POTENTIAL IMPACTS OF MERGING SOCIAL SECURITY FUNDS: A CASE OF NATIONAL SOCIAL SECURITY FUND (NSSF) IN DAR ES SALAAM REGION, TANZANIA

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A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT FOR THE REQUIREMENTS FOR OF THE DEGREE OF MASTER OF PROJECT MANAGEMENT OF THE OPEN UNIVERSITY OF TANZANIA

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CERTIFICATION

The undersigned, certifies that we have read and hereby recommend for acceptance by the Open University of Tanzania, a dissertation titled *'Potential Impacts of Merging Social Security Funds: A case of National Social Security Fund (NSSF) in Dar es Salaam Region, Tanzania'* in partial fulfilment of the requirements for award of the degree of Master of Project Management of The Open University of Tanzania.

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similar or I, Almas A. Almas, do hereby declare that this thesis is my own original work and that it has not been presented and will not be presented to any other university for a any other degree award.

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Date

DEDICATION

This dissertation is dedicated to beloved Daughter Naveen Almas, Tchivallow for her precious facilitation my academic success.

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ABSTRACT

This study was on the impacts of merging Social Security Fund (SSF) on socio-economic growth of Tanzania taking Dar es Salaam Regions as a case study. Social security development is one of the measures that have been adopted by developing countries including Tanzania to overcome poverty related challenges. The aim of merging social security funds is to ensure that, the recipients have a reasonable level of income during their old age as noted in the report by the World Bank. The general objective of this study was to determine the impact of merging Social Security Fund to economic growth in Tanzania, while specifically it dealt with contribution of merging SSF on employment sector, the impact of merging SSF on country GDP growth, the level of improved peoples' standard of living resulting from merged SSF and the role of merged SSF on improving credit facilities. For the purpose of this study both qualitative and qualitative research design were used. This study involved the 110 respondents from the study area as per information from reconnaissance survey. The conclusions made pertaining to this study was that, the contribution of merging SSF on employment sector was of great importance, while the impact of merging SSF on country GDP growth was also significant. The level of improved peoples' standard of living resulting from merged SSF was perceived to be high with consideration that the role of merged SSF on improving credit facilities was noticed to high. It was recommended that the government should strive on improving the merged funds for the betterment of the communities' livelihoods.

LIST OF ABBREVIATIONS

AIDS	Acquired Immune Deficiency Syndrome
EAC	East African Countries
GDP	Gross Domestic Product
GEPF	Government Employees Pension Fund
GESWCO	Ghulkin Educational Social Welfare Conservation Organization
HDI	Human Development Index
HIPC	Heavily In debited Poor Country
HIV	Human Immunodeficiency Virus
ILO	International Labour Organization
LAPF	Local Authority Pension Fund
LED	Local Economic Development
NGO	Non-Governmental Organization
NPF	National Provident Fund
NSSF	National Social Security Fund
PSPF	Public Service Pension Fund
PSSSF	Public Services Social Security Scheme

SFA	Stochastic Frontier Analysis
SPSS	Statistical Package for Social Science
SSA	Sub Sahara African
SSF	Social Security Fund
SSRA	Social Security Regulatory Authority
VAT	Value Added Tax

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CHAPTER ONE

INTRODUCTION AND BACKGROUND OF THE STUDY

1.1 Background of the Study

The coverage of this study is on the impacts of merging Social Security Fund (SSF) on socio-economic growth of Tanzania taking Dar es Salaam Regions as a case study. Socio-economic in this context it mean improving country's economic and social conditions including improving ways of managing an area's natural and human resources in order to create wealth and improve people's lives as also stipulated in Daniel (2010), while merging SSF is the amalgamation of all institutions offering security funds to the society (Monet, 2012).

Normally economists do compare levels of development taking difference of different countries and the people who live in them, economically developed countries and less economically developed countries with the aim of determining economic parameters. Nevertheless, development is perceived in terms of either economic or human development using development indicators which measures level of development.

According to Ntungi (2015), social security development is one of the measures that have been adopted by developing countries including Tanzania to overcome poverty related challenges. The relevancy of social security in promoting economic growth and poverty reduction stems from its roles in saving mobilization, capital market development and income redistribution. According to monetary studies it is revealed that if social security is considered in socio-economic and poverty reduction programmes, significant progress can be made in improving standards of living in the developing world.

Owing to this noble role in poverty reduction and economic development, social security reforms are being undertaken in different parts of the world to align social security systems and programmes to economic growth and development (Dimoso, 2011). The ultimate objective is to develop a social security system that responds to country needs and priorities. For the last 5 years, Tanzania’s economic development has been a success story to many in the region with tremendous developments in all sectors of the economy as stipulated by Daniel (2010). Though this rapid economic transformation can be attributed to many factors, the Social Security Funds of Tanzania played a significant role.

1.2 Background of National Social Security Fund

The aim of a merging social security funds is to ensure that, the recipients have a reasonable level of income during their old age as noted in the report by the World Bank (2012). Contributory pensions generally help to maintain consumption in old age at a similar level as during the recipient’s working life while non-contributory pensions (often called social pensions) are usually aimed at preventing older people from falling into poverty. It is increasingly clear that pensions can also mitigate the negative impact of shocks on the elderly and their families and that; they are used by older people to promote the wellbeing of all family members, particularly children.

Tanzania has started the process of merging its four social security funds into one scheme, and this will make two social security schemes in Tanzania that is NSSF and PSSSF with the aim of boosting service delivery. Through the draft Public Service Social Security Fund Bill of 2017, the government has repealed previous laws under Public Social Security Service Fund (PSSSF) are now established. The Bill, seen by The East African, is to be presented before parliament early next year. It proposes that all public servants be absorbed by the Public Service Social Security Scheme to be formed under the Act. The Act will also establish the Public Service Pension Scheme that will absorb all government employees, repealing the Public Service Retirement Benefit Act. According to Tairo (2017), public servants currently belong to the National Social Security Fund (NSSF), while other are belonged to the existing funds which are the PPF Pension Fund, Public Service Pension Fund (PSPF), Local Authorities Pension Fund, and Government Employees Provident Fund (GEPF).

The theoretical foundation of most security funds studies at one hand are based on the agency theory (Hess and Impavido 2003 and Ambachtsheer, McLaughlin 2015). On the other hand, this is because potential government structure and mechanism problems in security funds are agency problems. The governing bodies are agents that work on behalf of beneficiaries who are principals. With this regard, the agent may take actions that are not in favour of the principal resulting on the situation where the institutional performance is conditioned by the inherited practices of various bodies that are responsible for these funds (Clark and Urwin, 2008: 2).

Tanzania provides a relevant case study since it has undergone major reforms in the social security fund industry. In the last decades, the pension sector in Tanzania has witnessed substantial reforms, such as the inception of a regulator and the introduction of private pension funds systems. With the introduction of a regulator, pension funds are faced with new regulations and codes of conduct in relation to good governance which emphasize positive returns.

The pension schemes in Tanzania fall under the social security system (SSRA 2015) of which the social security funds are embedded. The Mainland Tanzania pension fund system comprises of five funds, which are regulated by the Social Security Regulatory Authority (SSRA). The funds are categorized as social security funds since they offer more than pension benefits as stipulated in specific funds' Acts. The benefits and eligibility criteria used to differ per fund (World Bank 2014). In general, all funds offer benefits such as old age pension, invalidity pension, survivors' benefit, funeral benefits, social health insurance (only offered by one fund) and maternity benefit (provided by only two social security funds). Nonetheless, the current regulation has harmonised the benefit formula.

The system has both a mandatory and a voluntary tier, but the first tier clearly dominates. The mandatory tier is for all employees in public and private sectors, and is defined benefit, while the voluntary tier is for workers in the informal sectors and is under defined contribution (SSRA, 2015). Moreover, the contribution rates vary depending on the sector. Nevertheless, the law requires members or employees to contribute a total of 20 percent (divided equally with the employers) or 5 percent from the employee and 15 percent paid by the employers. Like most pension funds in sub-Saharan countries, social security funds started as provident funds and converted into pension or social security funds after independence (Dorfman, 2015).

The reforms were a step towards ensuring adequate income during retirement by paying monthly pensions to retirees than lump-sum as it was the case under provident systems. Additionally, all funds cover anyone who wants to join, including workers and employees in the public and private sector, NGOs, international agencies, workers and persons from informal sector, self-employed, and other people working under non-pensionable basis.

As stipulated in their respective Acts, a fund's roles include registering of new members, collecting contributions, paying its members benefits, and investing prudently, as prescribed in the law. To achieve their goals, all pension funds have a specific mission, vision and objectives which are all set in strategic plans which run into three to five years' cycles. The pension funds play a major role not only in the financial sector of the country but are a major source of income for retirees and their dependents.

The sector comprises of five pension funds, which by 2013 had net assets that grew from TZS 5.3 trillion to TZS 6.5 trillion. According to a recent financial report, the total pension funds' assets account for over 21 per cent of the financial system (BOT 2015). The membership size grew from 1.95 million members in 2013/14 to 2.14 million in 2014/15, reflecting a 10 per cent growth (SSRA 2015). Members' contributions grew from TZS 1.98 trillion to TZS 2.27 trillion by 2015. The National Social Security Fund (NSSF) was established by the Act of Parliament No. 28 of 1997 to replace the defunct National Provident Fund (NPF) (Westerman, and Mpinga, 2017). NSSF is a compulsory scheme providing a wider range of benefits which are based on internationally accepted standards. NSSF covers the following categories of employers and employees: private sector which includes companies, non-governmental organizations, embassies employing Tanzanians, International organizations, organized groups in the informal sector including the Government ministries and departments employing non-pensionable employees, Parastatal organizations, Self-employed or any other employed person not covered by any other scheme and any other category as declared by the Minister of Labour.

According to Ntungi (2015), the scheme is financed through contributions at the rate of 20% of employees' salary. The employer is required to deduct from employee's gross salary the amount of contribution not exceeding 10% of the employee's salary. The employer adds the remaining balance to make the required contribution rate of 20%. The investment scheme of the NSSF is a fully funded scheme running under defined benefit principles. All funds collected are wholly invested for the purpose of financing benefit payments.

The scheme provides seven benefits which are categorized as long term benefits and short term benefits as follows; Long Term Benefits/Pensions are retirement pension, invalidity pension, survivor's pension and Short Term Benefits/Pensions are funeral grant, maternity benefit, employment injury benefit and health insurance benefit (Dimoso, 2011). Pension is a term which expresses all long-term benefits offered by the scheme. It defines periodical payments given to a retired member, invalid persons and survivors of the deceased member to replace the loss of income resulting from old age, disability or death an important issues under NSSF benefits.

1.3 Statement of the Problem

National Social Security Fund deals with development project, investment, public services, social responsibilities, planning and collection of contribution from members as stated by Tairo (2017). Through this function there is a role in which the society gained and causing the NSSF to be the leading service provider in Tanzania also reported in Dimoso (2011). Together with the fact that, there is a need to a society to know the importance of NSSF on poverty alleviation, improved standard of living and improved education level resulting from the merging NSSF through its function of social responsibility, the government found it important to merge all social security funds with the intention of improving services.

According to Monet (2012), most of the public are not aware of the good job which is done by NSSF, so that it is the responsibilities of a researcher of this study to make aware the society to know the important of merging NSSF to socio-economic development in Tanzania which implies to gross domestic product, improved standard of living, poverty alleviation, social welfare, income distribution, credit facilities and improved standard of education. These would be attained by the whole of the public once they have to utilise effectively the betterment which is offered by NSSF such as social-economic opportunities and employment opportunities as illustrated in BOT (2015).

1.4 General Objective of the Study

The general objective of this study was to determine the impact of merging Social Security Fund (SSF) to economic growth in Tanzania.

1.4.1 Specific Objective of the Study

The contribution of merging SSF to the employment sector

The impact of merging SSF on country GDP growth

The level of improved peoples' standard of living resulting from merged SSF

The role of merged SSF on improving credit facilities

1.4.2 Research Questions

What is the contribution of merging SSF on employment sector?

Is there any significant impact on country GDP growth resulting from merged SSF?

Is there any improvement on peoples' standard of living after merged SSF?

What is the role of merged SSF on improving credit facilities?

1.4.3 Hypotheses

H_1: Merging social security funds is worthy for economic growth

H_0: Economic growth does not depend on merging social security funds

1.4 Scope of the Study

This study was carried out in Dar es Salaam involving all NSSF office branches in the Region. Purposely, the study is aiming at determining the impact of merging NSSF on improving country economy whereby different individuals were involved.

The society uses effectively the fruits from NSSF such as houses for improving their livelihood.

1.5 Significance of the Study

This study is thought to be important in a way that, the society would gain many benefits through joining NSSF as a result of merged SSF and the recommendations from the findings, and so it is expected that they will improve standard of living, employment opportunities and hence socio-economic development of the country. The society will gain much information on how the National Social Security Fund performs its activities while stakeholders will get interpretation on how National Social Security Fund invests contributions to all residents. Furthermore, economic Planners and politicians will have a standing stone on implementing economic activities to the community.

The country will be more informed on the impact of merging social security funds for the sake of deciding whether to continue merging or to abandon the process. This will probably be applied to other government organization entities after seeing it to be fruitful to the community.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This research is expected to cover the following areas of the study and hence the first part presents the conceptual definitions while the second part comprised theoretical review, third part presented the empirical literature review, the fourth part presented literature gape to be covered by the study and the fifth part provided conceptual framework which would guide this study.

2.2 Importance of Social Security Funds

According to Tairo (2017), social security funds may not appear to be among the major pressing issue for the African region irrespective of its reality. While social security fund is to some extent discussed, private pensions are rarely debated though one may ask as to why address this topic at all, given more critical policy priorities for the region such as education, health, poverty alleviation or agricultural development, and given the lack of demographic pressure in general? The urgent issue for pension reform in Africa is not only the need to introduce social protection systems to help alleviate demographic pressures, poverty amongst the elderly and provide support for households headed by grandparents following the HIV/AIDS pandemic and regional conflicts.

In addition there is a vital need for reform of existing pension systems in the region, the cost of which is often crowding out spending on other key areas such as health and education. Coverage of these systems is low under 10 or often under 5 percent of the population and usually only for civil servants or a minority of relatively highly paid workers in formal sector employment, making for highly regressive systems, with cross-subsidies required from indirect taxes (usually VAT) as pension payments from these systems frequently exceed contributions. The need for efficient pension arrangements in the region is undoubted though the challenges for introducing them remain great notably the large informal sector of workers.

Social security is partly about redistribution that a society should share jointly in the basic safety net that protects everyone against poverty. It is also about contributory insurance ensuring that everybody participates in an agreed basic social insurance arrangement to protect household incomes in the event of death, disability or unemployment. All contributors will be entitled to benefits from the fund, which will be governed through standard rules and implemented through a common administrative platform.

A national social security fund would be large in terms of the number of contributors. A key test of its success will clearly be the quality and efficiency of administration. Standardisation of contributions and benefits and consolidated information systems provide some scope for economies of scale and low operating costs per member. Cost efficient administration contributes in turn to the value and security of benefits for contributors.

