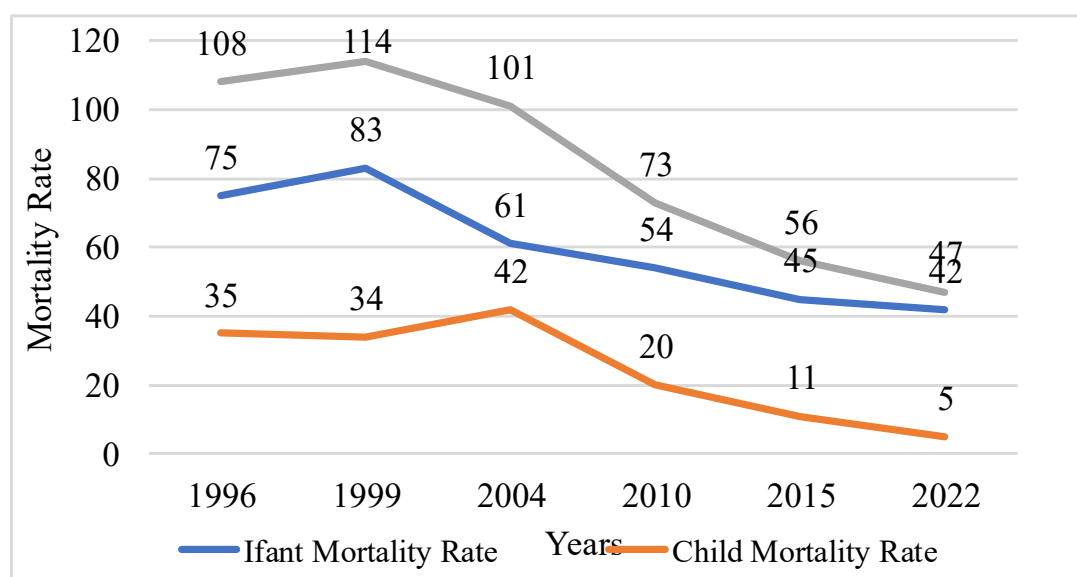
Mortality among children remains one of the key development concerns in Zanzibar, as it directly reflects the overall health system performance and broader socioeconomic conditions. Over the past three decades, however, the Government of Zanzibar has implemented a wide range of public health initiatives aimed at improving child survival. These include expanded immunization coverage, strengthened maternal and new-born health services, improved nutrition programs, wider availability of skilled birth attendants, and better access to clean water and sanitation. As a result, Zanzibar has recorded remarkable progress in reducing child mortality.

The Under-Five Mortality Rate has declined substantially, falling from 75 deaths per 1,000 live births in 1996 to 42 in 2022. This represents a significant improvement in the survival chances of young children and highlights the effectiveness of health interventions targeting communicable diseases, malnutrition, and neonatal complications. Similarly, the Infant Mortality Rate dropped sharply from 108 deaths per 1,000 live births in 1996 to 47 in 2022, indicating major gains in the first year of life, when children are most vulnerable. Even more notable is the decline in the Child Mortality Rate (the probability of

dying between ages one and five), which fell from 35 in 1995 to just 5 in 2022. This steep reduction reflects advancements in early childhood care, integrated management of childhood illnesses, and improved household-level health-seeking behaviour.

The continued decline across all three indicators; infant, child, and under-five mortality demonstrates Zanzibar's progress toward achieving national and global health targets, including the Sustainable Development Goals (SDGs). Figure 2.8 presents the detailed trends for each indicator, illustrating the steady improvements that have occurred over the past thirty years.

Figure 2.8: IMR, CMR and U5MR trend between 1996 to 2022

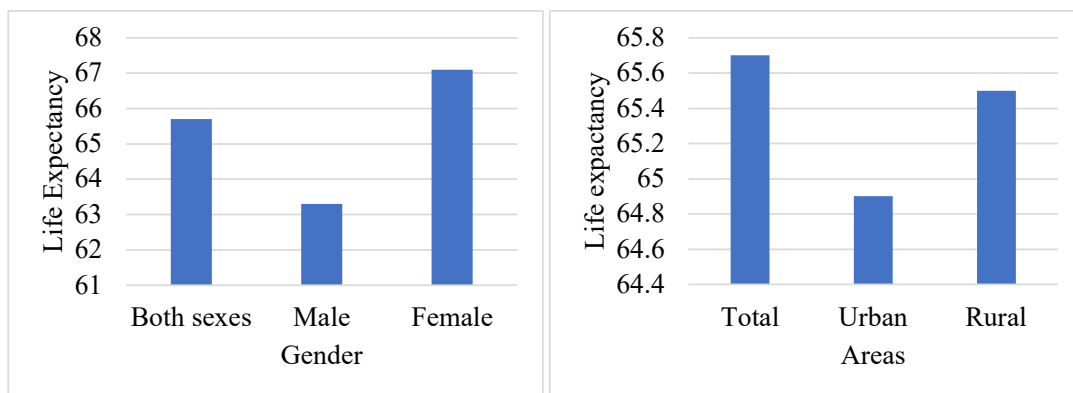


Source: TDHS 1996, 1999, 2004/05, 2010, 2015/16, 2022

Given the prevailing fertility and mortality conditions in Zanzibar, the Life Expectancy at Birth was recorded at 65.7 years in 2012. However, notable variations exist across sex and place of residence. Women have a higher life expectancy, living on average 67 years, compared to 63 years for men. This gender gap is consistent with global patterns, where women generally experience lower mortality risks across most age groups. Differences are also observed between rural and urban populations. Individuals in rural areas have a slightly higher life expectancy of 65.5 years, compared to 64.8 years among

urban residents. These differences reflect variations in lifestyle, environmental exposure, socioeconomic conditions, and access to health services. Figure 2.9 provides a detailed breakdown of life expectancy by sex and place of residence.

Figure 2.9: Life Expectancy at Birth (in years) by sex and locality



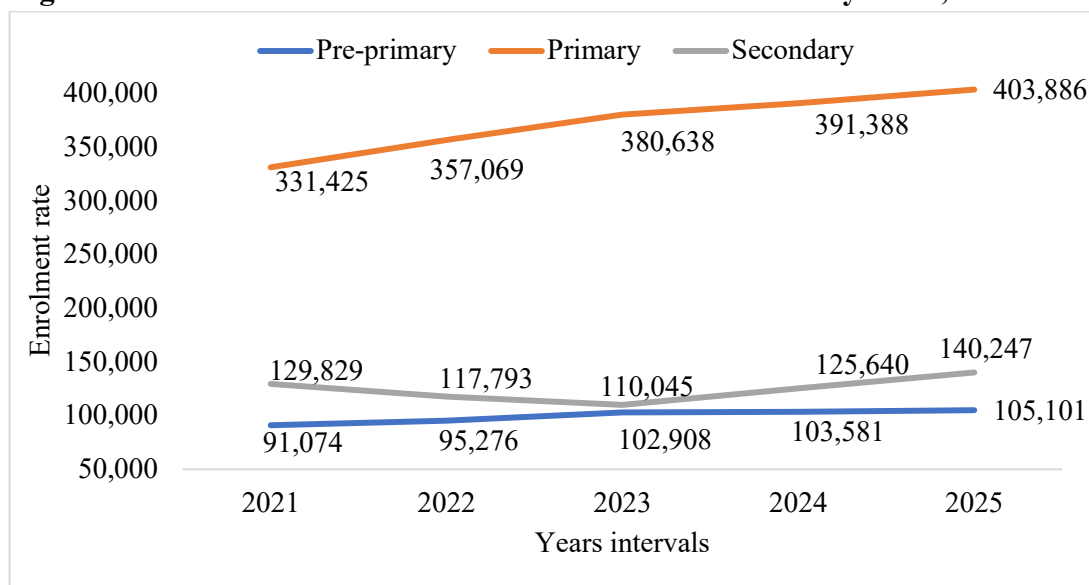
Source: 2012 TPHC

2.3 Education and Skills Development

Zanzibar's education sector occupies a significant place in the country's social development, human capital and economic progress. The Revolutionary Government of Zanzibar has endeavor over the years to invest in widening access to high-quality education as a cornerstone for achieving national aspirations, which include the Zanzibar Development Vision 2050; Education Sector Development Plan (ESDP) and sustainable development goals (SDGs) (Thelma, 2024). The Zanzibar education system includes pre-primary, primary and secondary levels but also tertiary level and technical and vocational education training (TVET) with a major emphasis in expanding the access, equity to equal participation in both boys' and girls' schools at region level.

Incorporating digital learning, inclusivity for children with disabilities, and segueing the curricula to meet developing skills needs including Science, Technology, Engineering and Innovation, which all remain key across the board. Among the key measures of education, sector performance is the enrolment. Figure 2.10 explain the enrolment status of students from Government and private schools.

Figure 2.10: Enrolment in Government and Private Schools by Level, 2021-2025



Source: Education Statistics Abstract, 2025

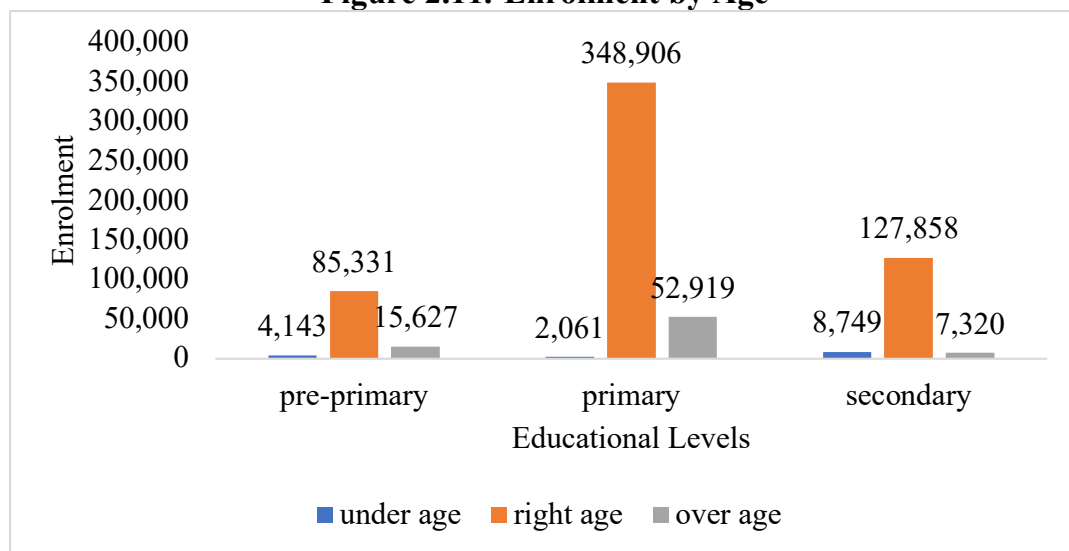
Findings from the above figure show that enrolment between 2021 and 2025 has a gradual increase in all levels of education in Zanzibar, with the primary level still having the highest absorption of students. This reflects the increase in population across respective age groups within the reference period.

The increase in enrolment at lower levels of education is associated with enhanced early childhood development policies, compulsory pre-primary programmes and capital grants to build new learning facilities. However, the fact that enrolment numbers at pre-primary are lower than those in primary schools indicates that there is more to be done more pre-primary infrastructure and awareness is needed to achieve 100 % progress into primary.

Enrolment in secondary schools is more erratic but also shows a significant increase overall. After falling from 129,829 in 2021 to 110,045 in 2023, enrolment surged back up to 140,247 by the end of the period. The short-term downturn could be due to pinch points, social and economic factors as well as those related to the pandemic influencing progression. The following increase reflects the influence of recent reforms – including higher enrolment limit and lower dropout rate, as well as strengthened secondary education tracks- that have allowed more children to proceed beyond primary levels.

Over the past five years in general, we continue to see evidence of a slowly strengthening education system at all levels. However, inequalities across layers highlight the importance of further investments in pre-primary preparedness and secondary transition pathways to deliver on equitable and sustained learning outcomes for all learners in Zanzibar. On Figure 2.11, this study explains then enrolment status by ages.

Figure 2.11: Enrolment by Age



Source: *Education Statistics Abstract, 2025*

Figure 2.11 further highlight the age distribution of students at pre-primary, primary and secondary in Zanzibar reporting critical signals of grade-age alignment in the education system. At pre-primary level, the vast majority of children attend at the proper age (85,331 learners), showing good progress towards universal primary education. However, age under 4,143 children hundred and over 15,627 also above which informed that phenomenon delayed school attendance becoming a problem possibly because of limited access early learning centre community and difference parents' awareness on how important timely registration.

Enrolment in primary school depicts a similar trend with most learners (348,906) enrolling at the correct age indicating a smooth transition from pre-primary and wide access to compulsory basic education. However, there are 2,061 under-age and 52,919 over-age pupils. The high ratio of over- age learners means that some

children are held back getting into classes, forced to repeat grades or attending schools infrequently which may be a result of socio-economic constraints, the distance between home and school in rural areas or limited space availability due to districts which grants late admissions or are running under double shift conditions.

