



THE INSTITUTE OF FINANCE MANAGEMENT

IFM 1st International Annual Conference (IFMIAC) Julius Nyerere International Conference Centre (JNIC)

12th November 2024

Dar es salaam, Tanzania

Off-farm Employment and Its Effect on Household Energy Choice

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Participation in off-farm work has been shown to generate substantial income, providing households with potential to increase consumption, including adopting clean energy. This study investigates the effect of off-farm work on household energy choices in Tanzania. Using the National Panel Survey dataset, the study estimates an Endogenous Switching Regression Model to assess the impact of households' participation in off-farm work on clean energy adoption. The findings reveal that rural household involvement in off-farm work positively influences the adoption of clean energy. However, increasing age and household size negatively affect clean energy adoption. Households engaged in off-farm work have a 24% lower probability of adopting clean technology compared to households not participating in off-farm work. Therefore, rural development policies should encourage off-farm work participation as a key channel for promoting clean energy adoption.

Keywords: Off-farm work , Clean Cooking , Endogenous switching regression model