2.3 The concept of Public Service Social Security Fund in Tanzania

Social security system in Tanzania is characterised by large number of social security funds serving a small subset of the population. The coverage by the pension system in Tanzania is currently effectively restricted to workers in the formal sector, and the schemes cover less than 3.5% of the total population and 6.5% of the country's workforce. The number of pension schemes in Tanzania include: National Social Security Fund (NSSF), Public Sector Pension Fund (PSPF), Parastatal Pension Fund (PPF), Local Authorities Pension Fund (LAPF) and the Government Employees Pension Fund (GEPF).

Direct government liabilities to the PSPF are substantial, in part reflecting delayed reimbursements from the Government. Prior to July 1999, the pension scheme for civil servants was non-contributory and pension benefits were all paid from the budget. The system was transformed to a contributory Public Service Pension Fund (PSPF) in July 1999. During a five year transition period, the budget paid all pension

PSSSF was formed after the merger of the PPF Pension Fund, Public Service Pension Fund (PSPF), Local Authorities Pension Fund (LAPF) and Government Employees Provident Fund (GEPF) whereby the President John Magufuli has already signed into law the Public Service Social Security Act, 2018 which seeks to merge all the pension funds into just two major entities, the Deputy Speaker of the National Assembly, Dr Tulia Ackson said. Under this move the entire workforce would be served by the Public Service Social Security Fund (PSSSF) and the National Social Security Fund (NSSF), which would now cater for the public and private sectors. The Deputy Speaker told lawmakers that the Head of State had also endorsed the Written Laws Miscellaneous Amendment Act, 2018 which effectively endorse the Public Service Social Security Act, and establishment of the Fund; the

Public Service Social Security Scheme, would now serve all employees in the public service sector, taking in all employees in other pension funds. After publishing the regulations for implementation of the new law, the monies of the former Funds shall, with effect from the date of commencement of this Act, be transferred to the newly established PSSSF.

On the other hand, the Bill further directs the transfer of workers in the private sector as well as voluntary contributors to the National Social Security Fund (NSSF). According to SSRA, currently there are five social security funds in the country, with almost similar benefits. They are the National Social Security Fund (NSSF), PPF Pension Fund, Public Service Pension Fund (PSPF), Local Authorities Pension Fund (LAPF), and Government Employees Provident Fund (GEPF). Under this process, several consultations were made when crafting the new law, with stakeholders proposing the merging of the funds into either one or two entities to reduce operational costs.

Objectively, social security in Tanzania covers a wider variety of public and private measures, meant to provide benefits in the event of the individuals' earning power permanently ceasing, being interrupted never developing, being unable to avoid poverty, or being exercised only at an acceptable social costs. The major domains of social security are poverty prevention, poverty alleviation, social compensation and income distribution. Many issues relating to social security are sensitive, as they touch on the material interests of organized workers and the unorganized poor as well as insurance industry and employer organizations. The social security system in

Tanzania has the following key elements: Social assistance schemes which are non-contributory and income-tested, and provided by the state to groups such as people with disabilities, elderly people and unsupported parents and children who are unable to provide for their own minimum needs.

In Tanzania social assistance also covers social relief, which is a short term measure to tide people over a particular individual or community crisis such as Mandatory schemes, where people contribute through the employers to pension or provident funds, employers also contribute to these funds, Private savings, where people voluntarily save for retirement, working capital and insure themselves against events such as disability and loss of income and meet other social needs. Despite the existence of this framework, service delivery has not reached the majority of Tanzanians due to inadequate financing and fragmented institutional arrangements.

2.3.1 Local Authority Pension Fund

LAPF refers to the social institution established under LAPF Act number 9 of 2006. LAPF is the formal institution offering social security coverage to employees of the Local Government. The Local Authorities Pensions Fund (LAPF) is a social security institution established under The LAPF Act No 9 of 2006 and aiming; To provide a scheme for payment of benefits to insured persons payable under the Act, To work towards a gradual and continuous improvement of benefits payable under the Act, To register employers and employees who by law are required to contribute to the fund and collect contributions from them. To safeguard members’ contributions and other resources of the, Fund through keeping and maintaining up to date accounts and records, To invest members' funds in secure and high yielding investments; and To formulate, offer and administer retirement and other benefits packages which are attractive to persons and institutions who are and may become depositors or contributing employers

2.3.2 Parastatal Pension Fund

PPF refers to public fund account under a long term dept scheme of the government, and it is a social security institution established by Act of Parliament No.14 of 1978 offering social security coverage to employees of the both private and parastatal organizations. The Act was further amended in subsequent years to reflect and accommodate new developments within the social security sector. The main objectives of the Fund is to provide pensions and other related social security benefits to all employees in the Parastatal organizations, private companies, NGO’s, self-employed and those in the informal sector

Local Authorities Pensions Fund (LAPF) was established 2006 under the Act number 9 as a social security institution so as to work towards a gradual and continuous improvement of benefits payable under the Act, to register employers and employees who by law are required to contribute to the Fund and collect contributions from them, to safeguard members' contributions and other resources of the fund by keeping and maintaining date accounts and records, to invest members’ funds in secure and high yielding investments; and to offer and retirement persons (Bank of Tanzania (2015).

The major object of LAPF, was to increase social security towards the citizen who joining on it where employer and employee contributes fund for the future benefits as the growth of the fund in terms of members to 65,000 in 2006 stems from the fact that majority of LAPF members come from local authorities, all employers are mandated by LAPF act no. 9 of 2006 to register their employees with the fund. Both employers and employees are required to contribute to the fund on a monthly basis, which then accumulates to become the workers' retirement benefits.

From 2000, this joint contribution rate stands of development at 20% of an employee's salary, of which the employer's share is 15% and 5% is contributed by the employee. LAPF has now been transformed into a db scheme and come January 2006 it will start paying pension to its 600 qualifying pensioners who were employed by the local government authorities. This scheme clearly shifts the risks from the contributor to the LAPF, so the fund must have a wide coverage to enjoy the law of large numbers to hedge itself against the relevant risks

PPF is a social security institution established by Act of Parliament No.14 Of 1978. The Act was further amended in subsequent years to reflect and accommodate new developments within the social security sector. The main objectives of the Fund is to provide pensions and other related social security benefits to all employees in the Parastatal organizations, private companies, NGO's, self-employed and those in the informal sector (Westerman, 2015).

2.3.3 Public Service Pension Fund

Public Service Pension Fund was created by an act of parliament (the public retirement benefits acct no.2 of 1999) in order to replace the pension ordinance of 1954. The management of the fund is under the broad of trustees. The aim of this Fund was to provide quality services with suitable resources the management of the fund is under the broad of trustees and the day to day activities are under the director general who is assisted by directors. The public service pension fund should adhere to the accountability and responsibility, integrity and diligence, creativity as well as courtesy to all.

2.3.4 The Government Employees Pension Fund

GEPF is an Africa's largest pension fund (Westerman, 2015). We have more than 1.2 million active members, in excess of 400 000 pensioners and beneficiaries, and. GEPF is a defined benefit pension fund that was established in May 1996 when various public sector funds were consolidated. The core business, which is governed by the Government Employees Pension Law (or GEP Law), as amended is to manage and administer pensions and other benefits for government employees in South Africa.

The major role of GEPT is to give members and pensioners peace of mind about their financial security after retirement. GEPF do this to make sure that all funds in our safekeeping are responsibly invested and accounted for, and that benefit is paid out efficiently, accurately and on time. The GEPF has a solid track record in protecting our pensioners against inflation and in safeguarding the value of active members' retirement savings. Every April, GEPF pays pension increases that largely compensate our pensioners for inflation and, where necessary, we pay catch-up increases.

According to World Bank (2013), PSSSF is expected to establish the Public Service Social Security Scheme (PSSSS), provides for contributions to and payments of social security benefits in respect of the service of employees in public service and repeals the Public Service Retirement Benefit Act, the LAPF Pensions Fund Act, the GEPF Retirement Benefits Fund Act and the PPF Pensions Fund Act. It also provides for other related matters. This article examines briefly this new law, and highlights changes that have been brought by the Act and impacts thereto, if any. Key Provisions/Changes Centralized Social Security Schemes.

The Act has centralized the social security schemes by merging several existing public schemes into one scheme (PSSSS). The merged schemes are LAPF, GEPF, Public Service Pension Scheme (PSPF) and PPF. These schemes and their respective members and beneficiaries which were administered by the former schemes will be transferred to the PSSSF and their respective trust deeds to be deemed to have been entered by the Board of Trustees of the PSSS Fund. The law protects their contributions and will not lose anything in terms of their contributions and entitlements of their pensions when they reach voluntary or compulsory retirements.

2.3.5 Establishes the Public Service Social Security Fund

PSSSF which constitutes, among others, the funds transferred from the former funds (that is PSPF, GEPF, PPF, LAPF and funds transferred from NSSF (for those members of NSSF who have to be transferred to PSSSF). Also, all the assets and liabilities, powers, rights, privileges, duties or obligations, as well as all the investments and legal entities incorporated under the former schemes will be taken over by the PSSS Fund. This includes the legal proceedings pending before any court or tribunal. This creates uniform set of rules, regulations and standards for the administration and payments of retirement pension's benefits for public service employees and private service employees on the other hand.

Harmonized Deductions and Penalties on late Contributions Under the PSSS Fund, the contributions payable by an Employer will be twenty per centum (20%) of the employee's monthly salary constituting five per centum (5%) deducted from the employee's salary and fifteen per centum (15%) contributed by the employer. These rates can be varied by the Minister responsible for finance by an order published in the Government Gazette. These contributions are deemed to be paid to the Fund on the last day of each month. It is worth-noting that 'salary' referred to in the Act means gross salary excluding bonus, commission, cost of living allowance, overtime payments, directors' fees or any other emoluments of a member payable upon rendering service under the contract of service.

The Act further imposes a penalty of one and half per centum (1.5%) of the amount which the employer has failed to remit to the PSSSF. If the penalty together with other contribution remains outstanding for thirty days or more after they become payable, the same continues to accrue further penalty of 1.5% of the aggregate amount remaining unpaid for each month after that date. If it is proved that the contributions were deducted from an employee’s salary, but the employer failed to remit the same together with the employer’s contribution to the Fund, the Board is empowered to credit the said contributions into the member’s account in the Fund and charge the cost to the employer.

Likewise, the Director General has the discretion to treat such unpaid contributions as paid for purposes of any claim to payment of benefits to the employee. The Fund has the right to recover that amount from the employer. This means an employee’s entitlement under the PSSS Fund cannot be affected by the fact that his employer failed to remit his contributions to the Fund. With this, those public offices which delay in remitting their employees’ contributions should stand alerted as such delay will mean a liability to them.

The report by World Bank (2013) stipulates that, the propriety rights over the members’ contributions to the Fund are vested in the PSSSF until such time when they become payable to a member. Consequently, members are restricted from assigning, transferring or attaching any of such sums to a debt or claim against them. However, a member is allowed to use part of his entitlements as collateral for home mortgage not exceeding 50% of the total benefits entitlement at the time of the award.

Further, member's benefit or right over a benefit under the Act can be assigned or transferred for purposes of satisfying a debt due to the Government or court's order for the periodical payment of the sums of monies towards the maintenance of member's spouse, former spouse or child. In some former funds like PPF Pension Fund, upon a written consent, a member could assign or attach his pension or gratuity to discharge a debt due to the employer. With the changes, this practice has undergone a natural death. This may, in turn, affect the provision of staff loans by some employers who relied on the option of capacity of the employees to pledge their social security benefits as collaterals for their loans.

2.4 Statement of merging of Social Security Funds (SSF) in Tanzania

According to the report by Tairo (2017) on merging SSF, a number of issues were discussed. On 17th November, 2017 the Government of Tanzania presented to the Parliament legislative proposals for the enactment of the Public Service Social Security Fund Act, 2017 ('the Bill') with the intention of merging all social security funds. Furthermore, the Bill targeted to repealing the Public Service Retirement Benefits Act, Cap. 371, the LAPF Pensions Fund Act, Cap. 407, the PPF Pensions Fund Act, Cap. 372 and the GEPF Retirement Benefits Fund Act, Cap. 51.

Also, the report by Tairo stated that, the Bill provided for amendments to the National Social private sector Security Fund Act, Cap.50 with a view of providing provisions of social security benefits to employees in the private sector. Contrary to this statement, the Bill had raised anxiety among employees in both public and. With the case of employees, they were curious to know their fate amidst the proposed merger of existing social security funds and enactment of new scheme under the Bill. On the other side, existing pensioners were also uncertain of their business following the proposed legislative changes enshrined in the Bill. Members of social security funds who had opted for voluntary schemes in existing social security schemes are worried and uncertain of their fate.

2.5 Conceptual Definitions

2.5.1 National Social Security Fund

It is the largest pension scheme in Tanzania Mainland; it has been extended to cover employees in the private sector (informal economy), the contribution rate is 20 per cent of gross salary, shared equally between employee and employer. According to PPF (2015) NSSF is the National Social Security Fund (NSSF) is the government agency of Tanzania responsible for the collection, safekeeping, responsible investment, and distribution of retirement funds of all employees in all sectors of the Tanzania economy that do not fall under the governmental pension schemes. There are two other pension fund organizations in the country; the Public Service Pensions Fund for all employees working directly under the government and the Parastatal Pension Fund for all employees working under governmental Parastatals.

2.5.2 Socio-Economy

Academically, socioeconomics is also known as social economics is the branch of social science which deals with how economic activity affects and is shaped by social processes (Davis and Dolfsma, 2008). In general it analyzes the development of the societies, stagnate or regress because of their local or regional economy, or the global economy. Socioeconomics is sometimes used as an umbrella term for various areas of inquiry. The term social economics may refer broadly to the use of economics in the study of society.

2.6 Theoretical Literature Review

2.6.1 Theory of Economic Development

Jeramy (2009) states that, development has meant many things, depending on the era and context, for example on his explanation development refers to economic growth that leads to increased standard of living. The latter term itself is problematic, depending on whether it is measured simply in economic terms, like Gross Domestic Product (GDP), or if it includes social and health measures, like education and standard of living, which one finds in the Human Development Index (HDI).

2.6.2 Theory of Human Development

According to Welzel (2002) the theory states that socio-economic development not only individualizes available resources, it also enlarges these resources: rising incomes, skills and information facilities increase people's physical and intellectual resources. Socio-economic development diminishes the most existential constraints on human choice by increasing individual resources. These resources give people the objective means of choice.

2.6.3 Positive Theory of Social Security

According to Tabellini (1990) positive theory of social security relies on a simple central idea of social security, it redistributes both across and within generations and for this reason, it is supported by the recipients of social security to get benefits such as high standard of living, life expectancy, GDP, as well as by the poorest taxpayers. When this idea is formalized in a simple overlapping-generations model, two positive implications are obtained.

From the above theories, it is clear that development is not neither a static nor a rigid phenomenon, therefore changes may lead to improved structure for the betterment of the entire county. This in other words lead to conclusion that merging social security funds is of important to the community and the country as whole.