At the secondary stage, age discrepancy gets more prominent. Among the right-age group of 127,858 learners in secondary is higher but for both under and over aged students the figure are very high than primary. This is an indication of ongoing bottlenecks in progression and dropout come back, repetition and late transition to lower secondary. The higher proportion of inappropriate aged learners in this class might have been due to marriage at a young age, competing family needs and other social factors, which inhibit continuation of learning during adolescence.

In aggregate, the distribution shows a system largely successful in delivering most children at an age-appropriate level especially at earlier ages. However, the continued prevalence of both under- and over-age enrolment in all grades suggests that more efforts should be made to reach out to children at an early age, provide better support for learners and create interventions for population categories at risk when they navigate through the education cycle in Zanzibar, to address age-grade mismatch.

Primary school data, where most of the students are enrolled at, also recorded an overall rise in the number of teachers, increasing from 9,382 in 2021 to peak at 11,655 teachers in 2024 before dipping slightly to stand at 9,564 in 2025. This temporary decrease could be due to budget changes, teachers being reallocated, retirement or recruitment delays. The peak year coincides with the increase in primary enrolment and may represent early attempts to even out pupil–teacher ratios. Yet the dip in 2025 reflects lingering susceptibility to maintaining sufficient levels of staff and preventing instructional quality from diluting as enrolments swells.

In contrast, the trend of secondary education is downward over time. The teaching force fell from 7,069 in 2021 to 3,802 in 2025. This downward trend is an alarm bell ringing when the government is pursuing an expanded secondary education and quality learning at higher levels as part of national agenda. The decline may

reflect both challenges in training teachers with specialized skills and the high attrition of certified educators to more lucrative sectors. The declining workforce increases the possibility of larger pupil teacher ratios and fewer opportunities to study, in particular science and technology.

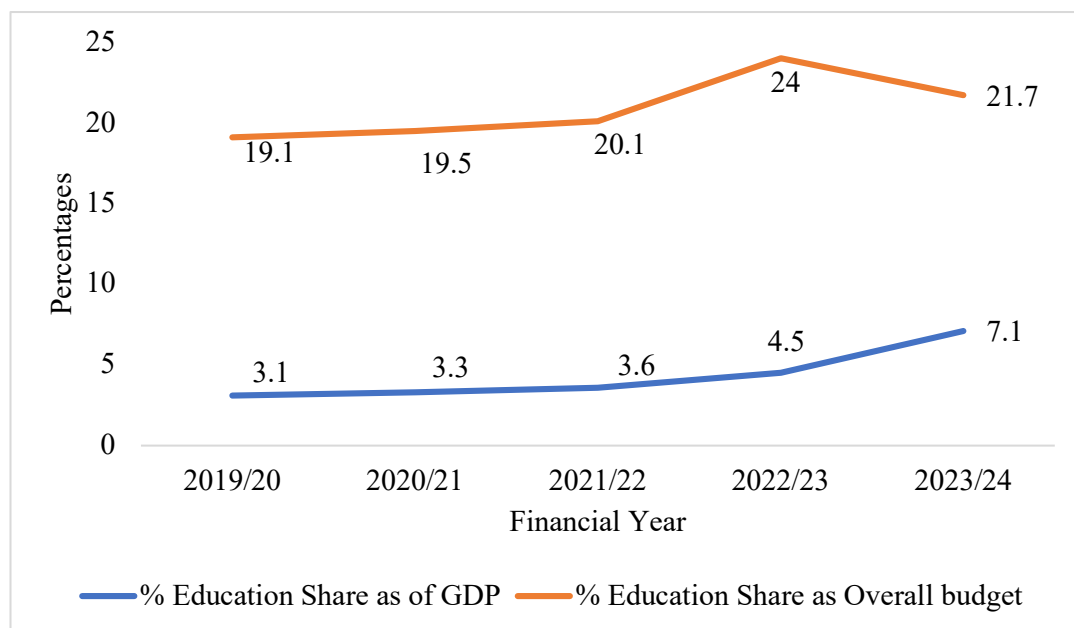
Figure 2.12 depicts the educational share of the total budget and education share as a percentage of GDP in Zanzibar from Financial Year (FY) 2019/20 to 2023/24. The chart illustrates the government's expenditure on education in comparison with the total national budget and the country's economy.

The participation of education in the combined sectoral budget rose from 19.1% to 20.1% during this period (2019–20 to 2021–22). This marginal but sustained increment indicates a continuous centrality of education in the national blueprint. The highest share for education was 24% in 2022–23, suggesting higher policy momentum or a larger government focus on the budget for education possibly reflecting plans to make efforts post-COVID-19 or expansion under infrastructure and staffing. The share did become slightly smaller in 2023/24, where a proportion of only 21.7% could be observed here, which must have been driven by fiscal tightening or other national needs (but was still bigger compared with the years before).

The Education Share as a percent of GDP Expenditure, however, exhibited an increasing trend for all the five years. This was up from 3.1% in 2019/20 and continued the gradual upward trend in the share of education spending as a proportion of GDP. The highest increase in 2023/24 reaching a sudden peak at 7.1% increasing by nearly double compared with the previous year's figure of 4.5%. This large increase means more powerful prioritising of education in the national economy, and Zanzibar dedicating a growing share of its economic resources to expanding access to schools, while also enhancing their quality.

In general, this indicates that Zanzibar has been quite progressive in its investment in education both as a percentage of GDP and within the national budget. Despite a small decline in the share of budget in 2023/24, education's share in the GDP has grown significantly - indicating a long-term commitment to investing on developing human capital and promoting economic sustainability.

Figure 2.12: Education Share of Overall Budget and as % of GDP



Source: *Education Statistics Abstract, 2025*

2.4 Health Issues

Zanzibar considers its population as its fundamental resource and banks on it for its future development. Looking on human resources for health, in 2023, the total number of Human Resources for Health (HRH) in Zanzibar was 6,574. Among them, 205 (3.1%) were in health administration. The workforce included 484 doctors (7.4%), 86 dentists (1.3%), 372 clinicians (5.7%), and 35 anaesthesiologists (0.5%). There were also 1,736 nurses and midwives (26.4%), 412 professionals in diagnostic services such as laboratory and radiology (6.3%), 368 pharmaceutical personnel (5.6%), 659 allied health science professionals (10.0%), and 187 other non-medical cadres (2.8%). Support staff accounted for 2,030 individuals, representing 30.9% of the total HRH.

As of 2023, the doctor-to-population ratio in Zanzibar stands at 1:3,904, reflecting an improvement from the previous financial year's ratio of 1:4,445. This achievement surpasses the WHO target ratio of 1:10,000, indicating notable progress in the availability of medical doctors. Similarly, the nurse-to-population ratio in Zanzibar is 1:1,089, showing an improvement from the previous financial year's ratio of 1:1,258. This again indicates that the nursing

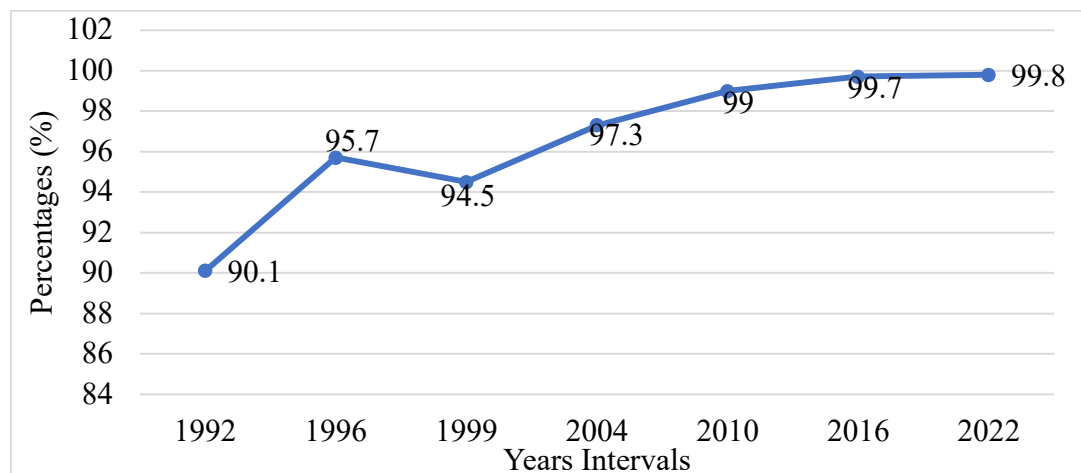
workforce is relatively sufficient to meet healthcare demands, as the current ratio far exceeds the WHO target of 1:6,000 population per nurse.

In Zanzibar, by 2023, 262 health facilities had undergone quality assessments since the introduction of the rating system in 2020. All 262 facilities remain active within the system. The majority of these facilities received a one-star rating the lowest quality level indicating a high risk to both health workers and patients receiving care. Only 35 facilities achieved a three-star rating, and just one facility reached a four-star rating.

Contraceptive prevalence rate is among the key indicator which links between health and demographic of the society. Figure 2.13 presents a trend of use of contraception from 1992 to 2022. The figure reveals as being overwhelmingly on the rise for more than two decades, suggesting a significant development in general perception and knowledge about contraception. Back in 1992, only 90.1% of the population knew at least one contraceptive method. This modest number indicates that access to information on reproductive health remained inadequate during this epoch. In 1996, the awareness level jumped to 95.7%, most likely due to the effect of initial public health promotional activity and improved family planning outreach services. There was a modest decrease in that number in 1999, however, to 94.5%, which may have been caused by disparities in outreach efforts or differences in the coverage of data collections.

After 2004, awareness increased progressively to 97.3% in 2007 and finally to complete coverage (99%) by the end of December 2010. This sustained gain again is an exemplary of the efficacy of prolonged public enlightenment and health sector reforms and partnership with community groups to promote awareness for family planning. In 2016, awareness rose to 99.7%, while in 2022, it was a high of 99.8%, such that almost everyone had heard of at least one method. Generally, the trend shows that reproductive health education has improved in Zanzibar over the past three decades.

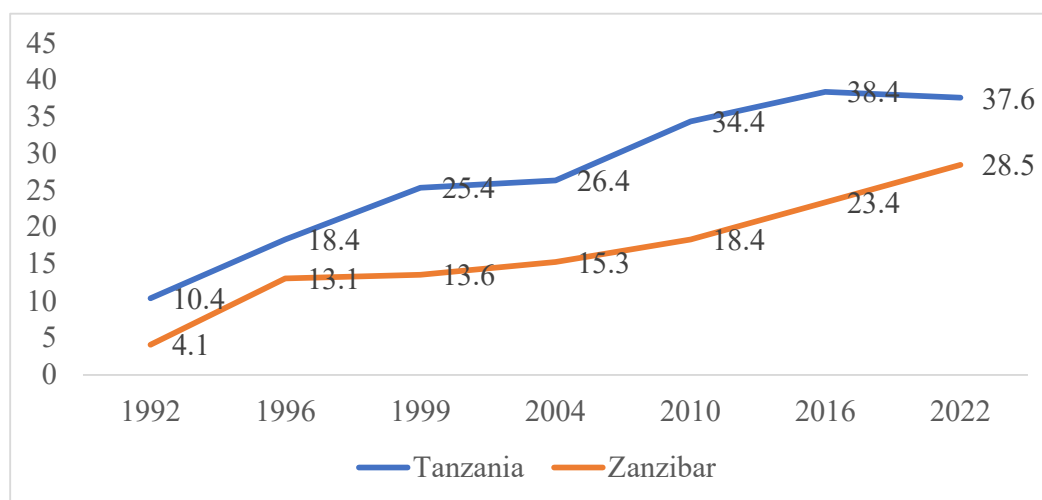
Figure 2.13: Knowledge of Contraceptive Method



Source: DHS, 1991/92, 1996, 1999, 2004, 2010, 2015/16, 2022

The study show that people understand the concept of Contraceptive Methods in Zanzibar, this implies that, government and other population stakeholders take effective action integrating family planning information into the curricula of health systems, schools, and community-based campaigns. This high overall knowledge about fertility serves as a useful basis for the enhancement of reproductive health outcomes by reducing unintended pregnancies and enabling couples to make informed decisions on family planning.

Figure 2.14: Trend of use of contraceptive methods by location



Source: DHS, 1991/92, 1996, 1999, 2004, 2010, 2015/16, 2022

As for resources consumption for health, the recent National Health Account report of Zanzibar conducted in (2017/18) shows that the average spending on health per capita is US\$ 34. This amount is too small and far below the WHO recommendation of US\$ 86 per capita. It was recommended to raise the budget to at least US\$ 68 per person per year. Based on the historically low levels of funding from the central government, doubling health budget within 10 years seemed unrealistic; however, the recommendations have been considered.

Economic status, outlook and Opportunities



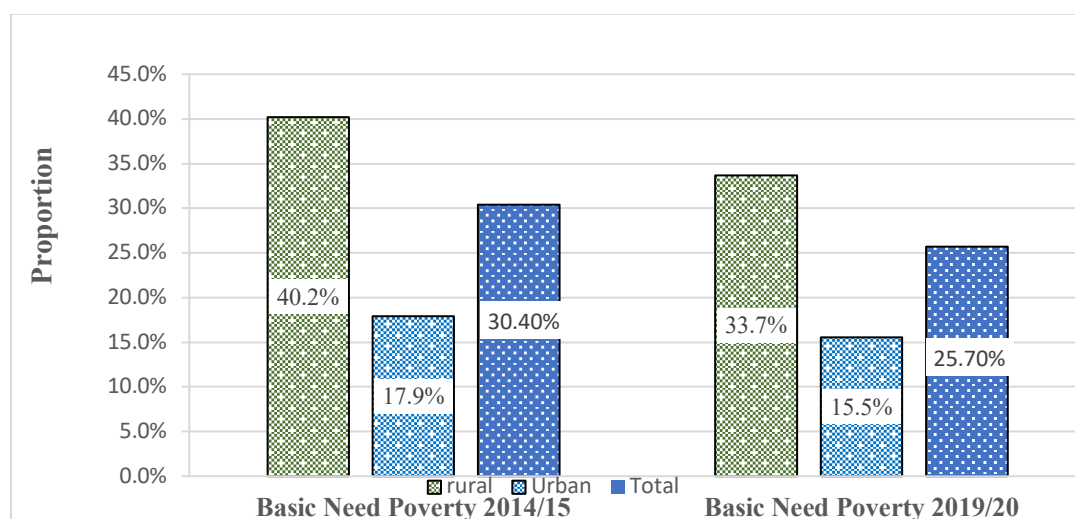
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3.1 Micro-economic status.

Owing to steady economic growth over the past decade, Zanzibar has made notable progress in reducing poverty among its population. According to the Household Budget Survey (HBS) 2019/20, where the poverty is measured using consumption per “adult equivalent,” which serves as the primary welfare indicator for poverty analysis.

This method applies equivalence scales to convert household members of different ages and sexes into a standardized adult unit, guided by caloric requirements. Using this indicator, the overall poverty rate declined to 25.7 percent, falling from 30.4 percent in 2014/15 at an average rate of approximately one percentage point per year. This indicates that roughly 417,256 people continue to live below the basic need's poverty line of TZS 66,313 per month. A pronounced disparity exists between urban and rural areas. Urban poverty has declined markedly, nearly halving over the decade, while rural poverty has decreased by only 15 percent. Consequently, by 2019, rural poverty stood at 33.7 percent, which is almost double the urban rate of 15.5 percent. Although rural poverty reduction accelerated between 2015 and 2019, these gains were insufficient to close the long-standing gap.

Figure 3.1 Proportion of Basic Need Poverty, 2014/15-2019/20

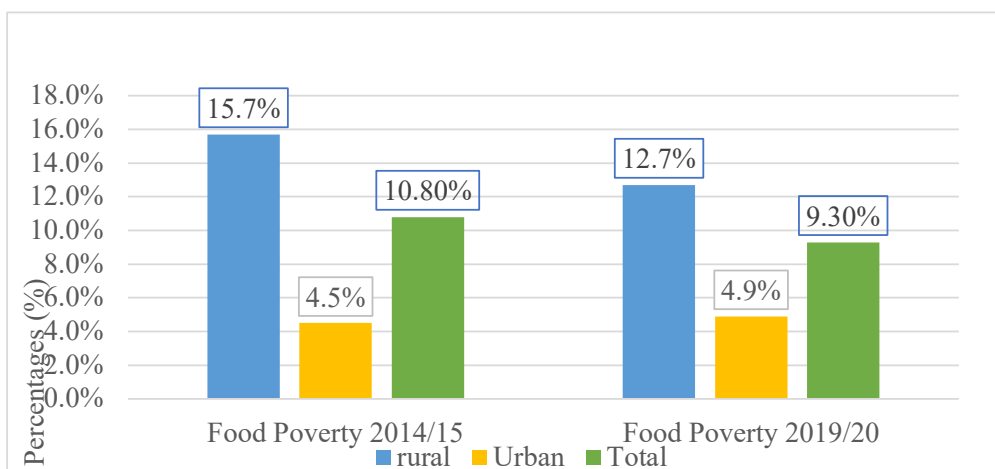


Source: Zanzibar Statistical Abstract 2023, 2024, OCGS

Moreover, the results indicate that poverty in rural areas is more severe, with households positioned further below the poverty line compared to those in urban areas. The poverty gap reflects this disparity, showing only modest improvements over time. Between 2014/15 and 2019/20, the urban poverty gap narrowed marginally by 0.2 percentage points, while the overall reduction of 1.4 percentage points was largely driven by a more significant decline of 2.2 percentage points in rural areas¹

At the same time, food poverty has also shown only modest progress. The extreme food poverty rate declined from 10.8 percent in 2014/15 to 9.3 percent in 2019/20. A closer look at the distribution reveals that in rural areas, the proportion of food-poor individuals dropped from 15.7 percent to 12.7 percent over this period. Conversely, in urban areas, the share of food-poor individuals increased from 4.5 percent to 4.9 percent. This shift suggests that while poverty reduction efforts have reached rural communities, urban households are increasingly vulnerable, possibly due to rising living costs and limited income opportunities. Overall, poverty reduction has been more substantial in Pemba, particularly in Micheweni District, which recorded a decline of about 21 percentage points in basic needs poverty between 2014/15 and 2019/20. Chake Chake also experienced a notable reduction of approximately 14.3 percentage points over the same period. Taken together, the decline in both basic needs poverty and food poverty appears to have been largely driven by progress in Pemba's districts.

Figure 3.2 Proportion of Food Poverty 2014/15-2019/20



Source: Zanzibar Statistical Abstract 2023, 2024, OCGS

Targeted interventions, particularly through the Tanzania Social Action Fund (TASAF), have played an important role in cushioning vulnerable groups. Beneficiary households under TASAF reached 54,525 in 2020/2021 benefited from cash transfer grants amount of TZS 52 billion and 4 billion in public works projects, reflecting expanded program coverage and impact in addressing food insecurity. Yet, the slow overall pace of decline, coupled with the rising vulnerability in urban areas, underscores the need for more inclusive and context-specific poverty reduction strategies that address both rural and urban dynamics. Income inequality in Zanzibar has remained moderate by international standards but has shown a gradual upward trend over the past decade. The Gini coefficient is a commonly used indicator of income distribution within a country. Its values range between 0 and 1, where 0 represents perfect equality meaning all households earn the same income, while 1 denotes absolute inequality, with a single household receiving all the income. This coefficient for Zanzibar has increased only modestly, rising from 0.30 in 2009 to 0.30 in 2015 and slightly increased to 0.31 in 2020. This finding revealed a relatively stable inequality levels compared to Sub-Saharan Africa, where Gini coefficients typically range between 0.34 and 0.53. Other inequality measures, however, reveal more slight shifts. The consumption ratio between the 90th and 10th percentiles increased from 3.5 in 2009/10 to 3.9 in 2019/20, indicating that the richest households experienced faster consumption growth than the poorest. These movements highlight a growing divergence in welfare outcomes, particularly disadvantaging the poorest groups.

Figure 3.3 Proportion of Food poverty among rural, urban and total, 2014/15-2019/20



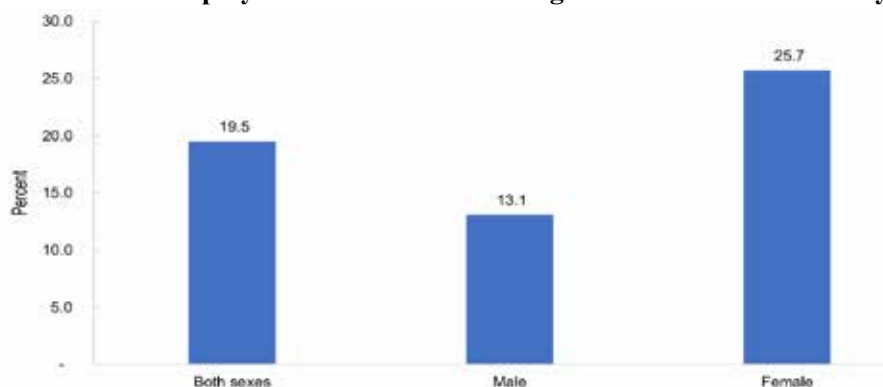
Source: Zanzibar Statistical Abstract 2023, 2024, OCGS

Dis-aggregated data further show that inequality in Zanzibar is driven more by disparities within urban and rural areas than by differences between them. Rural inequality increased slightly between 2009 and 2019 (from 0.27 to 0.29), while urban inequality showed a modest decline, suggesting that urbanization has not necessarily worsened disparities in urban settings. However, during the most recent period (2015–2019), inequality in urban areas also registered a minimal increase, reflecting new pressures in urban livelihoods. In addition, at district level, the inequality rate in Wete has slightly declined over the past decade, whereas Micheweni, Chake Chake, and Mkoani have seen substantial increases. In Unguja, Kaskazini A and Mjini recorded significant reductions in inequality between 2014/15 and 2019/20.

3.2 Employment status in Zanzibar

Despite robust GDP growth, Zanzibar's labour market faces persistent challenges. Youth unemployment remains particularly pressing issues, reaching 19.5 percent in 2022 , which is above the global average of 14.5 percent and the African average of 12.7 percent. Young women were disproportionately affected, with unemployment as high as 25.7 percent compared to 13.1 percent for males. These figures highlight the urgency of expanding employment opportunities for youth, especially young women, as a critical pathway for unlocking Zanzibar's demographic dividend and accelerating inclusive growth.

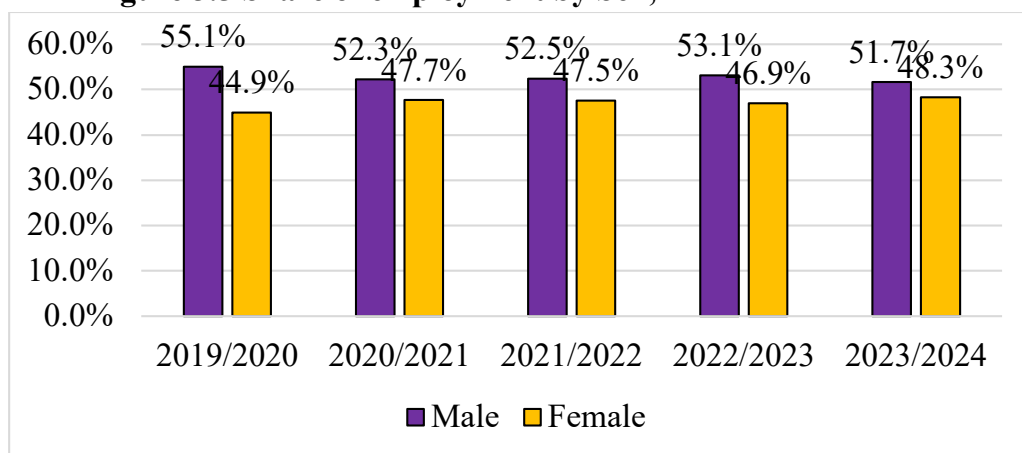
Figure 3.4: Current Unemployment Rate of Persons Aged 15 Years and Above by Sex



Sources: Basic Demographic and Socio-economic Profile, TPHC, 2022.

While unemployment remains high, job creation has increased only marginally since 2000, for instance, total employment across all sectors in 2023/24 reached 83,430 employees, including those in the government, government parastatals, and private sectors, reflecting a 2.0 percent increase from 82,225 employees in 2022/23. Male employees accounted for a larger share (53.1 percent) compared with female employees (46.9 percent). However, over the subsequent years, the male share generally declined while the female shares increased, reflecting a narrowing gender gap. By 2023/24, males comprised 51.7% of employees and females 48.3%, indicating a more equitable distribution compared with earlier years. The majority of workers employed in the government and government parastatal sectors (56.0 percent), while the private sector employed 44.0 percent. The results indicate that the agriculture, forestry, and fishing sector accounts for the largest share of total employment at 36.1 percent, followed by other service activities at 14.4 percent. In contrast, the water supply, sewage, waste management, and remediation sector has the smallest share, representing only 0.2 percent of total employment.

Figure 3.5 Share of employment by Sex;



Source: Zanzibar Statistical Abstract, 2024

The 2022 PHC indicates that 228,283 individuals aged 15 years and above are engaged in informal non-agricultural economic activities, with female's slightly be more than males (114,739 versus 113,544). The data further show that the majority of informal sector participants are youth aged 15–35, representing 59.9 percent of total employment. This is followed by adults aged 36–64, who

account for 36.2 percent, while the lowest participation is observed among those aged 65 and above, comprising only 3.9 percent of informal sector employment. The persistence of informality reflects not only slow job creation but also structural barriers, including limited skills training, weak alignment between education and labour market needs, and gendered constraints that restrict participation in higher-value sectors. This trend also poses a challenge to Zanzibar's development, as the informal sector largely consists of micro and small-scale enterprises and low-skilled jobs concentrated in rural agriculture, fishing, and urban retail. These activities are typically associated with low wages and relatively high underemployment, particularly among the youth, resulting in limited value creation. The unemployed human capital, if absorbed into formal employment within productive sectors, could make a substantial contribution to the growth of Zanzibar's economy.