2.7 Empirical Reviews

2.7.1 General Studies

Kifayat *et al.* (2015) studied the role of conservation in sustainable development in Pakstan and since the study is descriptive in nature, therefore in order to answer the research questions; the study employed descriptive statistical tools. The findings showed that since its inception, Ghulkin Educational Social Welfare Conservation Organization (GESWCO) has put together its effort for better utilization of the available natural resources for the betterment of the community such as high standard of living, GDP, employment and poverty alleviation.

Niza *et al.* (2014) examined the efficiency of the social protection policies to reduce poverty in the European Union, which led to the impact of European Structural Funds. On their paper they applied Stochastic Frontier Analysis (SFA) to examine poverty gains in European Union using data from Euro stat and the World Justice Project. Their results indicated that more than a lack of resources, the main problem was the inefficiency of social protection expenditure to contribute and once the expenditure on social protection will lead to poverty reduction so this would causes the standard of living to be high and automatically social welfare promotion, increase efficiency more widespread adoption of means-tested in allocation of benefits.

Zheng's (2009) study was on the Social Security and Minority Economic Development. He surveyed different area in China meanwhile he concluded that Social security has played a positive role in promoting the economic development and a great significance for the economic reform and development in the western minority areas. Therefore, to make the socialist market economic system run and develop well, it becomes necessary to establish and improve the corresponding social security system, to redistribute social wealth through government and public organizations. With the development of the market economy in the western region and the increasing advanced social productive forces, social security objects should be expanded from urban workers to rural residents as well as all members of a society in this case it will lead to employment, poverty reduction, high standard of living, health and education facilities.

2.7.2 Studies in Africa

The study by Dimoso (2011) on merging social security funds indicated that, the urgent financing crisis that face the social security is giving rise to suggestions that other social funds be merged with Social Security's larger Old-Age and Survivors Insurance Trust Fund in order to improve service provision because these two components of Social Security have been kept separate thus far since their inceptions. Of the two, currently faces the much more immediate threat of depletion. Combining the two funds would allow many beneficiaries particularly disabled to be paid their dues unlike previous time where mandatory was given to one organ only.

Monet (2012) studied the role of social grants in supporting local economic development (LED) and use of empirical techniques, such as randomised controlled trials. The findings show that South Africa has seen many benefits from the social grant system. By introducing a demand side intervention to facilitate spill-over effects from these grants in local communities, it might be possible to improve local economic development, GDP, social welfare, health, education and employment in the areas where the poor live.

Barya (2011) studied Social Security and Social Protection in the East African Community. In order to accomplish the tasks set out above a number of methodologies which are survey, Government documents, records and various sources were used in five governments of EAC, and all relevant subsidiary legislation, Case law in so far as it touches the right to social security, newspapers and magazines and interviews and discussions with relevant personalities were conducted. The findings showed the benefits must be adequate in amount or duration to ensure an adequate standard of living, healthcare, GDP, poverty alleviation, employment and so on.

Omiti and Nyanamba (2007) discuss on how using Social Protection Policies to Reduce Vulnerability and Promote Economic Growth in Kenya. Their paper utilized desk reviews in assessing progress in social protection in Kenya. On their findings they showed that economic (agricultural) growth would contribute to reducing poverty and hunger in various ways. With sustained growth, issues of distribution of benefits are becoming important in the policy arena especially in relation to income inequality over time and space and pitons for using social protection programmes in reducing vulnerability and human suffering in populations that rely on agriculture for food, income and employment.

Ouma (1995) studded the role of social protection in the socio-economic development of Uganda, since the study was descriptive in nature therefore in order to answer the research questions, the study employed descriptive statistical tools. The author found that if properly organized the schemes for social protection could promote the redistribution of resources, improve the provision of basic social and health care, standard of living, GDP, increase national pride and commitment and narrow the gap in states of welfare between different social groups. The critical importance of social protection in national development requires that it be extended to cover the more heavily populated rural areas.

In the past three decades, African economics have been subjected to rigorous economies and social policy experiments with the intention of improving human wellbeing (World Bank, 2012). Effectively in the early 1980s, economics and social policies in many countries have gone from the rubrics of structural adjustment to poverty alleviation strategies and then to the Heavily Indebted Poor Country (HIPC) initiatives. These programmes have the same thing in common: all of them are premised on the notion that the market mechanism works better for economic growth and that growth is good for jobs and for human development, including poverty alleviation.

Specifically, policy measures that have been implemented as part of these economic programmes have included trade liberalisation, financial sector reforms which have included liberalisation of external payment, withdrawal of the state from economic activity and the heavy deployment of market forces as indicated in (UN, 2010). The growth response to these set of measures have been anything but spectacular. The promised high growth that was to accompany these policies has failed to materialize. Overall, Sub-Saharan Africa (SSA) achieved what can be called modest growth rates. For the period 1997 to 2007, SSA registered average growth rate of 5 percent, only increasing marginally to 6 percent between 2006 and 2007 (World Bank, 2010).

Prominent Features of Social Security Programmes in Africa: At independence, most countries in Africa established or inherited from the colonial administration provident fund schemes that were limited to workers in the civil or public service as noted in Ntungi (2015). These were later (in the 1980s and 90s) transformed into full pension schemes and made mandatory for workers in the formal private sector as well. Most of the schemes that currently exist in countries are contributory earnings-related defined benefit schemes. According to Tairo (2017), few countries, mostly in

Anglophone Africa, have maintained provident fund schemes inherited at independence. These include The Gambia, Kenya, Swaziland, Tanzania and Uganda.

For a majority of countries in Africa, social protection is modelled along Bismarck-type social protection schemes where beneficiaries are expected to contribute and acquire pension right or the right to use a given facility as in the case of health insurance. These schemes are the classic social insurance schemes in which coverage is determined by ability and willingness to contribute a proportion of one's income while in active service. The typical country in Africa inherited and continues to operate a defined benefit scheme in which the formula for calculating benefits is determined upon enrolment. Social security is mandatory for formal workers (i.e., workers who have employer-employee relationship) in most countries Ntungi (2015). Informal workers can enrol or participate voluntarily. The mandatory nature of social security in Africa reflects the colonial legacy of the schemes.

It also reflects the practical necessity to ensure sufficient insurance against old age poverty. Individuals faced with myopia (short-termism), liquidity constraints and imperfections in capital and insurance markets can be expected to save enough for old age and other contingencies including health, disability and unemployment. Governments then step in to mandate compulsory savings in the formal social security contributions to prevent mass poverty in old age which would then require fiscal allocations from the state. In the formal sector, it is relatively easy and less costly to enforce mandatory and contributory social security since formal sector firms are registered and can easily be identified. In the informal sector, the situation is different and social security mandates cannot be easily enforced.

There are few countries in Africa mostly in the southern part of the continent that have established the non-contributory schemes (basic pensions) that pays pension to all residents who attain a given eligibility age, usually the mandatory pensionable age. According to World Bank (2012), there are eight countries with this kind of basic pension including Botswana, Lesotho, Mauritius, Namibia and Seychelles. Cape Verde, Liberia, South Africa and Swaziland also operate means-tested pensions for a section of the elderly that meets the test. Another important feature of social protection on the continent is that most countries maintain separate programmes or schemes for civil servants and for workers in the private sector.

2.7.3 Studies in Tanzania

Daniels (2010) study was on the achieving income security in old age for all Tanzanians. The feasibility study involved 6 stages which are, literature review and gap analysis, field visits to existing social transfer programmes in Tanzania, semi-structured interviews with key stakeholders, round-table discussions with civil registration agencies, social insurance funds and academicians, desk-based econometric and the findings included the achieving old age income security is key to realising Tanzania's national development potentials such as poverty alleviation, standard of living and economic growth. ILO (2008) study was on social protection expenditure and performance review and social budget survey of NGOs providing social protection in Tanzania Mainland. The study used survey in order to capture any available information. The findings which were demographics show there was a need to give high priority to developing a social protection framework addressing the needs of the young and elderly people if the country was serious in wishing to reduce the numbers of its citizens living in poverty, GDP, employment and the labour market is highly formalized with youth unemployment rates in urban areas, coverage by both contributory and non-contributory schemes is low, and benefits are inadequate.

Patrick and Kateras (2005) study on Social Protection: Assuring a Minimum Income for the Poorest in Tanzania employed descriptive statistical tools and the findings show that this section has tentatively examined some options for social protection mechanisms to reduce income poverty and hence it can only be considered illustrative as a comprehensive comparison of the various options is beyond the scope of the study. Comparisons were also constrained by the limited availability of information. It was intended to stimulate debate and encourage a more detailed analysis. It has shown that the level of resources allocated to social protection at present was insufficient to have much impact on income poverty in the population as a whole. At these levels, there is a good case for a highly targeted, coherent and efficient programme to maximize the resources that reach the poorest and most disadvantaged.

2.8 Historical Rationale for Separate Trust Fund and other Social Funds

Social Security’s retirement and disability benefit systems were enacted at different times with separate financing arrangements (Katarikawe, 2005). Social Security’s old-age benefits were enacted in 1935 thereafter Social Security had but one trust fund while disability insurance was established in 1956. When Social Security was first established, lawmakers assured the public that its retirement pensions would be self-financing, funded by workers' ' contributions not taxes' and that benefits would not become a drain on the federal budget. When disability insurance was added later, similar promises were made that it would also be self-sustaining, and not siphon funds from Social Security's retirement program or from the general budget.

This contrasts with Social Security's retirement system, from which participants generally expect to withdraw benefits that in some way reflect the value of their own contributions. The public has long taken a dim view of using Social Security funds for any purpose other than paying retirement and survivor benefits. It is not clear whether there would be general acceptance of diverting funds heretofore earmarked for retirees/survivors to finance disability benefits, and thereby reducing benefits payable in retirement.

Pensions in Africa Even though most African countries have a relatively youthful demographic profile, traditional family-based support systems for older people are weakening in Africa. A World Bank study of formal contributory pension programs in a sample of 37 African countries found that only a median of 4.8 percent of those aged 15 to 19 actively contributed to a mandatory pension scheme as stipulated in research by Stewart and Yermo (2009). The research continues stating that, most countries have occupational schemes specifically for civil servants whereby median pension spending was about 0.9 percent of GDP in the late 2000s, with large variations between countries depending on the design, coverage, and target replacement rates of the schemes. Pension spending is projected to rise as contributory schemes mature, life expectancy after retirement increases, and system dependency rates increase. These formal pension schemes are often characterized by very limited coverage both of workers and older people, high administrative costs, unreliable services for beneficiaries, and the mismanagement of pension reserves.

2.9 Conceptual Framework

Conceptual framework for this study consists the following variables; independent which is the NSSF performance; independent variables which include Gross Domestic Product, employment opportunities, standard of living, poverty alleviation and credit facilities. On the other hand, conceptual framework comprises intermediate variables which are political stability, change of government policy and community awareness on NSSF performance.

Employment Opportunities: Merging NSSF is expected to have impact on the employment opportunities whereby many workers will be need as the work will acquire more labourers due to the fact that the close supervision will be needed as reported by Tairo (2017). In fact what is meant here is the relationship between all parties which are expected to be merged basing on the contract of work.

Gross Domestic Product: Gross domestic (GDP) for this case is the monetary measure of the market value of all the final goods which include the services going to be offered in a period which will determine the economic performance of a whole country or region, and to make international comparisons as indicated by ILO (2010).

Standard of Living: Standard of living refers to the level of wealth, comfort, material goods, and necessities available to a certain socioeconomic class in a certain geographic area, usually a country, whereby merging of NSSF will improve standard of living which include factors such as income, quality and availability of employment, class disparity, poverty rate, quality and affordability of housing, hours of work required to purchase necessities, gross domestic product, inflation rate, amount of leisure time every year, affordable access to quality healthcare as noted in Dimoso (2011), while other include quality and availability of education, life expectancy, incidence of disease, cost of goods and services, infrastructure, national economic growth, economic and political stability, political and religious freedom, environmental quality, climate and safety. The standard of living is closely related to quality of life.

Credit Facilities: With this event of merging NSSF, loan or collection of loans taken on by cooperation will be improved though may differ in types depending upon the needs of the community and the capacity of the organization as indicated by Monet (2012).

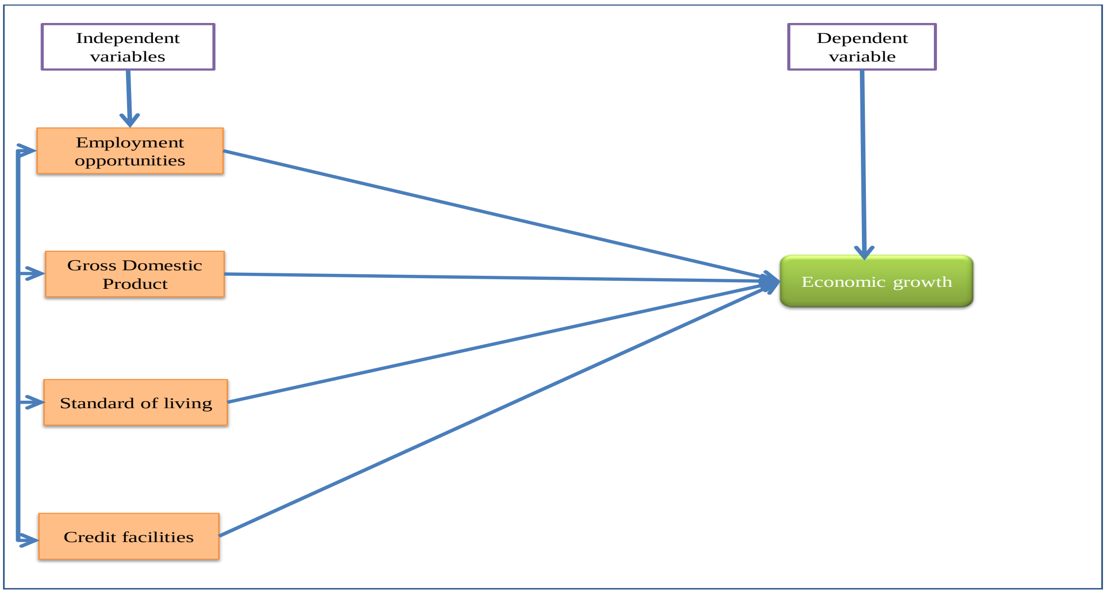

Figure 2.1: Conceptual Framework

Source: Field Work, 2018

The variables used in this study are precisely defined in tabular form whereby every concept is operationally defined, given its measurement level and the unity of measurement as per illustration in Table 2.1.