Table 3.1: Percentage Distribution of Population Aged 15 Years and Above Engaged in Informal Non-Agricultural Economic Activities by Sex and Selected Age Group

Sex	Age group			Total number
	15 - 35	36 - 64	64 and above	
Both sexes	59.9	36.2	3.9	228,283
Male	60.9	35.4	3.7	113,544
Female	58.9	36.9	4.1	114,739

3.3 Macro-economic status

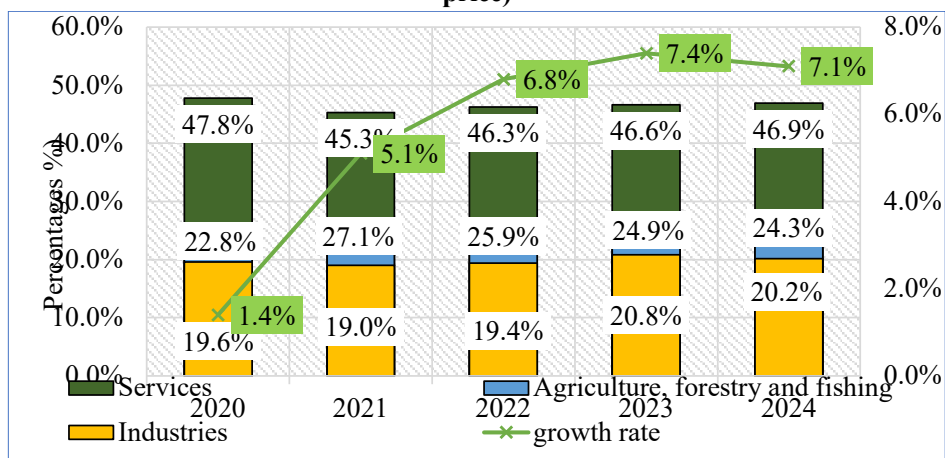
A growing working-age population offers an opportunity to harness the demographic dividend, but this requires strong investments in education, skills, job creation, and good governance. East Asian countries such as South Korea, Singapore, and Taiwan demonstrated how channelling labour from agriculture to manufacturing and services, coupled with technology adoption, can drive rapid economic growth. However, many countries risk falling into the “middle-income trap” when rising wages and limited innovation reduce competitiveness. The few nations that successfully advanced to high-income status did so by investing in modern infrastructure, fostering innovation with intellectual property protections, and maintaining flexible labour markets and open economic policies to remain competitive globally.

Over the past decade, Zanzibar's economy has followed a steady path of recovery and expansion, particularly after the shock caused by the COVID-19

pandemic. In 2020, growth slowed sharply to 1.3 percent, but recovery followed with GDP growth reaching 5.1 percent in 2021, 6.8 percent in 2022, and a peak of 7.4 percent in 2023, before moderating slightly to 7.1 percent in 2024. This performance reflects a broad-based recovery, with all key sectors registering positive contributions during the period. The services sector remains the backbone of Zanzibar's economy, contributing 46.9 percent of GDP in 2024. Within this sector, accommodation and food services stand out as the leading drivers, accounting for 16.9 percent of GDP, reflecting the critical role of tourism. Agriculture, which continues to provide livelihoods for a large portion of the population, contributed 24.3 percent of GDP, with livestock emerging as the largest subsector at 10.5 percent. Meanwhile, industry accounted for 20.2 percent of GDP, driven primarily by construction, which alone contributed 10 percent.

In 2022, the reopening of international borders and a rebound in global tourism drove economic performance, boosting growth in the services sector and stimulating demand in wholesale and retail trade. Agriculture also improved output, benefiting from favourable weather and stronger support for cash crops such as cloves, seaweed, and horticultural produce. By 2023, Zanzibar achieved its strongest growth in a decade at 7.4 percent. This expansion came largely from the outstanding performance of accommodation and food services, fuelled by a sharp rise in tourist arrivals from 394,185 in 2021 to 638,498 in 2023 (Statistical abstract, 2021; 2024).

Figure 3.6: Zanzibar's GDP Growth Rate and Sectoral Contributions r (Constant 2015 price)



Source: Zanzibar Statistical Abstract, 2024

Several factors contributed to this flow in visitors, including the full reopening of international borders after the COVID-19 pandemic, improved global air connectivity through additional direct flights, and intensified promotion of Zanzibar as a premier destination under the “Tourism for All” campaign. In 2024, growth slightly eased to 7.1 percent, reflecting moderation in the services sector due to global inflationary pressures affecting tourism demand and higher import costs. Nevertheless, the economy remained robust, with construction activities continuing to expand, supported by both public and private sector investments. Zanzibar’s economy continues to consolidate its recovery trajectory, driven by macroeconomic stability, an improving investment climate, and reforms aligned with the Zanzibar Development Vision 2050. To sustain growth above 7 percent threshold necessary for meaningful poverty reduction, further efforts will be required to enhance productivity in agriculture, expand value addition in manufacturing, strengthen tourism resilience, and improve human capital investments.

Inflation stood at 3.4 percent before dropping sharply to 1.7 percent in 2021, a decline that reflected the impact of practical monetary and fiscal policies. However, inflationary pressures come up, with the rate climbing to 5.1 percent in 2022 and peaking at 6.9 percent in 2023, before easing back to 5.1 percent in 2024 is still 1.7 percentage points higher than in 2020. The decline in 2024 primarily reflected falling global commodity prices and decisive government interventions, particularly in stabilizing food and energy prices.

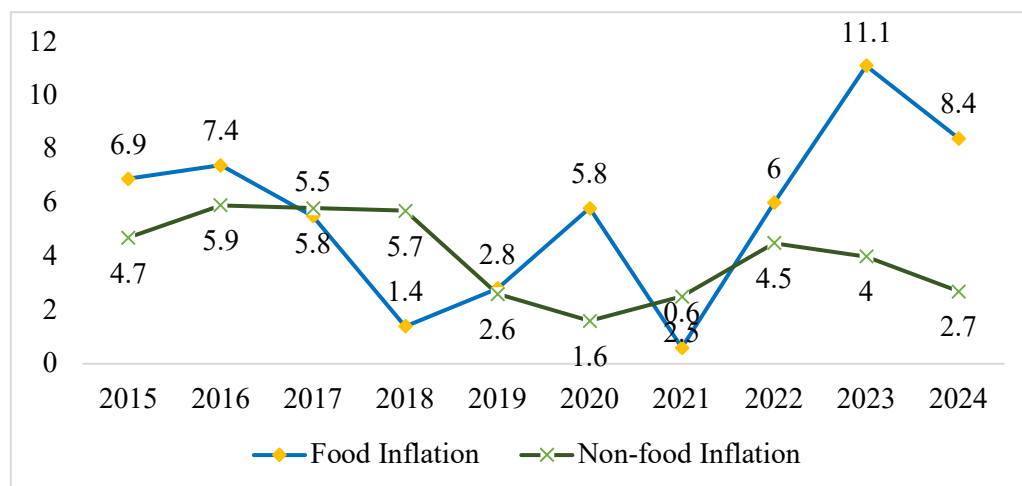
Figure 3.7: Annually Inflation Rate, 2015-2024



Source: Zanzibar Statistical Abstract, 2024

Nonetheless, price indices remained raised: in 2024, the food inflation 8.4 and the non-food inflation was 2.7, compared with 11.1 and 4.0, respectively, in 2020 . These increases underscore the persistent role of food and non-food items in driving inflationary pressures. The decline in inflation in 2024 covering overall, food, and non-food prices provides relief to households, especially the poor. Since food usually accounts for a larger share of spending among low-income households, the reduction in food inflation eases their financial pressure more than it does for wealthier groups. In Zanzibar, rural households benefit more than urban-households because of their higher share of food expenditure. While the inflation rate remains within a manageable range, continued efforts to stabilize prices and mitigate shocks are essential for preserving macroeconomic stability.

Figure 3.8: Food and Non-food Annually Inflation Rate, 2015-2024



Moreover, Finance plays a central role in supporting Zanzibar's economic growth and ensuring macroeconomic stability. Access to financial services, including banking, credit, and investment opportunities, is crucial for households, businesses, and government initiatives alike. Well-functioning financial systems facilitate savings mobilization, efficient allocation of resources, and risk management, while also enabling investment in key sectors such as agriculture, industry, and tourism.

In 2023, the government demonstrated its commitment to inclusive financial access by disbursing TZS 2.10 billion to 18 Micro and Small Medium Enterprise projects across Zanzibar, ensuring that small and medium enterprises in both

urban and rural areas benefit from development financing. Similarly, the Zanzibar Economic Empowerment Authority (ZEEA) provided loans to 16,432 beneficiaries, up from 3,980 in 2022, with the total value reaching TZS 16.83 billion, and 3.52 billion to 32,325 beneficiaries provided in 2019 where 56 percent of whom were women reflecting a significant expansion in support for local businesses. Despite these advances, many small businesses and rural households still face limited access to credit and high borrowing costs, which constrain productivity and investment. Inflation and price volatility further erode household purchasing power, underscoring the need for coordinated monetary and fiscal policies. Strengthening financial access and stability is therefore essential not only for immediate economic recovery but also for sustaining long-term growth, reducing poverty, and achieving the objectives of the Zanzibar Development Vision 2050.

Complementing these initiatives, Zanzibar's fiscal management has strengthened the foundation for economic growth. In the 2023/24 financial year, the government collected TZS 2,104.7 billion, comprising TZS 1,201.9 billion in taxes, TZS 708.1 billion in grants, and non-tax revenues, representing a 49.5 percent increase from 2022/23. Total expenditure reached TZS 2,103.9 billion, with 53.2 percent directed to economic affairs and 41.4 percent allocated to acquisitions of new non-financial assets, including infrastructure.

These strategic investments, partly financed through domestic borrowing, strengthen economic capacity while supporting key sectors such as agriculture, tourism, and industry. Together, robust financial inclusion measures and sound fiscal management provide a solid foundation for Zanzibar to sustain growth, attract investment, and achieve inclusive development.

3.4 Economic Opportunities

3.4.1 Tourism Opportunities

Zanzibar's tourism sector remains a key driver of economic growth and foreign exchange earnings. In 2024, the islands welcomed 736,755 international visitors, a 15.4 percent increase from 638,498 arrivals in 2023, demonstrating Zanzibar is growing global appeal (Zanzibar Statistical Abstract, 2024). European tourists dominated arrivals (71.6 percent), with Italy, Germany, France, and Poland

being the top source countries. Emerging markets such as India, China, Japan, and Ukraine showed strong growth, highlighting new opportunities for market diversification. Tourists primarily seek leisure experiences, with 98.3 percent visiting for holidays, providing significant prospects for expanding hospitality, eco-tourism, cultural tourism, and niche high-end services. Investments in airport infrastructure, direct international flights, and marketing campaigns like “Tourism for All” strengthen the island’s potential to attract more tourists and extend average lengths of stay, while creating opportunities for private sector partnerships, including luxury resorts, eco-lodges, and experiential tourism services.



3.4.2 Water Resources Opportunities

Zanzibar is endowed with abundant freshwater sources, including springs, wells, lagoons, and coastal waters, which support agriculture, fisheries, and tourism. Groundwater remains the main source for both domestic and industrial use. According to Zanzibar Water Authority (ZAWA, 2020), there are over 315 government-owned wells, 100 commercial wells, 16 public institutional wells, and 1,275 private wells, alongside five springs and seven caves supplying water . This existing infrastructure presents opportunities for sustainable water supply expansion, investment in water treatment and storage facilities, and climate-resilient water management systems. The Zanzibar Water Investment Programme (ZanWIP) aims to mobilize over USD 665.5 million by 2027 to enhance water

supply infrastructure and equitable access, creating potential for private sector participation in water provision, irrigation systems, and wastewater management, as well as opportunities for research and innovation in climate-adapted water technologies.



3.4.3 Labour Force Opportunities

Zanzibar's youthful labour force provides a significant opportunity to harness the demographic dividend. In 2022, overall labour force participation was 81.1 percent, with a substantial youth segment. Programs focused on education, vocational training, and women's and youth entrepreneurship aim to enhance human capital and support inclusive economic participation. Opportunities exist to develop skills aligned with emerging industries such as tourism, fisheries, aquaculture, agro-processing, and the digital economy. By formalizing informal employment, particularly in agriculture, fisheries, and urban services, Zanzibar can increase productivity, wages, and value creation. Investments in training institutions, technical education, and entrepreneurship incubation can unlock the potential of young professionals and women, strengthen the workforce and contribute to sustained economic growth and social development.

3.4.4 Investment Opportunities

Zanzibar offers a favourable environment for investment across multiple sectors, including agriculture, manufacturing, tourism, fisheries, and infrastructure.

Strategic incentives such as tax exemptions, land availability, and support for MSMEs make the islands attractive to both domestic and foreign investors. The government has actively supported micro and small enterprises, disbursing TZS 2.10 billion to 18 MSME projects in 2023 and providing TZS 16.83 billion in loans to 16,432 beneficiaries through the Zanzibar Economic Empowerment Authority (ZEEA). Other opportunities lie in agro-processing, fisheries value addition, renewable energy, and sustainable tourism development, while ongoing investments in transport, ports, and airport infrastructure facilitate logistics and connectivity for trade and tourism sectors. Public-private partnerships (PPP) are also encouraged to maximize returns on infrastructure and service delivery projects.

Despite the high economic growth, several challenges exist that hamper rapid economic expansion and growth, including unemployment, poorly skilled human capital and poor infrastructure.

Governance and other Cross cutting issues



4

4.1 Governance and Accountability

Good governance and accountability are critical for Zanzibar's sustained and equitable socioeconomic development. Governance is widely recognized as a fundamental determinant of development outcomes, shaping the quality of public institutions, policy formulation, service delivery, and the enforcement of socioeconomic interventions. Effective governance ensures that resources are allocated to productive investments in human capital, infrastructure, and economic growth, while accountability mechanisms safeguard the efficient transformation of these resources into tangible development outcomes.

In Zanzibar, recent trends indicate notable improvements in governance and accountability. The Corruption Perceptions Index (CPI) rose from 82 in 2024, reflecting a 12-point improvement since 2020, suggesting reduced public sector corruption and growing confidence in public institutions. Measures to strengthen oversight and human-rights compliance have expanded significantly, with anti-corruption and governance seminars and workshops increasing from 1 in 2020 to 15 in 2024, targeting government officials in areas of higher corruption risk, including airports, seaports, and key social service institutions. Public engagement programs have similarly scaled up, encompassing 89 meetings with public and private sector stakeholders, 50 local-level community meetings, 57 seminars, 17 radio and TV programs, and 23 anti-corruption club sessions. The introduction of the public service mobile application (Sema Na Rais) has further enhanced citizen participation, successfully resolving 16,617 complaints out of 20,601 received since 2021, thereby reinforcing transparency and service delivery accountability.

Statistical evidence underscores the importance of governance in managing Zanzibar's demographic transition. The 2022 Population and Housing Census reports a total population of approximately 1.89 million, of which 1.06 million are of working age (15–64 years) (TPHC, 2022). This growing working-age cohort amplifies the need for strong governance to ensure that public services, economic opportunities, and human capital investments meet rising societal demands. Administrative data further show improvements in inclusivity: the proportion of women in the House of Representatives fully involved in decision-making increased from 36% in 2020 to 37% in 2024 (OCGS, 2024), while youth

representation grew from 2.3% to 6.4%, and persons with disabilities from 2.3% to 3.8% over the same period. These indicators reflect gradual progress toward equitable and inclusive decision-making, a critical component of accountable governance.

Zanzibar's experience demonstrates that governance is not solely about institutional structures but also about the quality of leadership, integrity, and the operational capacity of public servants. Comparative evidence shows that countries with disciplined, transparent, and accountable institutions are better able to convert demographic opportunities into economic dividends. In Zanzibar, the strengthening of institutional oversight, public awareness initiatives, and digital platforms for citizen engagement illustrates an operational commitment to these principles. However, challenges remain include urbanization pressures, increasing population density, and evolving socio-economic demands underscore the need for continuous investment in institutional capacity, policy research, and performance monitoring to sustain improvements in governance.

To harness fully the potential demographic dividend, Zanzibar must maintain and enhance governance reforms in several key areas. These include efficient allocation of resources to productive investments, strengthening public service delivery, promoting inclusive political participation, expanding accountability frameworks, and reinforcing technical capacity for planners and service providers. Further progress in these areas will help ensure that the growing working-age population contributes productively to socio-economic development, while minimizing opportunities for corruption and inefficiency. Ultimately, strong governance and accountability form the backbone of Zanzibar's strategy to maximize the benefits of its demographic transition, providing an enabling environment for sustainable growth, social inclusion, and equitable development outcomes.

4.2. Gender Empowerment

In Zanzibar, women constitute approximately 50.4 percent of the total population, (OCGS, 2024). Women are increasingly recognized as key drivers of Zanzibar's socio-economic development, contributing to human capital formation, entrepreneurship, and household welfare. Efforts have been made to empower women through legal, policy, and institutional reforms, including the Gender Policy of Zanzibar (2020–2030), which promotes gender equality,

supports women's political participation, and ensures access to economic and social resources.

Several initiatives have been introduced to enhance women's rights and participation. For example, reforms in property and inheritance rights now allow women to inherit land and property, while policies support equal participation in governance structures. Women currently occupy around 37 percent of seats in the House of Representatives as of 2024, representing a gradual increase from 36 percent in 2020 (OCGS, 2024). These measures are intended to create a gender-inclusive decision-making process, with a long-term objective of reaching 50 percent representation for women. Moreover, the percentage of women Aged 15+ employed in Senior and Middle Management Positions increased from 20.8% in 2014 to 24.5% in 2021 (ILFS, 2022).

The growing evidence of the positive impact of gender parity on economic growth has led to the concept of a gender dividend, the increased economic growth that can be realized when women participate fully in education, formal work, and decision-making. According to the Population Reference Bureau (PRB), closing gender gaps in employment and productivity could significantly boost GDP by increasing women's labour market participation and reducing unpaid dependency work. In Zanzibar, policies aimed at improving access to education, employment opportunities, and financial services for women and girls directly contribute to this potential dividend.

Education is a critical determinant of women's empowerment. Zanzibar has made strides in achieving near gender parity at primary and secondary levels, with girls' net enrolment ratios at 87.1 percent for primary school and 51.4 percent for secondary school (OCGS, 2024). However, gender gaps remain at the tertiary and technical/vocational education (TVET) levels, where male enrolment outpaces female enrolment where males constitute 58 percent of tertiary and 62 percent of TVET students (Educational abstract, 2024), reflecting higher dropout rates among girls after secondary school. Adult literacy data shows 83.9 percent of women are literate, highlighting growing in number of women in educational attainment. Addressing these inequities is vital for enhancing women's skills, employment opportunities, and contribution to economic growth.

Women are disproportionately represented in informal and low-income economic activities. About 62 percent of economically active women engage in agriculture, petty trade, and informal services, compared to 54 percent of men (Labour Force Survey, 2022). Labour force participation rates are relatively high for both genders, 70.9 percent for women and 82.2 percent for men, but unemployment disproportionately affects women (72.4 percent for women vs. 27.5 percent for men) (ILFS, 2022). Female-headed households who are likely to live in poverty increased from 19.7% in 2015 to 25.8% in 2020 (HBS, 2020). Financial inclusion also remains limited: only 22% of women have access to formal financial services, compared to 29% of men, highlighting structural barriers that restrict women's capacity to expand businesses and accumulate assets. Among then working age group of women at around 11.1% managed to own and use a bank account in 2022 which the proportion dropped from 15.6% reported in 2015 (TDHS, 2022). Women also perform the majority of unpaid domestic and caregiving work, averaging 4.3 hours per day, compared to 0.7 hours for men (HBS, 2020), constraining their economic productivity and capacity to participate in formal employment.

However, women in Zanzibar face significant challenges related to reproductive and sexual health. The maternal mortality ratio (MMR) in Zanzibar remains high at 196 deaths per 100,000 live births (Maternal analysis, 2025), reflecting gaps in maternal health services. Adolescent fertility is also a concern, with fertility among girls aged 15–49 at 147 births per 1,000 women (Statistical abstract, 2024), higher than the national average for Tanzania. These figures indicate the need for targeted reproductive health interventions, including access to family planning, comprehensive sexuality education, and adolescent-friendly health services.

Gender-based violence remains a critical issue. In 2024, Zanzibar recorded 1,809 cases of gender-based violence, a 7.4 percent decrease from 1,954 cases in 2023. Incidences of rape fell by 9.8 percent, sodomy by 36.2 percent, and interference against nature by 21.1 percent. Abductions increased by 27.5 percent, while assault increased by 32.9 percent (OCGS, 2024). Among elders, cases decreased from 320 to 284, with women accounting for 211 and men for 73 cases. Children victims decreased from 1,639 in 2023 to 1,525 in 2024, with girls representing

1,239 and boys 286. The 15–17 age group recorded the highest number of cases for both girls (722 incidences) and boys (73 incidences). (Statistical Abstract, 2024).

Most gender-based violence occurs in perpetrators' residences, accounting for 36.2 percent of reported rape cases, and investigations remain ongoing for nearly half of the incidents. Out of the 1,809 cases in 2024, the authorities convicted 290 cases (16 percent), presented 352 cases in court (19.5 percent), and had 882 cases (48.8 percent) under investigation. Adult victims aged 18–29 recorded the highest incidences, representing 94.7 percent of cases (OCGS, 2024).

4.3 Marginalized groups

In Zanzibar, persons with disabilities (PWDs) represent a significant share of the population around 11.4 percent according to the 2022 Population and Housing Census (OCGS, 2024). This proportion indicates that more than one in ten Zanzibar's lives with some form of disability, highlighting the need for inclusive policies to fully harness the demographic dividend. Despite their numbers, PWDs face considerable challenges across representation, access to services, social inclusion, and economic opportunity. As of 2023, official data from the Office of the Chief Government Statistician Zanzibar (OCGS, 2024) report 167,302 persons with disabilities across the islands, of whom 6,843 are in working age group 15-65 , the prime working-age cohort. However, representation in decision-making bodies remains minimal: out of 76 seats in the Zanzibar House of Representatives, only three seats go to individuals with disabilities (The Chanzo, 2025) . This under-representation undermines PWDs' capacity to influence policies affecting their lives and limits Zanzibar's ability to realize an inclusive demographic dividend.

Recognizing these gaps, the government and stakeholders launched the Collective Action for Disability Rights (CADiR) project (2025–2029) , backed by international partners, aiming to strengthen the rights, inclusion, and welfare of PWDs through improved access to education, health, rehabilitation, and economic empowerment (Daily News, 2025). This initiative reflects growing institutional attention to disability issues, a critical step toward ensuring that PWDs contribute fully to Zanzibar's development.

However, inclusion of PWDs continues to confront significant obstacles. Many live in districts where access to social services remains weak. For instance, in 2023, the district of Kaskazini A recorded 21.1 percent for women and 19% for women of all PWDs, while other districts like Wete had much lower proportions (OCGS, 2025). Types of disability vary, with self-care disabilities being the largest category (about 26.6 percent), followed by multiple disabilities, visual, hearing, and mental impairments (OCGS, 2025) .

Social exclusion also persists. Many PWDs face barriers in education, employment, mobility, and access to public services. Aid initiatives, including distribution of mobility aids, have increased, but coverage remains limited and many rely on family or charitable support (Daily News, 2025). Civil society organizations such as the Zanzibar Association of the Disabled (UWZ, 2025) continue to advocate for inclusive policies, awareness raising, and capacity building.

Table 4.1: Unemployment Rate of Persons aged 15+ years with Disabilities by Sex; 2020/21

Type of disability	Women	Men	Total
Seeing	15.8	13.5	14.8
Hearing	30.0	12.2	23.1
Walking	25.8	17.4	21.6
Remembering	06.7	25.6	16.0
Communication	21.5	16.5	18.8
Selfcare	88.9	01.8	26.6
Total	21.3	16.1	18.8

Source: OCGS, 2025

Given Zanzibar's demographic transition, especially the growing working-age population, failing to include PWDs would mean wasting a substantial share of human potential. Inclusion of PWDs in economic, social, and political life is

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not only a matter of rights but also of efficiency and equity. By addressing their needs, Zanzibar can increase labor supply, broaden human capital, and strengthen social cohesion — all essential for a sustainable demographic dividend.



PROSPECTS AND POTENTIAL CONTRIBUTION OF THE DEMOGRAPHIC DIVIDEND FOR ZANZIBAR



5.1 ZDV 2050 and ZADEP prospects

The Zanzibar Development Vision 2050 (ZDV2050) aspires to elevate Zanzibar's economic and social status to achieve Upper-Middle-Income Status (UMIS) by the year 2050. Realizing this ambition requires equitable, sustainable, and balanced improvements in the standard of living for all Zanzibaris. Consequently, the Vision emphasizes that over the next three decades, national development efforts must prioritize inclusive and pro-poor policies, addressing broad strategic considerations across the economic, social, political, and environmental dimensions.