Table 2.1: Operational definition of variables

Concept	**Operational definition**	**Measurement level**	**Units**
Standard of living	The level of wealth, comfort, material goods, and necessities available to a certain socioeconomic class in a certain geographic area	Ratio	TSh or material

Gross Domestic Product	Monetary measure of the market value of all the final goods		
	Estimated amount of money of items to accomplish a specified task	Ratio	TSh
Employment	The action or condition of employing a professional person to work over a given job	Nominal-Dichotomous	Agree or disagree
Credit facility	Money received or given to a client on return basis, basically meant for investments	Ratio	TSh

Source: Field WorK, 2018

2.10 Summary of the Chapter

The major issues discussed in this chapter include conceptualization of the key issues, visiting related theoretical and empirical literatures from other scholars and finally is the conceptual framework for this study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

A research design is the structural designed to answer the research question (Saunders *et al*, 2007). Research design is the research plans involving several procedures that plan decisions from assumptions to detailed methods of data collection and analysis. However, the plans should focus into strategies and specific methods of data collection, analysis and interpretation. Research design is selected based on the nature of the problem or issue being addressed, researchers' personal experience and the population of the study.

For the purpose of this study a qualitative research design was employed. A common feature of qualitative projects is that they aim to create understanding from data as the analysis proceeds (Kothari, 2010). This means that the research design of a qualitative study differs from that of a study that starts with an understanding to be tested, where often the hypothesis literally dictates the form, quantity, and scope of required data. This sort of design pre-empts other ways of looking at the research question. Qualitative research is usually not pre-emptive.

3.2 Area of the Study

The study was carried out in Dar es Salaam, to include all geographical and administrative units where NSSF operates. However, the focus was on NSSF offices that are dealing with their customer's zone wise. The reason to choose this area of study was that, Dar Es Salaam is an economy driving force in the country wise, also all the major employers in terms of institutions private and government owned are situated in, due to the infrastructure advantage offered by the city proximity to vital installations and being part of capital city since independence and later become the business city. Therefore, the study focuses on this area so as to understand how pension fund service providers' enhance customer to meet their satisfactions and loyalty.

3.3 Population and Sampling

A research population according to Ghauri and Grönhaug (2005) relate to the total universe of units from which the sample is to be selected. In this study population comprised of 35 pensioners, the 85 pensioned and 25 respondents who were not involved in pension issues, that is to say the employees that are member of pension's funds service providers and some staff of the institutions. These officers were selected because of their daily involvement in the identification of potential beneficiaries of pension's benefits. Sample refers to parts or subjects that represent the whole population in which the researcher is interested in gaining information and drawing conclusion (Cooper, 2006).

Table 3.1: Determining Sample Size for a given Population Size

No	Respondents' category	General population	Sample size
1	PSSF employees	38000	10
2	PSSF members	36000	15
3	NSSF employees	37000	10
4	NSSF members	35000	15
5	PSSSF employees	33000	15
6	PSSSF members	31000	20
7	Non SSF members	30000	25
	Total	**240000**	**110**

Source: Field Work, 2018

For calculation of sample size, the Yamane formula, (1967) was used to calculate sample size of 110 households with 0.08 (8%) sampling error. The study population was estimated to be 240, 0000. This is the number of people affected either direct or in direct with social security fund (NBS, 2012). The formulary is given as follows;

$N = N / 1+Ne^2$.. (8)

Where n= sample size

N= population size

e^2 = square root of sample error ($\propto$)

So sample size was calculated as

$n = 240{,}000 / 1 + (240{,}000 \times 0.08^2)$

$n = 109.2991$

So, 110 sample size is slightly better than 109.2991. Therefore, the sample size for this study was 110 respondents.
Sampling technique refers to the process of selecting the right number of items or population to participate in a given study (Catherine, 2002). This study involved the population of 100 people from the study area as per information from reconnaissance survey. This research used 'Small Sample Techniques,' whereby the table for sample size was consulted as shown in Table 3.1

3.4 Data collection Tools

The questionnaire is a set of questions administered through oral or verbal communication, or is a face to-face conversation (Kothari, 2010). It is the best technique that guarantees privacy and confidentiality. It included both close and open ended questions and it was given to those who know to read and write. The method was used to collect data for this study. The method enabled respondents be free to think critically and write in the absence of the researcher, hence be able to provide reliable data.

In that respect, the researcher paid attention to the following points in constructing an appropriate and effective questionnaire as stipulated by Kothari (2004):

Keeping in view the problem to study for it provides the starting point for developing the Questionnaire/Schedule. Ensured clarity about the various aspects of research problem to be dealt with in the course of research development. Appropriate form of questions depended on the nature of information sought, the sampled respondents and the kind of analysis intended. The researcher decided whether to use closed or open-ended question. Questions were simple and constructed with a view to their forming a logical part of a well thought out tabulation plan. The units of enumeration were defined precisely so that they can ensure accurate and full information.

Rough draft of the Questionnaire/Schedule was prepared, giving due thought to the appropriate sequence of putting questions. Questionnaires or schedules previously drafted (if available) were looked into at this stage.

Researcher invariably re-examined, and revised fromrough draft for better one.

Technical defects were minutely scrutinise and removed.

Pilot study was undertaken for pre-testing the questionnaire. The questionnaire was edited in the light of the results of the pilot study.

Questionnaire contained simple but straight forward directions for the respondents so that they cannot feel any difficulty in answering the questions.

3.5 Data Collected

3.5.1 Primary Data

Primary data were collected using questions and interviews. Structured questionnaires were administered to the main respondents. These questionnaires were delivered by hand to the respondents at their duty stations during working hours by the researcher.

3.5.2 Secondary Data

Secondary data included documented information that was obtained from District sources of information like library, books, newsletters and reports. According to Kothari (2010), secondary data means data that are already available i.e., they refer to the data which have already been collected and analysed by someone else. When the researcher utilises secondary data, then he looked into various sources from where he can obtain them. In this case he is certainly not confronted with the problems that are usually associated with the collection of original data.

All secondary data either be published data or unpublished were included in this study. The published data collected included: (a) various publications of the central, state are local governments; (b) various publications of foreign governments or of international bodies and their subsidiary organisations; (c) technical and trade journals; (d) books, magazines and newspapers; (e) reports and publications of various associations connected with business and industry, banks, stock exchanges, etc.; (f) reports prepared by research scholars, universities, economists, etc. in different fields; and (g) public records and statistics, historical documents, and other sources of published information.

According to Kothari (2010), there are some of the advantages brought by using primary data:

Primary data is collected as a response to the exact needs of the merchant;

The information is actualized;

The data categories are created only for the enquired problem;

There is no contradictory data from different sources;

Primary data is the only possible alternative when secondary data is not enough.

There are also some disadvantages:

It is harder to obtain;

Collecting primary data takes more time;

If collecting only primary data the success odds are limited;

Irrelevant data might be collected if the problem is incorrectly defined.

The sources in this case might be, just like at secondary data, internal or external. The internal sources are cheaper and more easily to access, but the external data is more relevant and formal. The sources of unpublished data are many; they may be found in diaries, letters, unpublished biographies and autobiographies and also may be available with scholars and research workers, trade associations, labour bureaus and other public/private individuals and organisations. Researcher must be very careful in using secondary data. He must make a minute scrutiny because it is just possible that the secondary data may be unsuitable or may be inadequate in the context of the problem which the researcher wants to study. By way of caution, the researcher, before using secondary data, must see that they possess following characteristics:

3.6 Data processing and Analysis

The study used both quantitative and qualitative research procedures in data analysis. The two methodological procedures were used in order to counter shortcomings from each technique (Saunders *et al*, 2012). The data processing included:

Coding; data were assigned with numerals or other symbols to answers so that responses can be put into a limited number of categories to the research problem under consideration.

Editing; the collected raw data were examined to detect errors and omission for accurate and consistent with other facts gathered.

Classification; raw data collected from respondents were reduced into homogeneous groups so as to get meaningful relationships and reduce the deviations. This involved arranging data in groups or classes on the basis of common characteristics.

Tabulation; raw data were summarized and displayed in the same compact form of statistical table in the orderly arrangement in columns and rows. Then data were mechanically analysed through Excel's Statistical Tool.

3.7 Data Analysis

Data from questionnaires were analysed using a statistical package for social sciences (SPSS). Editing involved going through the questionnaires to see if respondents responded to questions and see if there are blank responses. Tabulation involved counting the number of cases that fall into various categories.

3.8 Data Presentation

The data collected were presented using statistical graphs, pie charts, tables and frequencies (percentages) so as to make the information self-elaborative and easily understood.

3.9 Validity and Reliability of the Study

3.9.1 Validity of the Study

Validity is divided into two forms internal and external. Internal validity is used to recognize what is measured is in fact in what is in intended. External validity concern what is measured on specific time also is valid in a different context and can be generalized. Also apart from internal and external validity, there is another categories of validity mentioned here under which includes, descriptive, interpretive and explanatory validity.

Descriptive validity, this refers to the degree of accuracy that the researcher has been able to determine from the data collected. They also argued that, in order to ensure accuracy of the data collected, it is important that the researcher carefully collects and confirms descriptive information during the process to ensure accuracy (Maxwell, 2008). In this research study qualitative data are to be collected through face-to-face interviews and where some statements if not well understood, the interviewees were given the opportunity to clarify themselves before the interview can proceed.

Interpretative validity, this refers to the validity of the statements about meanings made by participants. It also refers to the degree the researcher is able to portray the respondents' opinions and meanings of the studied field (Maxwell, 2008). With regards to this research, information gathered through the interview were taped and some written on paper and was used throughout the empirical data and analysis.

Explanatory validity, this refers to the degree of the theoretical importance. However; it refers to how questions developed fit the theory or concept chosen (Maxwell, 2008). In this research, the analysis and interpretations are to be derived solely from the questions developed.

3.9.2 Reliability of the Study

Reliability is defined as to what degree the measurement is trustworthy and to what degree the result is replicable when the same method is performed. The same study that is used according to the same method should give the same result. An instrument is considered reliable if the results of a study can be reproduced under a similar methodology (Joppe, 2000). Reliability is therefore the extent to which measures yield consistent results (Sigmund, 2000). To be considered reliable, the measuring instrument must be free from errors and the results or observations must be replicable or repeatable (Joppe, 2000). The consistency or reliability implied in the research instrument relates to three issues namely (1) the degree to which a measurement, given repeatedly, remains the same (2) stability of measurement over time and (3) the similarity of measurements within a given time period (Kirk and Miller, 1986). Reliability of a measuring instrument is established by determining the association between the scores obtained from different administrations of the instrument (Joppe, 2000). An instrument is considered reliable if the degree of association is high.

Regarding reliability of primary data collected, it is stated in the questionnaire that research at hand was for academic purposes, asking respondents without revealing their identity respondents will not be rewarded or paid for participating in the study and neither will they be coerced. This was intended to instil confidence in respondents so as to give reliable responses. Furthermore, data are to be compared, drawn or collected from multiple sources to ensure their reliability (Ghauri and Grönhaug, 2005). Therefore conducting analysis internal and external consistency of data was carried out by setting out matrix analysis of all variables.

3.10 Ethical Considerations

3.10.1 The Rights to Communication

According to Mouton (2001), the ethics of science concerns what is wrong and what is right in the conduct of research, because scientific research is a form of human conduct, it follows that such conduct has to conform to generally accepted norms and values. At one hand, Babbie (2001) says that “Anyone involved in research needs to be aware of the general agreement about what is proper and improper in scientific research”.

In following Mouton and Babbie’s advice, I do expect to get a letter from the University through my supervisors to my respondents clarifying the intention of my study and it’s important to them. Gravetter and Forzano (2003) made it clear that “researchers have two basic categories of ethical responsibility: responsibility to those, both human and nonhuman, who participate in a project; and responsibility to the discipline of science, to be accurate and honest in the reporting of their research.

3.10.2 Proper Information Provision and Biasness Avoidance

All respondents were informed about the reason for the study and that they were under no obligation to participate or answer any questions that they felt uncomfortable with. De Vos, *et al.*, (2005) explain that “subjects can be harmed in a physical or emotional manner”.

3.10.3 Violation of Privacy

De Vos, *et al.*, (2005), define privacy as “that which normally is not intended for others to observe or analyse and it’s the individual’s right to decide when, where, to whom, and to what extent his or her attitudes, beliefs, and behaviour was revealed”. To maintain this principle, the researcher safeguarded the privacy and identity of my respondents and act with the necessary sensitivity that my topic deserves.

CHAPTER FOUR

RESULTS PRESENTATION AND DISCUSSION

4.1 Introduction

This chapter is all about research findings presentation and discussion whereby the major objective was to determine the impact of merging National Social Security Fund to economic growth in Tanzania. The chapter starts with giving an overview of the respondents' demographic information with the aim of knowing the status of respondents involved in this study. The discussions of the findings are based on the objectives of the study whereby the discussions are chronologically described.

4.2 Respondents' Demographic Information

Knowing the respondents' background was perceived by the research to be one of the key features to predict the relevance of much information given forth by respondents. The ability to interpret the impact of merging National Social Security Fund to economic growth in Tanzania depends on many factors whereby in this context demographic information was among the priorities. Of course merging social security funds is among the issues which need an individual to be active in terms of physical and mental so that can judge its impacts to the country economy and the entire community economies. In that respect therefore, respondents' demographic factors in this study involved age, sex categories, education levels and occupation of the respondents.

4.2.1 Respondents' Distribution by Age

Age limit is required in determining employments and duration of stay in job which could eventually implicate ability to interpret the benefits of the communities' empowerment for the economic point of view. So the study considered age as one of the major factor to be analysed since demand economic impact of empowerment is one of the factors could lead to economic increase if well addressed though it is not necessarily to perform as it is addressed due to a number of factors including financial constraints.

Through this study, 26.4% of respondents were in the age of 26-35 while another group of respondents fall under 36-45 years who were 23.6% of all respondents interviewed in this study as illustrated in Figure 2 followed by those aged 18-25 years who were 18.2% of total respondents, whilst respondents with age range from 46-55 years were noted to be 13.6% of all respondents. Generally, ages of respondents were categorized form 18 years to above 75 years old whereby those above 75 years were 1.8% of all respondents that is one person, while those aged 66-75 years were 6.4% respondents. In that respect, the study encompassed a reasonable ages who were able to give information on the implication of merging social security funds for the development of the communities as shown in Figure 4.1.

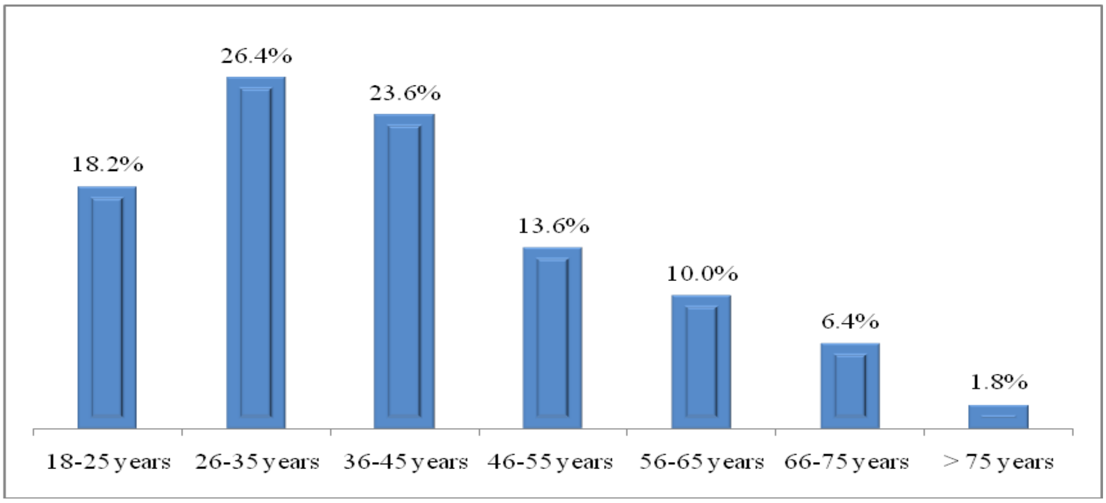

Figure 4.1: Respondents' Distribution by Age

Source: Researcher's Work, 2018

4.2.2 Respondents' distribution by Sex Category

In this research sex categories of respondents were analysed in order not on to come up with views for both sex categories, but more importantly to make the research gender sensitive respectively. According to the culture of respondents in the study area, the research prompted to investigate sex categories of respondents in order to know which sex category is mostly aware of the impact of merging social security funds, but also to have different ideas on the communities' economic change as a result of merging these funds. Through the research findings it was noted that, males were 55.5 while females were 44.5% as illustrated in Table 1. However, the variation of equity was due to availability of male respondents than women.