Table 5.1 Thematic Aspirations

Indicator	Baseline (2019)	Target (2050)
Economy		
<i>Annual GDP growth (constant price, %)</i>	7.0	5.5 – 6.5
<i>GDP per capita (constant price, USD)</i>	951	4,400
<i>Annual inflation rate</i>	2.7	2.0 – 5.0
<i>Unemployment rate</i>	14.1	6.2
<i>Labour force participation rate</i>	79.4	90
<i>National basic needs poverty</i>	25.7	8.5
<i>Extreme poverty</i>	9.3	0
<i>Human Development Index</i>	0.624	0.72
<i>Gini coefficient</i>	0.3	0.18
<i>Population (thousands)</i>	1,621	3,078
<i>Proportion of youth (aged 15 – 35) not in education, employment or training</i>	14.6	3.9
Education		
<i>Net enrolment ratio</i>	63	90
<i>Transition rate from secondary to higher education</i>	N/A	60
<i>Proportion of students enrolled in vocational training centres directly from secondary schools</i>	<1	10
<i>Proportion of teachers applying ICT tools for teaching</i>	N/A	50
Health		
<i>Share of health expenditure to GDP</i>	3.1	10
<i>Life expectancy (years)</i>	65.2	75
<i>Infant Mortality Rate (per 1,000 live births)</i>	45	23
<i>Doctor to population ratio</i>	1:6,726	1:500
<i>Proportion of adolescents marries before age of 18</i>	31.7	5

Source: ZDV 2050

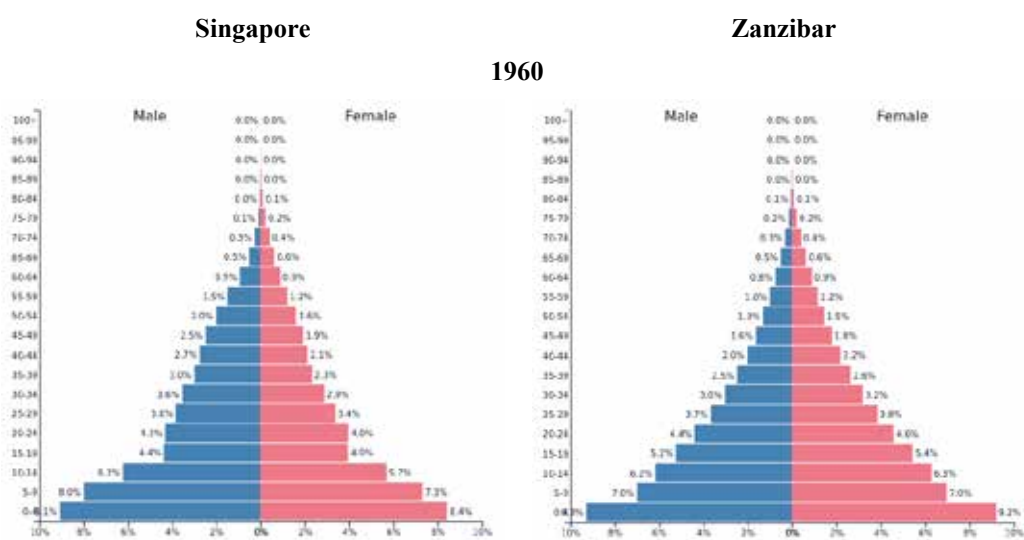
Table 5.2: Snapshot of Singapore demographic and socioeconomic status between 1960 - 2022

Indicator	1960	1990	2022
GDP per capita (USD)	428	11,862	88,429
Labour force participation rate	N/A	47.94	70.0
Total fertility rate	5.76	1.83	1.04
Life expectancy at birth – male (years)	62.2	73.7	80.1
Life expectancy at birth – female (years)	69.2	78.6	84.5
Under five mortality rate	35*	7.7	2.2

5.2 Aspiration Beyond ZDV2050

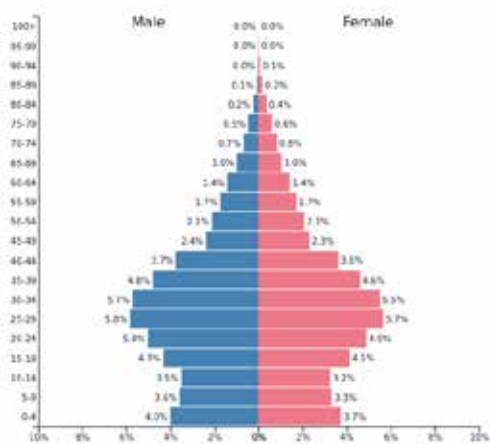
Zanzibar Development Vision 2050's aspiration might be achieved with relaxed efforts for some sectors. This means that, if those sectors have to invest strategically, they will go beyond the targets of the ZDV 2050. Besides, the state aspires the development status that some countries have achieved. A role model that in most cases is taken as example is Singapore. The choice of this country as an example is its resemblance with Zanzibar in terms of geography but also similar background in demographic and socio-economic conditions. The following statistics shows some snapshots of Singapore between 1960 and now.

Figure 5.1: Population structures of Zanzibar and Singapore (1960, 1990 and 2022)

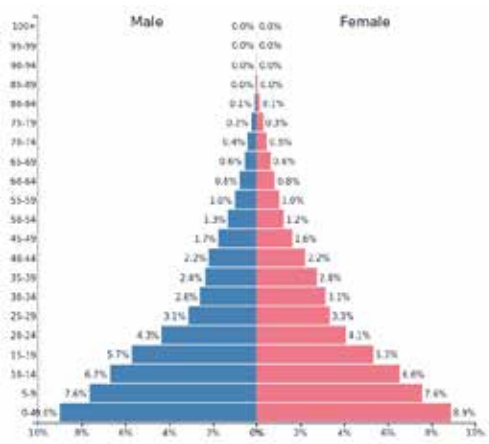


Singapore

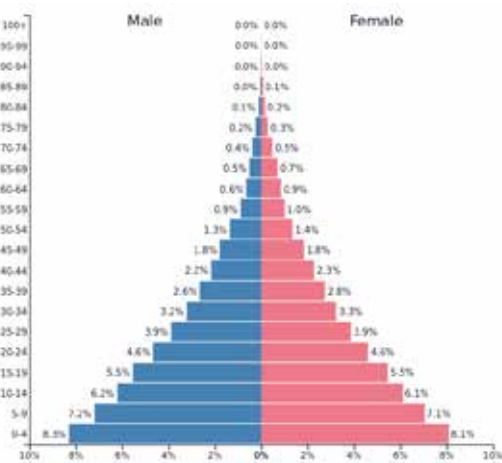
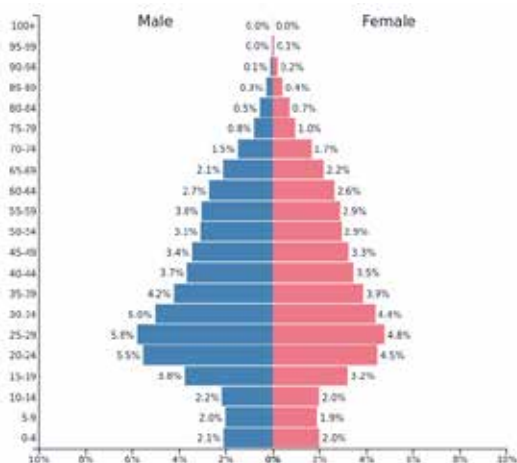
1990



Zanzibar



2022



In 1960, the two states have almost the same population structure. Singapore exploited the demographic dividend opportunity earlier and focused on policies around reduction of fertility rates. This resulted into a shrink in young age population, as seen in the structure for 1990. By that time, Zanzibar had still the same population structure as that of 1960. Further, in 2022 Singapore's population structure at young ages narrowed more which was unlike the case of Zanzibar which retained the same pyramid structure. During the period from

1960 to 1990, the total fertility rate of Singapore dropped drastically from 5.76 to 1.83, which is, already below replacement level, and further to 1.04 in 2022. For the case of Zanzibar, statistics shows that it had a total fertility rate of around 6.5 in 1960 which dropped down to about 6.2 in 1992 and went down further to 4.7 in 2022.

5.3 Model Scenarios for Attaining the Demographic Dividend

The two modules of Spectrum software have been used to do analysis for this study. These modules are DemProj module and RAPID module. The DemProj module has been used for projection of demographic indicators including population, population growth, fertility, mortality and other demographic indicators. On the other hand, RAPID module has been used for projection of social and economic parameters namely education, health and macro-economic indicators. Though RAPID module can take up to five thematic areas (economy, education, health, urbanization and agriculture), this study focused on three out of these due to availability of data. The three selected thematic areas which have been analysed are economy, education and health.

The model has two sub-models, one is demographic sub-model and the other is economic sub-model. Analysis starts with demographic sub-model which used a number demographic variables to estimate and project the population age structure and the rate of population growth. These are then used as inputs to the economic sub model, together with other policy variables in order to project the macro-economic indicator, GDP, which then allows the calculation of various other indicators such as GDP per capital.

In analysing the demographic dividend, four scenarios have been considered which reflect different policy interventions set up. The four scenarios focused on changing policy options around the three selected thematic areas which are economy, education and health. The four policy scenarios are:

Scenario 1: Business as Usual

Scenario 2: Economic Emphasis

Scenario 3: Economic Social Emphasis

Scenario 4: Combined Scenario

a) Business as Usual Scenario

This scenario depicts a continuation of the current situation, characterized by a high dependency ratio and weak economic performance. It assumes that Zanzibar will remain below its developmental potential, with no significant measures taken to address persistent challenges or to deviate from the Business-as-Usual trajectory. This approach is marked by the ineffective implementation of otherwise well-formulated development policies.

b) Economic Emphasis Scenario

This scenario envisions a situation in which Zanzibar intensifies its efforts to address the economic bottlenecks that have hindered socioeconomic progress. It assumes the establishment of effective policies, systems, and resource allocations to fully implement the economic aspirations outlined in the Zanzibar Development Vision 2050 (ZDV2050) and beyond up to 2062, as well as the intervention strategies and budgets articulated in medium-term development plans such as ZADEP 2021–2026. This represents the most optimistic economic outlook for Zanzibar, emphasizing economic reforms aimed at enhancing production efficiency, accelerating growth, creating jobs, and reducing poverty. However, under this scenario, there is limited focus on social investments, and thus, education and demographic indicators—particularly those related to family planning—are assumed to remain at the Business-as-Usual levels.

c) Social Emphasis Scenario

This scenario illustrates the impact of substantial investments in the education and health sectors, aimed at addressing existing challenges, alongside maximum investments in the economic sector. The scenario reflects a policy stance in which the government prioritizes education and health development including demographic dynamics, with the belief that these investments can drive high economic growth while indirectly reducing the population growth rate. Under this scenario, both education and health indicators are set at the targets outlined in the Zanzibar Development Vision 2050 (ZDV2050) and beyond.

d) Combined Scenario

This scenario presents the optimal policy pathway for achieving the socioeconomic transformation beyond the one envisioned in the Zanzibar Development Vision 2050 (ZDV2050). It aligns both the economic indicators and the education and

family planning indicators with the targets that some comparable countries have achieved through demographic dividend. The scenario reflects a strong and deliberate commitment to developing high-quality human capital, fostering a competitive economy, and creating a favorable investment climate through effective governance.

A key component of this scenario is the empowerment of women and their partners to prevent unintended pregnancies through universal access to effective contraceptive methods. The second major component focuses on comprehensive educational reforms that enhance access to quality education and increase the average years of schooling completed. These reforms are essential for improving workforce skills, stimulating innovation, and strengthening productivity. Extending years of schooling also contributes to higher female retention rates, lower early childbearing, and reduced fertility levels.

From an educational standpoint, the scenario assumes that for Zanzibar to achieve economic competitiveness, it must attain universal secondary education and ensure that a significant share of youth complete at least two years of post-secondary training. Overall, this scenario emphasizes increased per capital investment in health and education, recognizing these sectors as the foundation for sustained economic growth and social transformation.

The following sub sections entails explanation for each thematic area and outline achievements to be accrued under different scenarios at two different target periods. One target period is the end of ZDV2050, that is year 2050 and the other target period is year 2062.

The choice of these two target periods is rational. Year 2050 has been chosen as target because we want to measure accrued demographic dividend by this year while comparing with the set targets for the ZDV2050. On the other hand, the choice of year 2062 is to have ample time to allow for proper demographic dynamics to take place for all cohorts of population which exist since 2022. In addition to that, the best experience from many countries which are similar to Zanzibar in terms of socio-economic status choose a period of between 35 to 50 years to analyse and measure their demographic dividend. These includes Rwanda (35 years), Uganda (40 years), Botswana (50 years) and Namibia (50 years).

The following are policy variables from the four thematic areas which have been used to determine the demographic dividend.

(i) Demographic and Health indicators

In this model, we use six indicators to show the impact of health on human capita; development;

Total fertility rate

Figures on total fertility rate for Zanzibar has been obtained from TDHS/MIS of 2022 which is at 4.7 for that year.

Population per doctor

The population per doctor ratio for the year 2022 has been obtained directly from Zanzibar Annual Health Bulletin 2023.

Population per nurse

Similarly, population per nurse ratio has been calculated using two numbers from different sources. One is total population of 2022 which was obtained from 2022 TPHC and the other is the number of nurses in year 2022 which has been obtained from Zanzibar Annual Health Bulletin 2023.

Population per health centre

The ratio has been calculated from two figures, total population from 2022 TPHC and number of health centres from Zanzibar Annual Health Bulletin 2023.

Population per hospital

The ratio has been calculated from two figures, total population from 2022 TPHC and number of health centres from Zanzibar Annual Health Bulletin 2023.

Annual health expenditure per person (TZS)

Per capita expenditure on health has been taken from a proxy of per capital government expenditure on health which was obtained directly from Zanzibar Annual Health Bulletin 2023.

(ii) Education indicators

Primary/ secondary school enrolment rate

Enrolment rates for both primary and secondary schools for the base year, 2022, was obtained directly from Education Statistical Abstract 2025

Students per primary/ secondary teacher

Students per teacher, or in other words, pupil teacher ratio for both primary and secondary schools have been obtained directly from Education Statistical Abstract 2025.

Students per primary/ secondary school

Students per school at primary and secondary levels have been calculated by taking enrolment at these levels divided by number of schools at the respective level for the reference year, which is 2022. Figures were obtained from Education Statistical Abstract 2025.

Recurrent expenditure per primary/ secondary school student (TZS)

Recurrent expenditure per primary and secondary school has been estimated by dividing the annual recurrent expenditure for respective education level in a year by the total number of students at that level in that year. Figures were obtained from Education Statistical Abstract 2025.

(iii) Economic indicators

The economic sub-model captures a number of indicators to reflect the general economic situation and the extent to which the country has an enabling environment and infrastructure to promote job creation, economic productivity, and investments. These are:

Labour force participation rate (male/ female)

Labour force participation rate has been obtained from the Integrated Labour Force Survey of 2020/21.

Base year GDP

Gross Domestic Product figure for the year 2022 has been taken from the Zanzibar Statistical Abstract of 2024.

Annual growth in GDP

Similarly, annual growth of GDP has been obtained from the Zanzibar Statistical Abstract of 2024.

5.4 Modelling Results

Alteration of the above policy variables under four proposed scenarios resulted into different levels of economic gain. Different proposition of the scenarios has been summarized in Table 5.3(a) and Table 5.3(b) below. Results have been

presented using two different targets, years 2050 and 2062, with both targets having the same base year of 2022. Tables define values for policy indicators for both target years under each proposed scenario. Values for policy indicators have been set differently for each target year as shown in the tables.

5.4.1 Population Size and Structure

The starting point to earning the demographic dividend is the change in age structure from one dominated by child dependents to one dominated by the working-age population. Figure 5.1 shows the population projections under all the four scenarios. Population size under the Business-as-Usual and Economic Emphasis are the same in 2052 and 2062, at 3.46 million and 4.10 million people, respectively because underlying FP assumptions are the same. This also applies under the Social Emphasis and Combined Scenarios with population size of 3.03 million and 3.19 million people by 2052 and 2062, respectively. Under such circumstance, the population tend to have low dependency ratio and therefore maximize the economic gain in terms of GDP per capital.

Figure 5.1: Projection of Population under the four policy scenarios



5.4.2 GDP Per Capita

GDP is the key result from the model that illustrates the potential impact of the demographic dividend under the different policy scenarios. In particular, the difference in GDP per capital between the Economic Emphasis scenario (where maximum efforts are placed in the economic sector with little investments in the social sector) and the Combined scenario (where optimal investments are made in the social sectors in addition to maximum investments in the economic sphere), estimates the demographic dividend that can be earned through a strategy of optimal integrated investments in multiple dimensions of socio-economic development relative to an economic emphasis strategy. Again, the results below are not prescriptive, but rather indicative of the extent of the effects of various investments options by the government. The actual GDP and GDP per capital to be realized depend on actual investments. Thus, it can be higher or lower than the model outcome.

The results in figure 5.2 show that GDP will grow from the 5.4 trillion in 2022 to 54.18 trillion in 2062 under the Business-as-Usual Scenario, and slightly higher to 75.8 under the Combined scenario. When the population size is applied to the projected GDP, Zanzibar will earn a massive dividend under the Combined scenario as shown in figure 5.3 and 5.4. If the current situation will prevail in the coming 25 years, the GDP per capital of Zanzibar will rise from TZS 2.89 million of 2022 up to TZS 8.62 million by 2050. If changes will be made to economic and education policies in terms of investing more in education and increasing labour force participation rate, the state could earn additional in GDP per capital which will raise to TZS 9.3 million by 2050. This increase is the result of demographic dividend and policy reforms in economic investment and education. Further, if health policies, especially the family planning policies are enhanced, the state will have an additional dividend of TZS 1.89 million per capital. This will make a total GDP per capital raise from TZS 2.89 million in 2022 to TZS 10.52 million by 2050. The results of the demographic-economic modelling indicate that Zanzibar has a substantial opportunity to accelerate its socioeconomic transformation and achieve the objectives of the Zanzibar Development Vision 2050, contingent upon the implementation of coordinated policy interventions.

Figure 5.2: Projection of GDP under the four policy scenarios

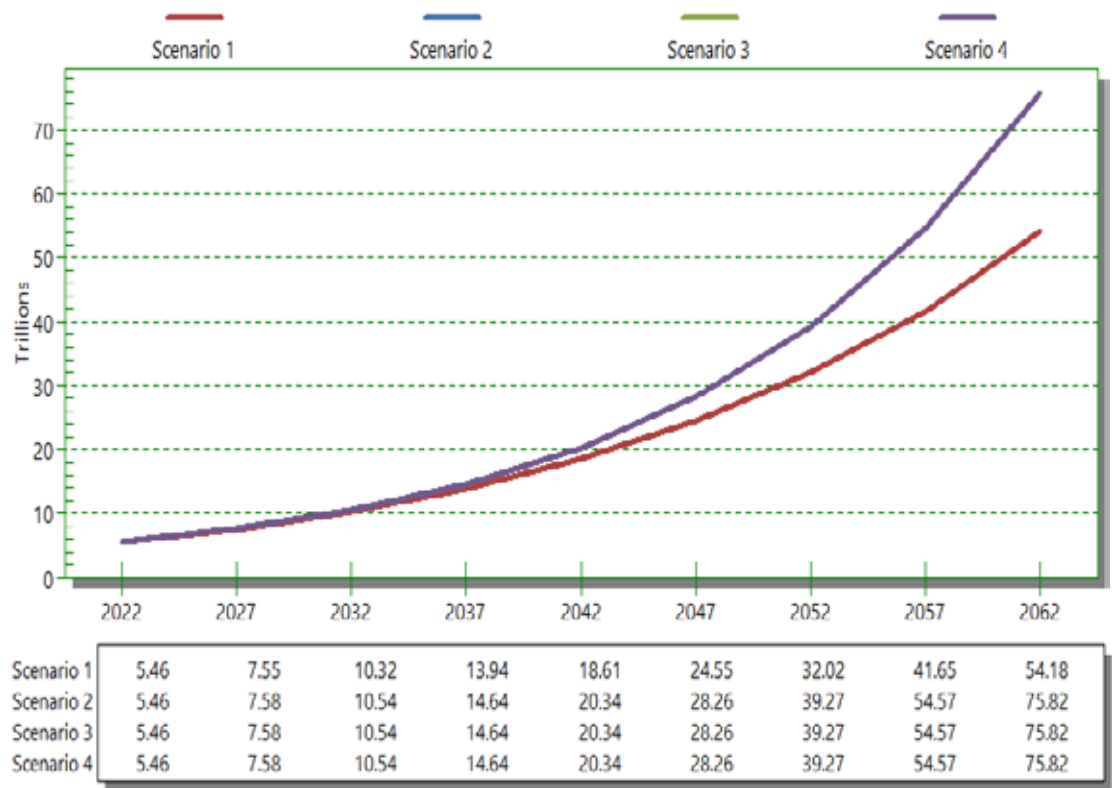
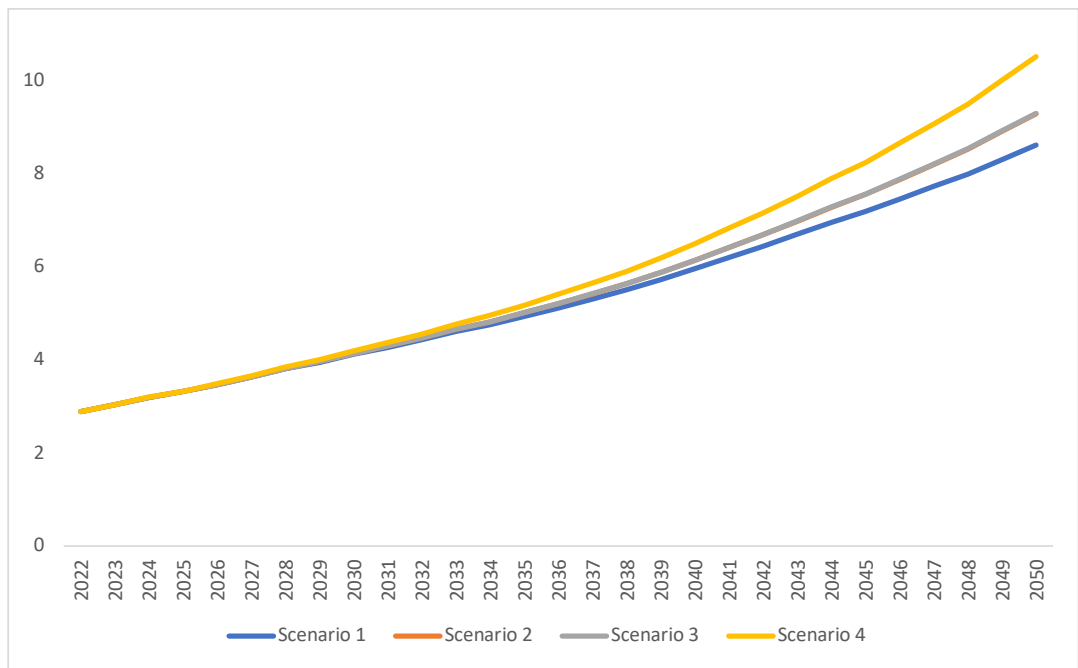
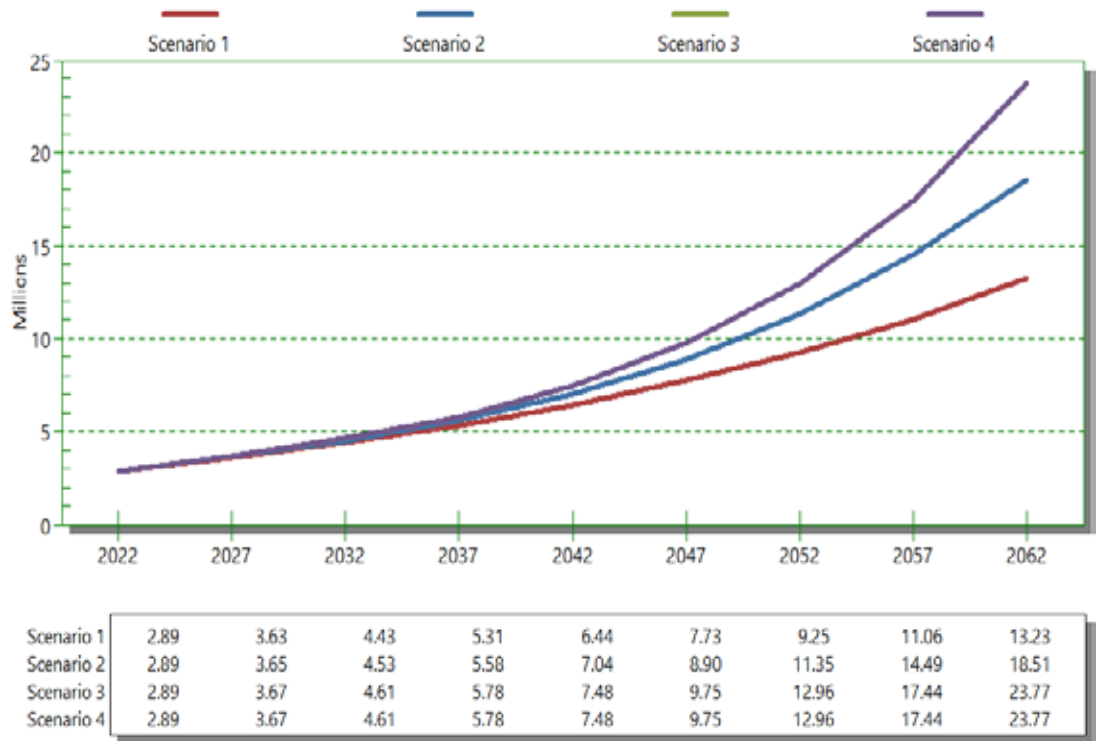


Figure 5.3: Demographic Dividend - GDP per capita (TZS) - 2050



Similarly, in Figure 5.4 below, if the targets are set to 40 years to come (2062), results show that with the business-as-usual scenario GDP per capita will be TZS 13.23 million. On the other hand, if economic emphasis scenario is adopted, the GDP per capita will rise up to TZS 18.51 million. Likely, if the social policy emphasis scenario is used, the per capita GDP will grow up to TZS 23.77 million. Finally, if combined scenario of economic plus social policies emphasis is implemented, the state will remain with a GDP per capita amounting TZS 23.77 million. This implies that, Zanzibar’s demographic transition represents a unique window of opportunity to achieve the socioeconomic aspirations of Vision 2050. The realization of these goals is contingent upon implementing an integrated strategy that combines investments in human capital, economic reforms, health, and governance, alongside measures to enhance gender equity and social inclusion. Without such coordinated interventions, Zanzibar risks underutilized the demographic dividend and falling short of the Vision 2050 ambitions.

Figure 5.4: Demographic Dividend - GDP per capita (TZS) - 2062



5.5 Summary of the modelling results

The results demonstrate that Zanzibar stands at a critical juncture to harness its demographic dividend and accelerate socioeconomic transformation. The modelling results indicate that under the Combined scenario—where strategic investments in education, health, and economic reforms are implemented—Zanzibar's GDP per capital could increase from TZS 2.89 million in 2022 to TZS 10.52 million by 2050 and 23.7million in 2062, substantially higher than under Business-as-Usual, more propositions of the scenarios have been summarized in Table 5.1 a and b. These gains reflect the additional benefits of human capital development, expanded labour force participation, and improved reproductive health and family planning services. The findings underscore that the demographic dividend is not automatic; it requires coordinated and sustained investments across social and economic sectors. Education, skills development, health, gender equity, and employment creation emerge as critical drivers for transforming the islands' youthful population into a productive workforce. Strong governance and institutional capacity are equally essential to translate these investments into tangible outcomes.