Though the ratio of male-female was not symmetrically proportional, the researcher was satisfied with the involvement of women in the research; therefore the researcher can conclude that information obtained in this study was not gender biased. However, according to the respondents, it is essential to understand that while the process of merging social security funds affects men and women in different ways, since their roles are substantially different, whereby women are mostly burdened with economic issues at household level. Any argument related to merging of social security funds and other related problems needs to take these differences into account. This is why sex categories were important in this study.

For any economic development intervention activity, a number of gender issues need to be taken into board, because different gender relations exist in each cultural context. Gender relations refer to a complex system of personal and social relations of domination and power through which women and men are socially created and maintained and through which they gain access to power and material resources or are allocated status within society. Gender is about roles played by men and women; it is not synonymous with men and women. Strengthening gender in development is a process.

Sex, on the other hand, refers only to the biological and physiological differences between men and women. Men and women are not the same: they are not equal nor will they ever be, due to physical and biological conditions. Gender, however, does not refer to the biological differences but to the social and cultural structure that defines what it is to be a "man" and what it means to be a "woman" in a given society and cultural setting.

With regard to differences between men and women with respect to their problems; there is a needs to prioritize participation and access to productive resources and opportunities for development considering the fact that, gender analysis helps identify where and what kind of inequities may exist between men and women with regard to legal rights, opportunities for personal development, access to productive resources, political participation. Often, but not always, women are at a disadvantage, due to the fact that most societies are dominated by men and based upon a patriarchal structure. Because of these existing disadvantages, it is not sufficient to provide equal or the same access to services for men and women.

Investigation of sex categories in this study was also important as family benefits are especially important for women because many women do not earn sufficient credits throughout their working career to be eligible for their own benefits due to care giving for children or other family members. Many other women earn much less than their husbands and rely on spousal and widow's benefits in retirement.

Table 4.1: Respondents' Distribution by Sex Category

Sex category	**Frequency**	**Percent**
Male	61	55.5
Female	49	44.5
Total	**110**	**100.0**

Source: Researcher's Work, 2018

4.2.3 Respondents' Distribution by Education Level

Numerous definitions of education exist. However, for the purpose of this study; education means learning knowledge, skills, and attitudes. The most important of these is learning how to learn. Learning means deciding about your own lifestyle. The impact of education is well prominent in economic issues particularly in financial sectors like social security funds where many techniques are used to improve material production. Education with no doubt is indisputable qualifications for economic development though not necessarily to have direct impact on it. This research classified education into four levels starting with the informal education to high education levels.

Post-secondary education is the major level of education attained by majority of the respondents (55.5%) as shown in Table 3. Another group of 30.9% respondents had attained secondary education as illustrated in Figure 4.1. According to the classification of education in Tanzania, secondary education is the second level of education after the first one which is primary. Another group of respondent which comprised 10.0% of respondents had ended up in primary education level. This is the basic education and which is compulsory to any citizen. From these findings, it can be concluded that, respondents interviewed in this study had good education to the extent of judging the implication of merging social security funds.

Table 4.2: Respondents' Distribution by Education Level

Education level	**Frequency**	**Percent**
Informal education	4	3.6
Primary education	11	10.0
Secondary education	34	30.9
Post-secondary education	61	55.5
Total	**110**	**100.0**

Source: Researcher's Work, 2018

4.2.4 Respondents' Main Economic Activities

Together with the fact that most of respondents interviewed during this evaluation employees, the researcher decided to interview the respondents on their other economic activities which could be associated with economic activities. From the respondents' responses, it was noted from 33.6% respondents as shown in Figure 4.2, that business was the activity operated by the majority of respondents followed by those operated petty trade as their extra work which constituted 22.7% of respondents.

Other economic activities performed by respondents involved in this study were agriculture as reported by 18.2% of respondents, while international trade was conducted by 3.6 of respondents. However, 21.8% of the respondents said that they had no other economic activity than their employment position. These activities were important to be known for the sake of justification to the impacts of merging social security funds to the economic wellbeing of the community.

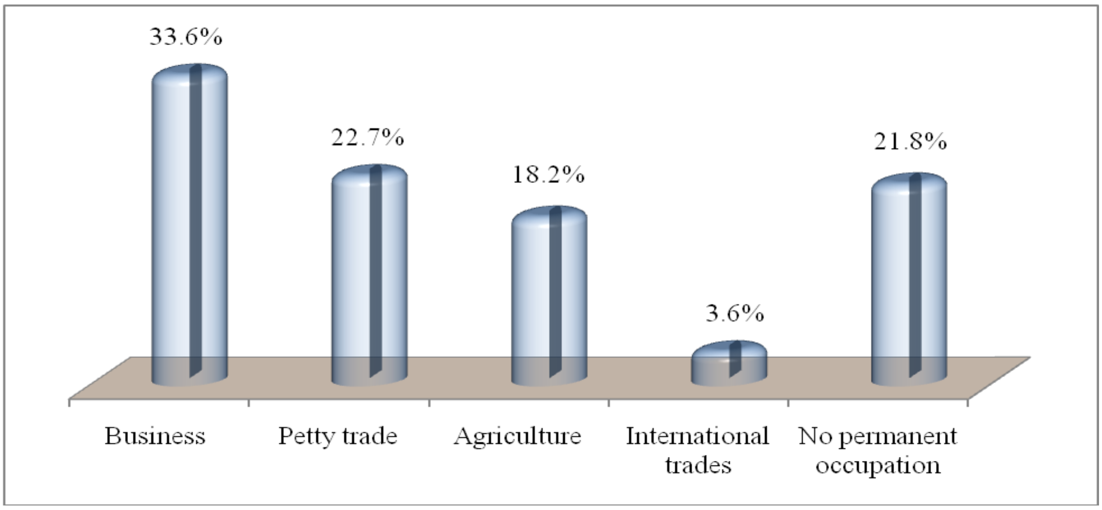

Figure 4.2: Other Economic Activities

Source: Researcher’s Work, 2018

4.3 The Contribution of Merging SSF on Employment Sector

4.3.1 Community’s Aware on SSF

The issue of community awareness on the SSF was very important to be determined in order to be able to interpret other findings from the respondents related to the social security funds. From the study findings it was noted that, 34.5% of the respondents were in ‘strongly agreement’ with awareness, while 14.5% of the respondents ‘disagreed’ as illustrated in Table 4.3. On the other hand, 0.9% of the respondents ‘disagreed’ with the statement. It is therefore relevant to conclude that the community is aware of SSF.

Table 4.3: Community's Aware of SSF

Level of agreement	**Frequency**	**Percent**
Strongly Disagree	1	0.9
Disagree	16	14.5
Uncertain	6	5.5
Agree	49	44.5
Strongly Agree	38	34.5
Total	**110**	**100.0**

4.3.2 Responses if there is not Importance of Merging SSF

Getting the responses from the respondents on whether there is importance of merging SSF or not was of significance importance as this study is concerned. The response that 'strongly disagreed' was supported by 37.3% of all respondents involved in this study.

The statement of social security not being important was supported by 29.1% of the respondents by opting 'strongly agree' as indicated in Figure 4. It was also noted from the research findings that, 14.5% of the respondents 'disagreed. Analytical findings were also noted that 2.7% of the respondents were 'uncertain' with the statement, while Figure 4 indicated that 16.4% of the respondents 'agreed' with the statement. 2.7%

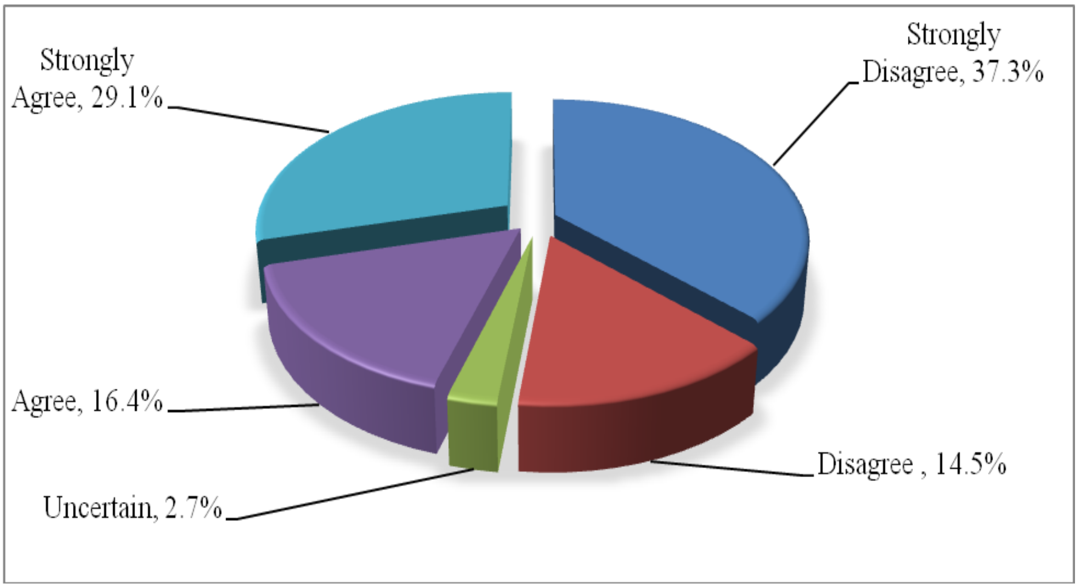

Figure 4.3: Responses if there is not Importance of Merging NSSF

Source: Researcher's work, 2018

4.4 The Impact of Merging SSF

4.4.1 Respondents' Perception if NSSF is a big Deal on Economic Growth of the Country

The impacts of merging social security funds was voted to be of big deal for the development of the communities as 49.1% of respondents rated to 'agree' (see Table 5), while 42.7% of the respondents 'strongly agreed'. However, another group of 5.5% of respondents disagreed and 1.8% of respondents were uncertain of the impacts of merging social security funds. It was 'strongly disagreed' that merging social security funds as it could improve community's livelihood as suggested by 0.9% of respondents (see Table 4.4) but also as reported in research by Tairo (2017).

Table 4.4: Respondents' Perception if NSSF is a Big Deal on Economic Growth of the Country

Level of agreement	Frequency	Percent
Strongly Disagree	1	0.9
Disagree	6	5.5
Uncertain	2	1.8
Agree	54	49.1
Strongly Agree	47	42.7
Total	**110**	**100.0**

Source: Researcher's Work, 2018

4.4.2 Respondents' Perception if there are any Benefits from NSSF

Whether merging social security funds could bring many benefits to the community and the country as whole was 'agreed' by 38.2% of the respondents. The research also noted that, 36.4% of the respondents 'strongly agreed'. A group of respondents which comprised 17.3% of the respondents 'strongly disagreed' with the statement that there are many benefits from merging social security funds, while 2.7% of the respondents as illustrated in Table 4.5 were 'uncertain'. In fact, it is correct to conclude that merging social security funds will be of remarkable benefit to the community and the government as whole. As the conclusion to this part, respondents' views tallies with statements from Westerman and Mpinga (2017).

Table 4.5: Respondents' Perception if there are any Benefits from NSSF

Level of agreement	Frequency	Percent
Strongly Disagree	6	5.5
Disagree	19	17.3
Uncertain	3	2.7
Agree	42	38.2
Strongly Agree	40	36.4
Total	**110**	**100.0**

Source: Researcher's Work, 2018

4.4.3 Regression Analysis of the Dependants versus Independents

The analysis was carried out to determine the regression of dependent versus independent variable whereby from the regression analysis, the impact of merging social security funds at the level of 0.1% it was revealed that there was no significant differences (p=.135) on employment opportunities. Likewise, the impact of gross domestic product on the economic growth was found to be at insignificant level of 0.1% whereby p=.130.

Table 4.6: Regression Analysis

Model		Unstandardised Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.988	.367		5.420	.000
	Employment opportunities	-.085	.056	-.143	-1.504	.135
	Gross Domestic Product	-.182	.119	-.148	-1.525	.130
	Standard of living	.066	.108	.058	.610	.543
	Credit facilities	-.167	.120	-.138	-1.395	.166

Dependent Variable: Economic growth

These results indicate statistical insignificance to the standard of living as the result of merging social security funds as it showed that p=.543 while at the same hand it was revealed that there was also insignificant differences on the availability of credit facilities to the economic growth where p =.166. These results qualify to say that, independent variables were important but were not necessarily to have impacts to the dependent variable.

4.4.4 Responses on if Merged SSF will Improve Financial Access to Retirees

With the case of retirees, merging of social security funds was noted to be important through 37.3% of the respondents. Also from the study findings it was noted by 30.0% of the respondents who ‘strongly agreed’ with the statement as indicated in

Figure 5. It was also noted that, 14.5% of respondents were ‘uncertain’ while 10.9% of the respondents ‘disagree’ with the statement. The implication from these findings is that merging social security funds will improve community’s livelihood as also noted in Dimoso (2011).

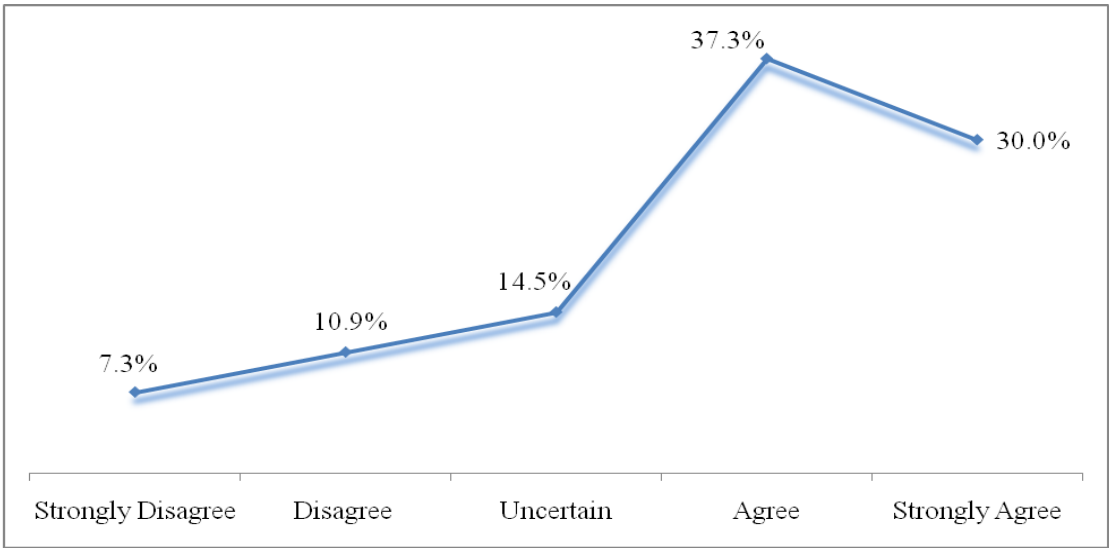

Figure 4.4: Responses on if merged SSF will improve Financial access to Retirees

Source: Researcher’s Work, 2018

4.4.5 Responses if PSSSF is not giving Prosperous Hope to its Members

One important aspect to know from the community pertaining to PSSSF intervention was the attitudes towards it performance. The analysis was carried out to determine whether the respondents perceived the intervention prosperously or not. Analytical results portrayed that, 54.5% of all respondents interviewed ‘strongly disagree’ which means PSSSF was positively perceived by the community and its members (see Table 4.8).

At the same hand, 38.2% of the respondents ‘disagree’ with the statement that PSSSF is not giving prosperous hope to its members, while 0.9% of the respondents were uncertain. On the other hand, 5.5% of the respondents as illustrated in Table 4.7 agreed with the statement and 0.9% of the respondents ‘strongly agree’ with the statement. However, PSSSF seem to give prosperous hope to its members and the entire community as also said by Tairo (2017).

Table 4.7: Responses if PSSSF is not giving Prosperous Hope to its Members

Level of agreement	**Frequency**	**Percent**
Strongly Disagree	60	54.5
Disagree	42	38.2
Uncertain	1	0.9
Agree	6	5.5
Strongly Agree	1	0.9
Total	**110**	**100.0**

Source: Researcher’s Work, 2018

4.4.6 If no One is Much Benefiting from PSSSF

From the study analysis pertaining to the investigation on the social security benefits to the community revealed that, most of the community do benefit from social security fund as the statement was opposed by 80.0% of the respondents who voted for 'strongly disagreement' to the statement. On the same hand, 8.2% of the respondents 'disagreed' with the statement that no one is gaining from social security funds as illustrated in Figure 4.5. The research also revealed that the respondents involved in the study had not same idea or understanding on the impact of social security to the community and thus 7.3% of the respondents 'strongly agreed' that no one who is benefiting from PSSSF. Probably this is due to the institution being newly started. Also, another group of 2.7% of the respondents 'agreed' that no one benefited from social security funds and the last group of respondents which constituted 1.8% of the respondents were 'uncertain' as illustrated in Figure 6. In fact, following the responses from respondents interviewed during this study, PSSF is of great importance to the community. The analytical results from this part are supported by the research findings from Westerman and Mpinga (2017).

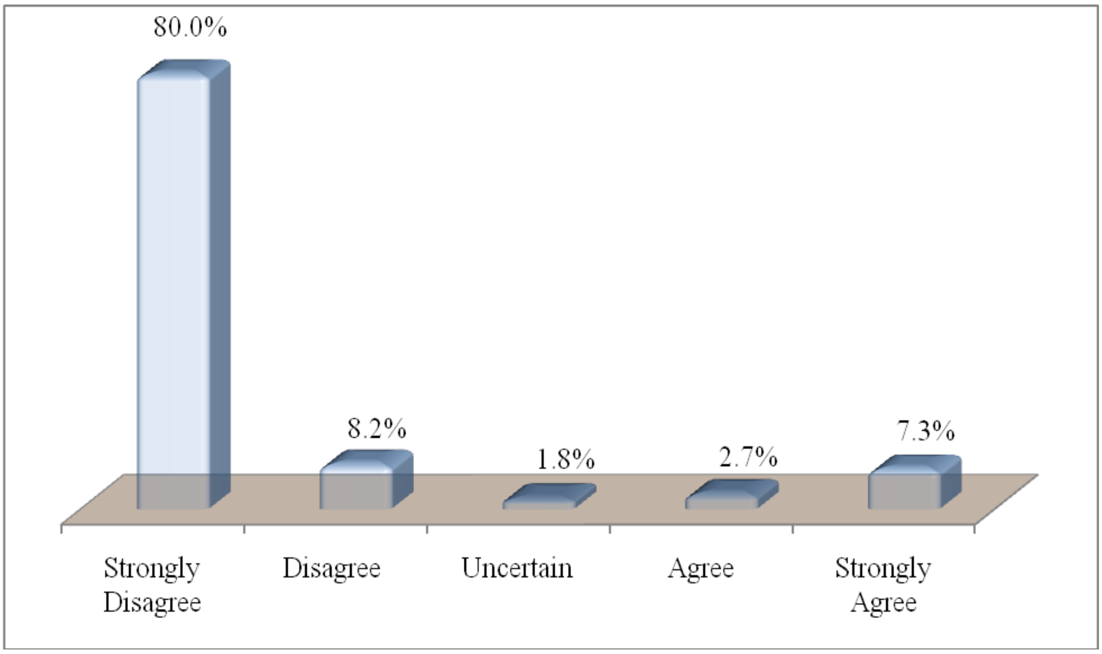

Figure 4.5: If no one is Much Benefiting from PSSSF

Source: Researcher's Work, 2018

4.5 The Level of Improved Peoples' Standard of Living Resulting From Merged SSF

4.5.1 The Level of Poverty in the Area of Study

The level of improved peoples' standard of living resulting from merged SSF was measured using different scenario including determining the level of poverty to the community. From the analytical findings it was noted that 43.0% of the respondents disagreed with the statement that the level of poverty was very low due to implementation of social security fund. It was also noted that 38.0% of the respondents strongly disagreed with the statement as indicated in Table 4.8.

The option of low income level due to merged social security funds was disagreed by 51.0% of the respondents while 40.0% of the respondents 'strongly disagreed' as indicated in Table 4.8. On the other side, 28.0% of the respondents agreed level of poverty to medium while 23.0% of the respondents disagreed with the statement. Moreover, 38.0% of the respondents agreed that the level of poverty in their locality is high while those strongly agreed were 31.0% of all respondents. With the case of level of poverty being very high was supported by 58.0% of the respondents who opted 'strongly agreement'. The study also indicated 35.0% of the respondents to agree that the level of poverty was very high as shown in Table 8. From the research results it can be concluded that the level of poverty in the study area was very high.

Table 4.8: The Level of Poverty in the area of Study

Level of agreement	Very low	Low	Medium	High	Very high
Strongly Disagree	38.0%	40.0%	21.0%	9.0%	3.0%
Disagree	43.0%	51.0%	23.0%	23.0%	6.0%
Uncertain	4.0%	6.0%	16.0%	9.0%	8.0%
Agree	9.0%	8.0%	28.0%	38.0%	35.0%
Strongly Agree	16.0%	5.0%	22.0%	31.0%	58.0%
Total	**110.0%**	**110.0%**	**110.0%**	**110.0%**	**110.0%**

Source: Researcher's Work, 2018

4.5.2 If there are Strategies Put forth by NSSF to alleviate Poverty

From the literature point of view, one of the strategies of social security fund was to alleviated poverty to the community. It is from this fact the research found it necessary to interrogate the respondents to get the insight of this fact. From the analytical research, 50.0% of the respondents interviewed 'strongly agreed' that there are strategies put forward by the social security funds on the issue of alleviating poverty as also noted by Dimoso (2011).

Table 4.9: If there are Strategies Put forth by NSSF to Alleviate Poverty

Level of agreement	**Frequency**	**Percent**
Strongly Disagree	0	0.0
Disagree	2	1.8
Uncertain	11	10.0
Agree	42	38.2
Strongly Agree	55	50.0
Total	**110**	**100.0**

Source: Researcher’s Work, 2018

Another group of 38.2% respondents involved in the study ‘agreed’ existence of poverty alleviation strategies by social security funds in their locality though 10.0% of respondents as indicated in Table 4.9 were uncertain. Respondents who according to the research analysis ‘strongly disagree with the statement of poverty alleviation through social security fund were 1.8% off all respondents interviewed during this study and none of the them disagree with the statement. The implication from these arguments is that social security funds had recognizable strategies to curb poverty as the majority opted.

4.5.3 If the Impacts of NSSF Performance on Poverty Alleviation is Well Known

Poverty alleviation is one of the strategies imposed by the Tanzania Government in the course of securing people from poverty. The intention of merging social security funds was also have common and manageable source of fund in order to enable people receive financial assistance in a simple way which could end up alleviating poverty. It is through this fact this study found it sound to interview respondents on the importance of merging these social security fund. From the research analytical findings, it was noted from 44.5% of the respondents that merging social security funds was of important since they agreed to be so as illustrated in Figure 4.6.

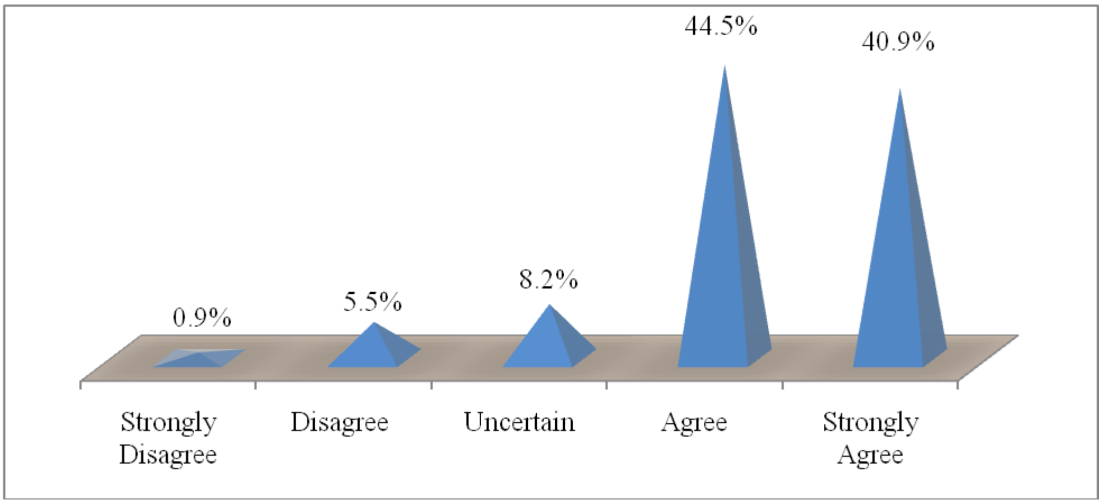

Figure 4.6: If the impact of NSSF performance on Poverty alleviation is known

Source: Researcher's Work, 2018

From the analytical results also it was 'strongly agreed by 40.9% of the respondents that merging of social security funds are of great importance although % of the respondents were uncertain as indicated in Figure 4.6. The number of respondents who disagreed with this statement was 5.5%, while 0.9% of the respondents 'strongly disagree with the statement. However, it is justifiable that merging of social security funds is of significant importance as the majority of the respondents agreed with this.

4.5.4 Existence of Direct NSSF Contributions to the Community Economy

The contribution of social security to the community was observed to be obvious as 60.9% of the respondents as illustrated in Table 4.10 had 'strong agreement' with the statements that social security funds has direct impact to the communities economic growth. This was measured in order to determine the acceptable of the institution by the community in the study area. The study also revealed from 30.9% of the respondents that they 'agreed' social security funds to have direct impact to the community.

Table 4.10: Direct contributions of NSSF to the Community Economic Growth

Level of agreement	**Frequency**	**Percent**
Strongly Disagree	1	0.9
Disagree	2	1.8
Uncertain	6	5.5
Agree	34	30.9
Strongly Agree	67	60.9
Total	**110**	**100.0**

Source: Researcher's Work, 2018

Another group of 5.5% of the respondents were 'uncertain' with the statement of social security contribution to the community. Contrary to others, 1.8% of the respondents 'disagreed' that social security has direct contribution to the communities' economic growth and 0.9% of the respondents were 'strongly disagreed' with the statement. These arguments qualify the decisions to be made that social security funds are of importance to the economic growth.

4.5.5 If NSSF is not Associated by Poverty Alleviation

If I had to revisit literatures on the intention of merging social security funds, one of the objectives of this entity was to fight against poverty. Nevertheless, getting respondents' idea was inevitable. Research analysis indicates that, 46.4% of the respondents strongly opposed this statement as illustrated in Figure 4.7. With the same stance, 44.5% of the respondents 'disagreed' with the statement. These despondences also concurred with Tairo (2017).

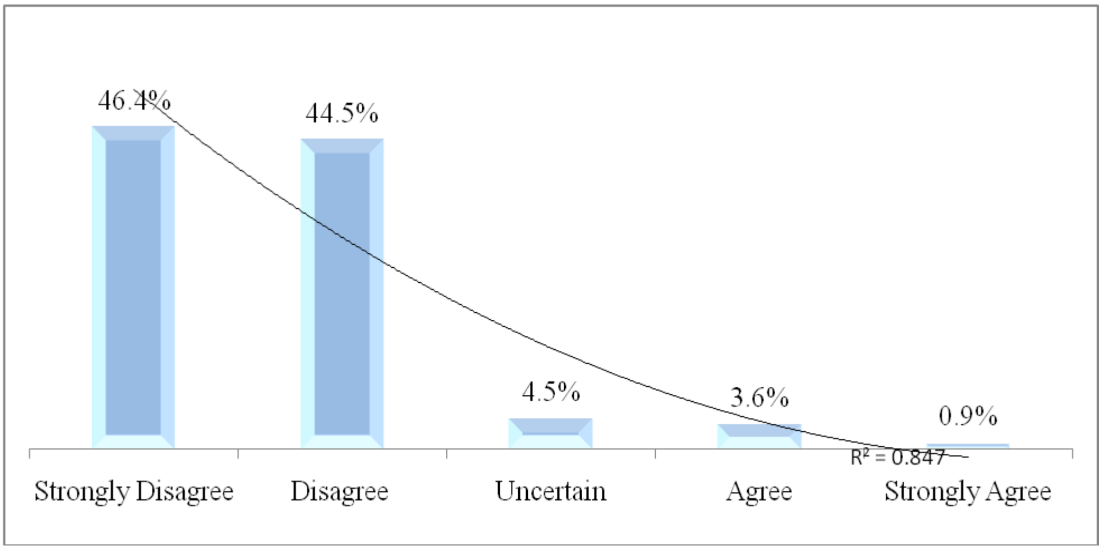

Figure 4.7: If NSSF is not Associated by Poverty Alleviation

Source: Researcher's Work, 2018

On the other hand, 4.5% of the respondents were uncertain with this conversation, while 3.6% of the respondents 'agreed' with the statement. Analytical results also indicated that 0.9% of the respondents ‘strongly agreed’ with the statement as shown in Figure 4.7. The indication of these arguments is that, National Social Security Funds were intending to curb poverty to the community as majority of respondents asserted in this study.