Table 5.1(a): Summary of different policy options with resulting demographic dividend by 2050

Indicator	2022	2050			
	Baseline	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Total fertility rate	4.7	4.7	4.7	3.2	3.2
Primary school enrolment rate	89.8	89.8	89.8	90.0	90.0
Students per primary teacher	45	45	45	45	45
Students per primary school	620	620	620	620	620
Recurrent expenditure per primary school student (TZS)	280,000	280,000	280,000	708,870	708,870
Secondary school enrolment rate	50.6	50.6	50.6	75.0	75.0
Students per secondary teacher	18	18	18	18	18
Students per secondary school	372	372	372	372	372
Recurrent expenditure per secondary school student (TZS)	922,390	922,390	922,390	2,335,090	2,335,090
Population per doctor	4,445	4,445	4,445	500	500
Population per nurse	1,089	1,089	1,089	1,089	1,089
Population per health centre	7,469	7,469	7,469	7,469	7,469
Population per hospital	209,975	209,975	209,975	209,975	209,975
Annual health expenditure per person (TZS)	90,967	90,967	90,967	207,500	207,500
Labour force participation rate (male)	82.2 (2021)	82.2	90	82.2	95
Labour force participation rate (female)	70.9 (2021)	70.9	90	70.9	95
Proportion of urban population	49	49	49	49	49
Persons per urban household	4.9	4.9	4.9	4.9	4.9

Table 5.1(b): Summary of different policy options with resulting demographic dividend by 2062

Indicator	2022	2062			
	Baseline	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Total fertility rate	4.7	4.7	4.7	2.8	2.8
Primary school enrolment rate	89.8	89.8	89.8	95.0	95.0
Students per primary teacher	45	45	45	40	40
Students per primary school	620	620	620	620	620
Recurrent expenditure per primary school student (TZS)	280,000	280,000	280,000	1,071,160	1,071,160
Secondary school enrolment rate	50.6	50.6	50.6	85	85
Students per secondary teacher	18	18	18	18	18
Students per secondary school	372	372	372	372	372
Recurrent expenditure per secondary school student (TZS)	922,390	922,390	922,390	3,528,478	3,528,478
Population per doctor	4,445	4,445	4,445	4,445	4,445
Population per nurse	1,089	1,089	1,089	1,089	1,089
Population per health centre	7,469	7,469	7,469	7,469	7,469
Population per hospital	209,975	209,975	209,975	209,975	209,975
Annual health expenditure per person (TZS)	90,967	90,967	90,967	207,500	207,500
Labour force participation rate (male)	82.2 (2021)	82.2	95	82.2	95
Labour force participation rate (female)	70.9 (2021)	70.9	95	70.9	95
Proportion of urban population	49	49	49	49	49
Persons per urban household	4.9	4.9	4.9	4.9	4.9

POLICY OPTIONS FOR HARNESSING DEMOGRAPHIC DIVIDEND IN ZANZIBAR



6.1 Summary of Findings

The study examined Zanzibar's demographic and socioeconomic landscape to assess the potential for harnessing a demographic dividend—a period when the working-age population outnumbers dependents, creating opportunities for accelerated economic growth.

Findings reveal that Zanzibar is at an early stage of demographic transition, characterized by high fertility, a youthful age structure, and a growing working-age population. The Total Fertility Rate has declined gradually over the past decades but remains relatively high. If this trend continues alongside improved education, health, and job opportunities, Zanzibar could transform its demographic pressure into economic advantage.

The analysis of the Zanzibar Development Vision 2050 (ZDV50) and the Zanzibar Development and Economic Plan (ZADEP) highlight ambitious targets for economic growth, human development, and poverty reduction. Achieving these goals depends on sustained investments in human capital, particularly in education, health, and employment creation.

Using the RAPID module of the Spectrum software, four policy scenarios were simulated to project potential outcomes:

1. **Business-as-Usual** – reflecting current demographic and economic trends, with limited improvement.
2. **Economic Emphasis** – prioritizing economic reforms and job creation but with limited social investment.
3. **Economic social sector emphasis** – focusing on education and health development reforms.
4. **Combined Scenario** – integrating economic, educational, and health including family planning interventions for balanced and inclusive growth.

The results indicate that the combined Scenario produces the most promising outcomes, with higher GDP per capita, lower dependency ratios, reduced poverty, and improved health and education indicators. This demonstrates that multisectoral policies are essential to realize Zanzibar's demographic dividend.

6.2 Policy Implications

Harnessing the demographic dividend in Zanzibar requires coordinated and long-term policy action across multiple sectors. The following key implications emerge from the study:

1. **Family Planning and Fertility Reduction**

The pace of fertility decline will determine Zanzibar's ability to reduce dependency ratios and accelerate economic growth. Expanding access to modern contraceptives, improving reproductive health services, and promoting gender equality are critical to achieving smaller, healthier families.

2. **Education and Skills Development**

A well-educated and skilled population is the foundation of a productive workforce. Investment should focus on improving quality at all levels of education—particularly secondary and tertiary—and aligning curricula with market needs. Expanding Technical and Vocational Education and Training (TVET) will help address the mismatch between skills and labour market demand.

3. **Employment Creation and Economic Diversification**

To absorb the growing number of young job seekers, Zanzibar must stimulate private sector growth, support micro, small, and medium-sized enterprises (MSMEs), and promote entrepreneurship. Diversifying the economy beyond tourism and agriculture into manufacturing, blue economy sectors, and digital innovation will be vital for sustainable employment.

4. **Gender Equality and Women's Empowerment**

Empowering women through education, economic participation, and reproductive autonomy directly supports fertility reduction and enhances household welfare. Gender-sensitive policies should be mainstreamed into all sectors to ensure inclusive growth.

5. **Health System Strengthening**

Investments in health—especially maternal, child, and adolescent health—are essential for improving productivity and extending life expectancy. Increasing health financing and addressing service quality gaps will contribute to a healthier, more resilient population.

6. Governance and Institutional Coordination

Realizing the demographic dividend requires strong coordination among government ministries, local authorities, and development partners. Population issues should be integrated into all national and sectoral plans, with robust monitoring and evaluation frameworks to track progress.

6.3 Recommendations

Based on the findings and policy implications, the following recommendations are proposed to guide Zanzibar toward harnessing its demographic dividend effectively:

1. Strengthen Family Planning and Reproductive Health Programs

By strengthening family planning and reproductive health programs, the state will be able to reduce the fertility rate. Low fertility is a key condition for the state to realize the demographic dividend because it is the main determinant of dependency ratio. With low fertility rate, the state will have low dependency ratio.

Short term policy actions

- o Expand access to affordable and quality contraceptive services across all regions;
- o Integrate family planning education into schools and community programs;

Medium- and long-term policy actions

- o Retain women longer in education system. Findings from 2022 TDHS showed that women with higher education (i.e those who stay longer in education) are more likely to have lower number of children compared to women with lower levels of education;
- o Liaise with influential community leaders (religious, political, and others) to advocate for birth control in a way that is acceptable to the community.

2. Invest in Skills Development and Quality Education

Investing in quality education and skills development will results in increasing pass rates and hence raising enrolment rates at higher levels of education and on the other side producing labour force which is employable. To attain this, the following policy actions need to be taken:

Short term policy actions

- o Enhance vocational training and digital learning;
- o Invest and enhance STEM education to match with the advancement in technology and cope with the labour market needs. Special consideration should be placed on improving quality of science teachers. The Government should set aside special budget to train these teachers at higher level degrees (masters, PhD);
- o Align TVET programs with labour market needs to prepare youth for emerging sectors;
- o Promote lifelong learning and re-skilling initiatives to support labour mobility.

Medium- and long-term policy actions

- o Conduct regular period evaluations on the vocational training curriculum and assessing the impacts of VTA graduates in the labour market. These evaluations will guide the sector on targeting specific areas which need further improvement or special attention;
- o Retain competent teachers by further improving incentives.

3. Promote Job Creation and Youth Entrepreneurship

Economic diversification is critical for our state to create more employment opportunities. As we know that our state, due to its geographical nature, is limited to many large-scale economic investments like industries and agriculture. However, at medium and small-scale level, we can diversify our economy in many areas including tourism, fishing, agriculture, livestock and even small and medium scale industrial production. Specific policy actions to be taken at this area include:

Short-term policy actions

- o Vocational Training Authority and Karume Institute of Science and Technology should invest on their own or look for partnership with private sector invest in small and medium industries to ensure their graduates access labour market readily they leave school;
- o The Government should come up with a special policy on internship for graduates who completed their schools and waiting to secure jobs. By utilising this workforce in various social and economic sectors, the

Government will reduce cost of paying for labour force while at the same time build skills for this labour force;

Medium- and long-term policy actions

- o Foster an enabling environment for private sector investment, innovation, and enterprise growth. Special attention should be placed on enhancing PPP;
- o Provide access to credit and start-up funds for youth and women entrepreneurs.
- o Expand public works and apprenticeship programs targeting unemployed youth.

4. Empower Women and Promote Gender Equity

Women empowerment is the corner stone in attaining the demographic dividend because women are main drivers of the population dynamics. To address the issue of women empowerment and gender equity, the following are the policy actions to be taken:

Short-term policy actions

- o Education statistics shows promising ratio between male and females at all levels in the recent years, therefore, the Government should continue to prioritize women in employment opportunities as much as possible. Women empowerment policies should also be advocated to private sectors which constitutes significant number of employment opportunities;
- o There should be a Government mechanism to closely monitor and ensure sustainability of women economic groups;

Medium- and long-term policy actions

- o Enforce laws against early marriage and gender-based violence. Reducing early marriage rates provide opportunity for women to participate in education and also in economic production while on the other side reduce fertility for women;
- o Ensure equal access to education, finance, and decision-making roles. Statistics shows that environment are suitable for women in access for education and access to finance but we need to do more on decision making role;
- o Encourage women's participation in leadership and governance structures.

5. Improve Health Services and Financing

Health sector is well equipped with infrastructure and human resources. Challenge on it remains on the quality of services offered by the sectors. To attain quality health services, which in turn, leads to healthy population and labour force, the following policy actions are recommended:

Short-term policy actions

- o Set up mechanisms for maintaining the status and quality of health infrastructure to ensure sustainability;
- o Further incentives human resources for health to retain competent work force on the sector. Data shows that there is a significant brain drain in health specialist from Zanzibar to other areas outside due to inadequate or comparatively lower incentives of health specialist in the state compared to those other areas;
- o As a step ahead to improve health financing, the UHC implementation through ZHSF should be accelerated to ensure complete coverage and inclusiveness for all.

Medium- and long-term policy actions

- o Steadily, Government should increase budget allocation to health sector with the aim of meeting the WHO benchmark of 10% of GDP. In line with this target, the government should aim at increasing per capita expenditure on health to at least the WHO recommended amount for LCDs at USD 83. Large part of this investment should be placed on improving quality of health care;
- o Expand community-based health programs to reach underserved populations. Experience from other countries (Rwanda) shows that the use of community programs, for example, community health workers, reduces health expenditures considerably.

6. Enhance Institutional Coordination and Policy Integration

Proper institutional coordination is critical requirement towards achieving efficiency in policy implementation. Policy implementation is a multi-sectoral facet and therefore full and complete involvement of all key stakeholders is required from the designing state of the policy. To achieve effective institutional coordination and policy integration, the following are policy recommendations:

Short-term policy actions

- o Mainstream demographic dividend goals into national, regional, and sectoral strategies;
- o Strengthen data systems for evidence-based planning, monitoring, and evaluation;
- o Strengthen the role of Second Vice President's Office on countries policies coordination to ensure there are no conflicting policies and also avoiding duplication of efforts among sectors.

Medium- and long-term policy actions

- o Establish a dedicated Population and Development Coordination Unit within the ministry responsible for planning.

7. Improve economic diversification

Healthy and skilled labour force, rely on jobs opportunities within the state for the country to increase its economy. If no favourable conditions are in place to ensure absorption of labour force in the labour market, the skilled labour force will flee out of state to look of opportunities and hence the state will lose in terms of economic production. To ensure that demand and supply in labour market are balanced, the following are the policy actions:

Short-term policy actions

- o With substantive effort made by the Government to invest in blue economy, assessments and evaluation should be made on the sector to know the impact of this investment and also identify any bottlenecks towards accelerating achievements on the sector.

Medium- and long-term policy actions

- o Support industrialization, blue economy initiatives, and green investment;
- o Enhance regional trade and infrastructure to boost competitiveness;
- o Encourage innovation and technology adoption to increase productivity.

6.3 Conclusion

Zanzibar stands at a pivotal moment in its demographic transition. With the right mix of policies—focused on family planning, education, health, gender equality, and job creation—the islands can transform their youthful population into a powerful driver of economic growth and social transformation. Harnessing the demographic dividend is not automatic; it requires deliberate policy action, sustained investment in human capital, and strong institutional leadership. By embracing these strategies, Zanzibar can move steadily toward achieving the aspirations of the Zanzibar Development Vision 2050 and securing a prosperous future for all its citizens.

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