4.5.6 If NSSF is not Interested by other non-Members

Implementation of social security fund touches economic situation of other non-members. Through this fact, the research decided to share with respondents particularly those who are not members of the NSSF. The research findings noted that, 37.7% of the respondents ‘disagreed’ that they are not interested with NSSF, while 34.5% of the respondent as indicated in Table 4.11 rated to be ‘strongly Disagree’.

The results also showed that 16.4% of the respondents were ‘uncertain’ with the statement and those ‘agreed’ were 7.3% of the respondents. On the other hand, 4.5% of the respondents as indicated in Table 4.11 ‘strongly agreed’ with the statement. The implication from these findings is that, NSSF is of great contribution even to other people who are not directly touched to it.

Table 4.11: If NSSF is not interested by other non-Members

Level of agreement	Frequency	Percent
Strongly Disagree	38	34.5
Disagree	41	37.3
Uncertain	18	16.4
Agree	8	7.3
Strongly Agree	5	4.5
Total	**110**	**100.0**

Source: Researcher's Work, 2018

4.5.7 If NSSF Employees have Negative Impact to the Organization

The issue of negative repercussion on the social security funds to the employee was necessary to be discussed in this study. The respondents who had 'strongly disagreement' with this statement were 14.5% of all as illustrated in Table 12, while 33.6% of the respondents 'disagreed' with the statement. Research findings noted that respondents who constituted 20.9% of the respondents were 'uncertain' with employees' perception on the merging of the social security fund. After more interrogation, the reason for uncertain was lack of clear awareness on the objectives of merging these social security funds.

From the research analytical findings it was noted that 17.3% of the respondents agree that National Social Security Fund employees had negative impact of merging these funds (see Table 4.12). Furthermore, 13.6% of the respondents involved in this study 'strongly agree' with the statement that employees had negative impact on merging social security funds. However, these arguments can't refute the truth that most of the employees denied to have negative impact towards merging social security funds.

Table 4.12: If NSSF Employees have Negative Impact to the Organization

Level of agreement	Frequency	Percent
Strongly Disagree	16	14.5
Disagree	37	33.6
Uncertain	23	20.9
Agree	19	17.3
Strongly Agree	15	13.6
Total	**110**	**100.0**

Source: Researcher's Work, 2018

4.6 The role of Merged SSF on Improving Credit Facilities

4.6.1 If NSSF is Positively Perceived by the Community

The perception of NSSF by the community was noted to be excellent as pointed by 43.6% of the respondents who 'strongly agreed' NSSF to be positively perceived by the community. The number of respondents who 'agreed' NSSF to have been positively perceived by the community was 21.8% as indicated in Figure 4.8.

It was also noted that, 13.6% of the respondents were 'uncertain' with whether NSSF was positively perceived by the community or not as they were not sure of the response. On the other hand, 11.8% of the respondents 'disagree' with the statement and 9.1% of the respondents as illustrated in Figure 4.8 'strongly disagree'. This indicates that NSSF was positively perceived by the community for the betterment of their livelihood.

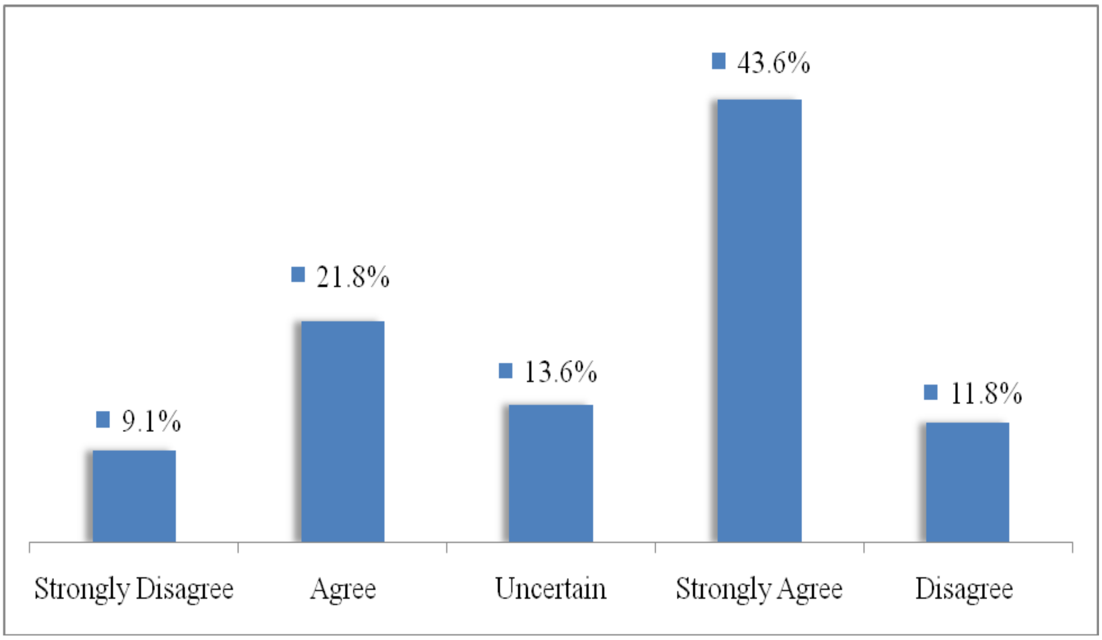

Figure 4.8: If NSSF is Positively Perceived by the Community

Source: Researcher's Work, 2018

4.6.2 Response if the Community on gains from NSSF Performance

One of the demands of this study was to investigate on whether the community are expecting economic changes as result of merged social security funds. The results from the study analysis it was noted that, majority of the respondents (52.7%) were uncertain to this statement simply because they were not sure of how the merged social security fund going to operate. However, 26.4% of the respondents as indicated in Table 4.14 ‘agreed’ with the statement they are going to gain something thought not in a quantifiable amount. The research results also indicated that 10.9% of the respondents ‘strongly agreed’ with the statement of community gaining something (whether cash or kind) form the merged social security fund. Disagreement was one of the responses from 5.5% of the respondents as shown in Table 4.13, while those ‘strongly disagree’ were 4.5% of the respondents. Conclusively it can be said that communities are eagerly waiting to benefit from the merged social security fund.

Table 4.13: Response if the Community on gains from NSSF Performance

Level of agreement	**Frequency**	**Percent**
Strongly Disagree	5	4.5
Disagree	6	5.5
Uncertain	58	52.7
Agree	29	26.4
Strongly Agree	12	10.9
Total	**110**	**100.0**

Source: Researcher’s Work, 2018

4.6.3 If there is Future anticipated by the Community from NSSF Performance

The future anticipation of the community on national social security fund was obvious to the respondents as 47.3% of the respondents ‘agreed’ (see Table 4.14), while 39.1% of the respondents ‘strongly agreed’ that there is a very promising future to the community with respect to the NSSF performance. Contrary to the previous group of respondents, 7.3% of the respondents disagreed with the statement of prosperous future anticipation from merged NSSF as indicated by Tairo (2017). Respondents who were on 'uncertain' side were 4.5% of all respondents involved in this study, while 1.8% of the respondents 'strongly disagreed' with the statement as illustrated in Table 4.14. The implication of the results as shown in this discussion is that, communities are expecting their livelihood to get improved through implementation of merged social security fund in their locality and that can improve their economic well-beings.

Table 4.14: Future Anticipated by the Community from NSSF Performance

Level of agreement	Frequency	Percent
Strongly Disagree	2	1.8
Disagree	8	7.3
Uncertain	5	4.5
Agree	52	47.3
Strongly Agree	43	39.1
Total	**110**	**100.0**

Source: Researcher's Work, 2018

4.6.4 Response if NSSF has Nothing to do with Credit Facility Improvement

Credit facility improvement is something to do with creating enabling environments to the community particularly low income earners. One of the responsibilities of this study was to countercheck the impact of merging social security funds whereby different ways could be used including asking responses from the respondents. From analytical results it was noted that, 52.7% of the respondents 'strongly disagreed' with the statement the social security funds had nothing to do with credit facility improvement as indicated in Figure 4.9.

Number of respondents who ‘disagreed’ with the statement that social security funds had nothing to do with credit facility improvement was 23.6% of all interviewed respondents, while those who were on ‘uncertainty’ side were 16.4% of respondents as illustrated in Figure 10. The results from research analysis also indicated that 4.5% of the respondents ‘agreed’ social security to have nothing to do with credit facility improvement and 2.7% of the respondents ‘strongly agreed’ with the statement. The indication from the above analysis is that merging social security funds is of great importance for the improvement of credit facilities as also noted from Ntungi (2015).

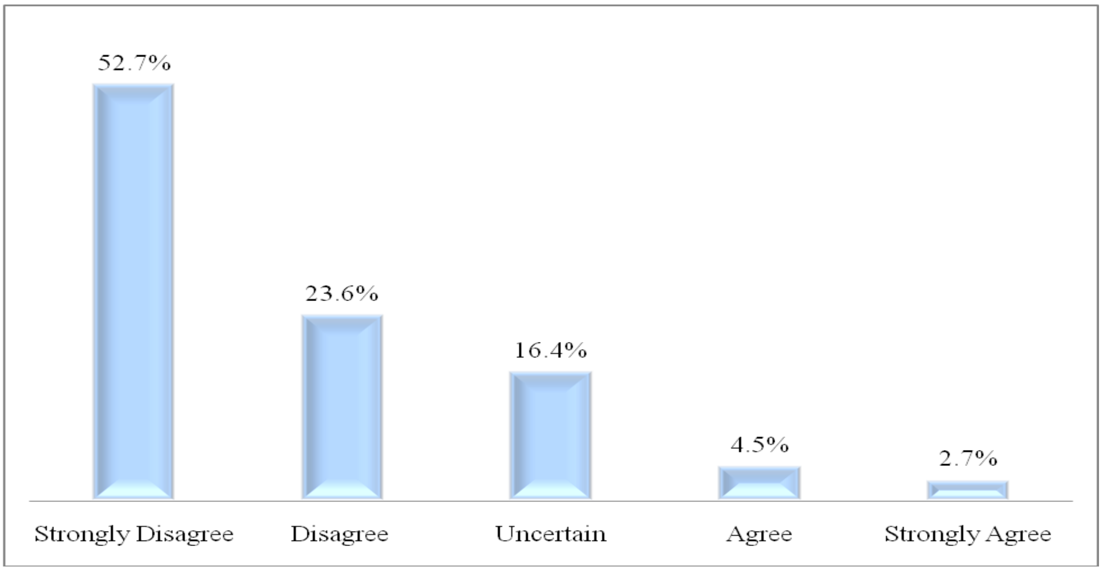

Figure 4.9: Response if NSSF has Nothing to do with Credit Facility Improvement

Source: Researcher’s Work, 2018

4.6.5 If there is no Relationship on NSSF Performance and income Access

The relationship between social security performance and income access by the community was analysed and came up with the findings that, 23.6% of the respondents 'strongly disagree' the relationship to exist, while 30.0% 'disagree' existence of community's income access and 26.4% of the respondents were 'uncertain' with the statement as outlined in Table 4.15.

On the other hand, 8.2% of the respondents 'agree' that there is no relationship between NSSF performance and income access. The study also revealed that 11.8% of the respondents 'strongly agree' that the relationship between National Social Security Fund and income access to the community did not exist. From the above research findings it can be concluded that, there is a prominent relationship between social security fund and the income access by the community (ILO, 2010), but also as opted by the majority of the respondents involved in this study.

Table 4.15: If there is no Relationship between NSSF Performance and Income Access

Level of agreement	Frequency	Percent
Strongly Disagree	26	23.6
Disagree	33	30.0
Uncertain	29	26.4
Agree	9	8.2
Strongly Agree	13	11.8
Total	**110**	**100.0**

Source: Researcher's Work, 2018

4.7 Economic Impacts Merging SSF

4.7.1 Response if NSSF is Potential for Economic Growth

Determining the potentiality of merging social security funds was one of the important aspects in this study. After analysing respondents' perception, it was noted that 60.0% of the respondent 'strongly agreed' NSSF to be important on economic growth. Another group of 29.1% of the respondents 'agreed' that merging social security funds would improve economic growth to the community in the study area but also to the country at large.

The study also revealed that there are other respondents (5.5%) who did not concur to the statement posed to them and therefore to them merging social security funds was not important for economic growth and they 'disagree' as indicated in Figure 4.10, while 4.5% of respondents were 'uncertain' and 0.9% of the respondents 'strongly disagreed' with the statement. However, still the responses implicates that merging social security funds is important for the economic growth to the community as portrayed by Ntungi (2015).

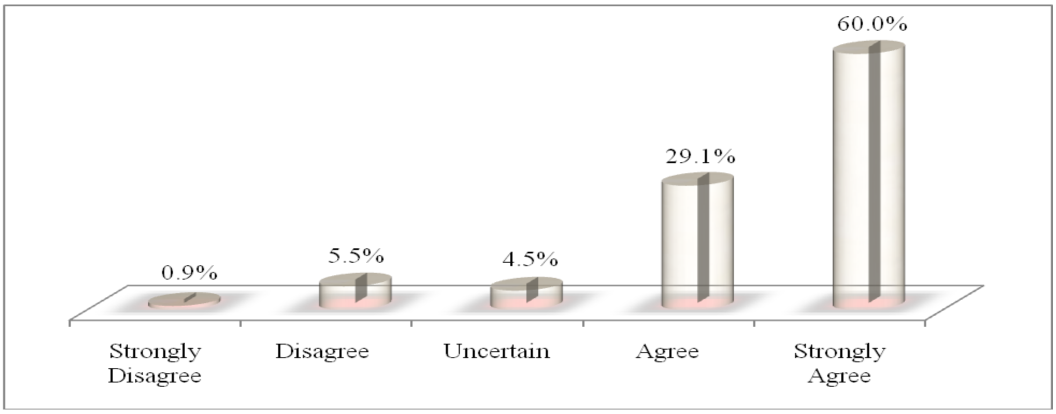

Figure 4.10: Response if NSSF is Potential for Economic Growth

Source*:* Researcher's Work, 2018

4.7.2 Response if NSSF has Increased Income to the Customers

The issue of increasing income to customers by merging social security funds was not well known by majority of the respondents involved in this study. This was evidenced by 50.9% of the respondents who were uncertain with this statement. At the other hand, 19.1% of the respondents agreed that merging social security funds to have increased customers' income as shown in Table 4.16, while 9.1% of the respondents disagreed with this statement.

Another group of 15.5% of the respondents agreed with the statement but these opposed this were 5.5% who 'strongly agreed'. With the suspicious from this vast majority, it deserves to conclude that merging social security funds has not yet realized the profits to the customer, though to my views this can be due to this strategy being newly introduced.

Table 4.16: Response if NSSF has Increased Income to the Customers

Level of agreement	**Frequency**	**Percent**
Strongly Disagree	6	5.5
Disagree	10	9.1
Uncertain	56	50.9
Agree	21	19.1
Strongly Agree	17	15.5
Total	**110**	**100.0**

Source: Researcher's Work, 2018

4.7.3 If the Major aim of Merging SSF was to Improve Country Economy

Together with the suspicious noted during reconnaissance survey on the major intentions of initiating a merged social security funds, it was important to get the insight of the situation from the respondents on their perception to newly formed social security fund. From the analytical results it was noted that, 56.4% of the respondents 'agree' that the major aim of merging social security funds was to improve economy of the country (see Figure 4.11).

Respondents who 'strongly agreed' with the statement according to the research findings were 28.2% as illustrated in Figure 4.11,while 8.2% of the respondents were 'uncertain'. Furthermore, 6.4% of the respondents 'disagree'. The findings also noted that, 0.9% of the respondents 'strongly disagreed' that merging of social security funds was aiming at improving economy of the county. Nevertheless, the majority of the respondents said that the major aim was to improve the economy as also noted from Ntungi (2015) and that make the conclusion of this discussion.

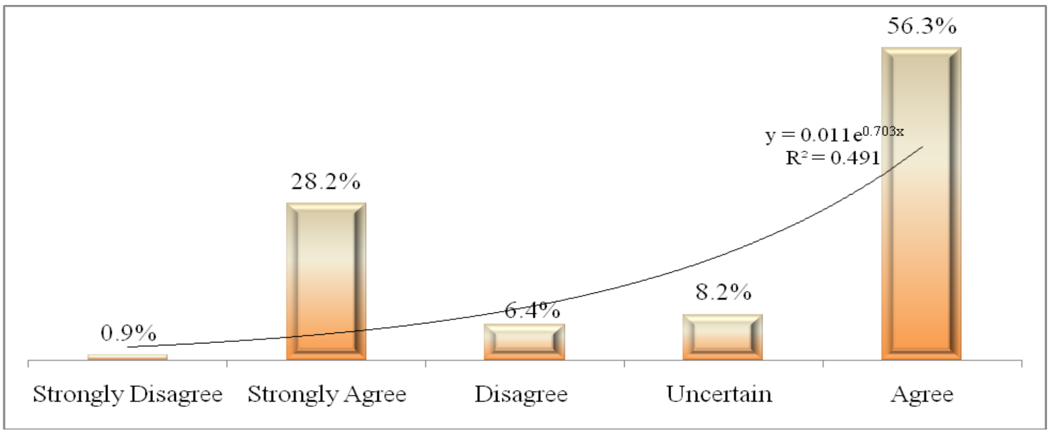

Figure 4.11: If the Major aim of merging SSF was to Improve Country Economy

Source: Researcher's Work, 2018

4.7.4 Response if the Country will Directly gain Income from Merged SSF

Anticipating the future economic impact of merging social security funds was of important as this study is concerned. In order to predict the future economic impact of social security funds, the researcher posed an attitudinal questions to the respondents with the aim of capturing their ideals whereby from 46.4% of all respondent involved in this study ‘agreed’ that, implementation of this strategy will increase income of the country (see Table 4.17). At the same hand, 29.1% of the respondents were ‘strongly in agreement’ with the statement.

The study also noted 18.2% of the respondents to be ‘uncertain’ with the statement as they had no enough information on the impact of merging social security funds. On opposition part, 5.5% of the respondents disagreed with the statement while 0.9% of the respondents ‘strongly disagreed’ with the statement as illustrated in Table 4.17. To conclude this discussion; merging of social security funds is expected to improve income generation not only to the customers by also to the country as whole provided all implementation strategies are adhered to as shown in literature in ILO (2010).

Table 4.17: Response if the Country Will Directly Gain Income from Merged SSF

Level of agreement	Frequency	Percent
Strongly Disagree	1	0.9
Disagree	6	5.5
Uncertain	20	18.2
Agree	51	46.4
Strongly Agree	32	29.1
Total	**110**	**100.0**

Source: Researcher’s Work, 2018

4.7.5 If there is Direct Relationship between NSSF and country Economic Growth

The issue of country economic growth is contributed by many factors. However it was found to be important idea to analyse the relationship between social security funds and the country economic growth. From respondents' point of view, 51.8% of them as illustrated in Figure 4.12 showed to be agree that existence of social security funds in the country has major contribution to the country economic growth. Respondents who 'strongly agreed' that the relationships between country economy and existence of social security funds were 34.5% of them.

On the other hand, 6.4% of the respondents disagreed with the statement that there is direct relationship between social security funds and the country economic growth. The research analysis also revealed that 4.5% of the respondents 'strongly disagreed with the point of direct relationship between country economic growth and the performances of social security funds. Another group of 2.7% respondents were uncertain with the statement as illustrated in Figure 4.12. From the above arguments it can be concluded that the existence of social security funds is of great importance to the growth of economy in the country as also noted in BOT (2015).

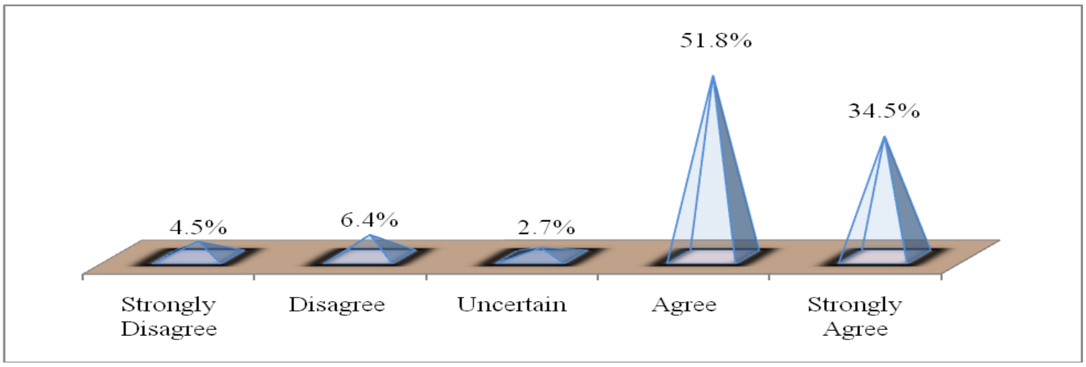

Figure 4.12: Direct Relationship between NSSF and Country Economic Growth
Source: Researcher's Work, 2018

Table 4.18: Summary of the Findings

No	Assessment of the acceptability of EFD machines in tax collection	%					Total D and A	
		SA	**A**	**N**	**DA**	**SDA**	**SA+A**	**DA+SDA**
1	The contribution of merging SSF on employment sector	36.4	38.2	2.7	17.3	5.5	**74.6**	**22.8**
2	The negative impact of merging SSF on country GDP growth	0.9	5.5	8.2	44.5	40.9	**6.4**	**85.4**
3	The level of improved peoples' standard of living resulting from merged SSF	10.9	26.4	52.7	5.5	4.5	**40.3**	**10.0**
4	The role of merged SSF on improving credit facilities	15.5	19.1	50.9	9.1	5.5	**34.6**	**14.6**

The contribution of merging SSF on employment sector which totaled 74.6% of agreement indicated that merging SSF was of important to the clients as per ideas from respondents of this study contrary to the 22.8% of the respondents who did not agree with the statement. With the case of the impact of merging SSF on country

GDP growth, it was noted that the number of respondents who agreed with this statement was 6.4% while 85.4% of the respondents disagreed with the statement which implied that there was no negative impacts on merging SSF.

The level of improved peoples' standard of living resulting from merged SSF was one of the statements posed to the respondents involved in this study whereby 40.3% of the respondents agreed with that statement while 10.0% of the respondents disagreed with the statement. The last statement was on the role of merging SSF on improving credit facilities; 34.6% of the respondents agreed with the statement while 14.6% of the respondents did not agree.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

The intention of this research was to determine the potential impacts of merging social security funds taking National Social Security Funds (NSSF) in Dar Es Salaam Region, Tanzania as the case study. The aim of a merging social security funds is to ensure that, the recipients have a reasonable level of income during their old age as noted in the report by the World Bank. The general objective of this study was to determine the impact of merging Social Security Fund to economic growth in Tanzania.

This study thought to be important in a way that, the society would gain many benefits through joining as a result of merged SSF and the recommendations from the findings, and so it is expected that they will improve standard of living, employment opportunities and hence socio-economic development of the country. The society will gain much information on how the National Social Security Fund performs its activities while stakeholders will get interpretation on how National Social Security Fund invests contributions to all residents. Furthermore, economic planners and politicians will have a standing stone on implementing economic activities to the community.

For the purpose of this study both quantitative and qualitative research design was employed whereby the sample size for this study was 80 respondents. The questionnaire is a set of questions administered through oral or verbal communication, or is a face to-face conversation. The conclusions were drawn that NSSF is of paramount important as it is expected to increase the number of employment due to the fact that financial management is going to be easily handled and so the government will collect as much as possible revenues which will be used to expand employment opportunities. With respect to the impact of merging SSF on country GDP growth, it is concluded that the GDP will be increased as a result of centrally managed funds.

Recommendations are given forth to the NSSF institutions to ensure merging of these funds are bears expected fruits. This is only possible where all guides, regulations and laws are enacted effectively. Towards poverty and unemployment alleviation, employment sector should take this opportunity of merging funds as a source of creating employments to the youths and other deserving candidates. The recommendations were given to the government that it should take the process of merging social security funds as a chance for improving country GDP growth and that the outcome should trickle down to the community ending up with improving peoples' standard of living.

5.2 Conclusions

This part is all about the conclusion of the research basing on the research findings of which again was analysed following the research specific objectives.

The contribution of merging SSF on employment sector

The impact of merging SSF on country GDP growth

The level of improved peoples' standard of living resulting from merged SSF

The role of merged SSF on improving credit facilities

Contribution of merging SSF on Employmbn0ent Sector: Conclusions are made following the research results whereby the number of employment is expected to increase due to the fact that financial management is going to be easily handled and so the government will collect as much as possible revenues which will be used to expand employment opportunities.

The Impact of merging SSF on Country GDP Growth: With respect to the impact of merging SSF on country GDP growth, it is concluded that the GDP will be increased as a result of centrally managed funds.

The level of improved Peoples' Standard of living resulting from merged SSF: The conclusion on the level of improved peoples' standard of living resulting from merged SSF is that people's livelihood is expected to be improved due to availability of employment opportunities, managed funds, and well organized financial sector.

The Role of merged SSF on improving Credit Facilities: Credit facilities are also going to be improved because it is one of the roles of the SSF to improve credit facilities for the sake of communities' development. The findings from the analytical results indicate that, the hypothetical statement that it is not important to merge social security for the development of the country economic is refuted.

5.3 Policy Implications and recommendations

The Contribution of merging SSF on Employment Sector

Policy makers and other practitioners will find this research useful as it gives the feedback of what is likely to happen after social security funds are merged. Recommendations are given forth to the NSSF institutions to ensure merging of these funds are bears expected fruits. This is only possible where all guides, regulations and laws are enacted effectively.

The Impact of merging SSF on Country GDP Growth: Towards poverty and unemployment alleviation, employment sector should take this opportunity of merging funds as a source of creating employments to the youths and other deserving candidates.

The level of improved Peoples' Standard of living resulting from merged SSF: The government should by its side take the process of merging social security funds as a chance for improving country GDP growth and that the outcome should trickle down to the community ending up with improving peoples' standard of living.

The role of merged SSF on improving Credit Facilities: The community should also use this opportunity to engage on income generating economic activities which will be assisted by the enforcement of merged social security funds as per the government plans.

5.4 Study Limitations and delimitations

(i) Time

Taking into account the time frame for research activities and the scheduled time of submission, the time was not sufficient to cover all what are expected to be covered. In that respect, the constraint was to be resolved by developing a work plan which enabled the researcher to utilize after work hours, annual leave and weekends to do the study.

(ii) Access of data

This is the factor constraint in attaining the important information especially to elites who were expected to give detailed due to robustness of the information required with consideration of the nature of data collection. However, through the use of approved letter from the University it was possible to get permission to talk with all targeted respondents.

(iii) Resources

This factor constrained in all activities which require financial assistance such transport, stationary, field survey and communication. But this was solved by developing a research budget which depicted the total amount of research funds needed.

5.5 Areas for Further Studies

This study could not tackle all issues related to the merging of social security funds due to many reasons one being lack of funds to carry such huge research, and so the research did not exhaust all information concerning the topic. The important topics which can be subjected to further research include:

Contribution of SSF to the rural settings

Sustainability of retirees' employment through merging social security funds

Impacts to the new employment opportunities emanating from merging these security funds

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APPENDICES

Appendix 1: Questionnaire

A: Introduction

Dear Sir/Madam

This is to introduce myself to you that, my name is Almas, A Almas, Registration number Pg201506137 a student from Open University of Tanzania (OUT) pursuing Masters of Project Management. I am doing research as part of fulfilling my Masters studies. My research topic is *'The Impact of merging SSFs: a Case of National Social Security Fund in Dar es Salaam Region'*. The purpose of this questionnaire is to help the researcher to gather information. Kindly respond to the questions as accurately as possible. The information you give will strictly be treated confidentially. The researcher will not disclose the identity of the respondent under any circumstances.

B: General information: Please put an appropriate answer

<table>
<tr><td>Age</td><td></td><td></td><td>Sex category</td><td></td><td>Education level</td><td></td><td>Occupation</td><td></td><td>Region</td><td></td></tr>
<tr><td colspan="2"></td><td colspan="3">Years worked in public sectors (cycle one category)</td><td colspan="6">1 - 5 years, 6 - 10 years, 11 - 15 years,16 - 20 years, More than 20 years</td></tr>
<tr><td colspan="2"></td><td colspan="3">Years worked in this Organization (cycle one category)</td><td colspan="6">1- 5 years, 6 - 10 years, 11 - 15 years, 16 - 20 years, More than 20 years</td></tr>
</table>

C: influence of transformational leadership on public sector performance

On the following statements of transformational leadership please indicate your level of disagree or agreed based on the scale of 1-5 where 1 strongly disagree (SD), 2 disagree (DA), 3 neutral (N), 4 agree and 5 strongly agree (SA).

Na	**Items**	**SD**	**DA**	**N**	**A**	**SA**
D	**The contribution of merging SSF on employment sector**					
1	If the community is aware of NSSF	1	2	3	4	5
2	NSSF is well understood by all	1	2	3	4	5
3	In our organization there are many roles including the major roles	1	2	3	4	5
4	There is not importance of merging SSF	1	2	3	4	5
5	Merging of SSF is not a solution to organization’s problems	1	2	3	4	5
E	**The impact of merging SSF**					
6	SSF is a big deal on economic growth of the country	1	2	3	4	5
7	There are many benefits from NSSF	1	2	3	4	5

8	The government and individuals are the mostly benefited from SSF	1	2	3	4	5
9	Merged SSF will improve financial access to retirees	1	2	3	4	5
10	PSSSF is not giving prosperous hope to its members	1	2	3	4	5
11	No one is much benefiting from PSSSF	1	2	3	4	5
F	**The level of improved peoples' standard of living resulting from merged SSF**					
12	The level of poverty in in our locality is low	1	2	3	4	5
13	The level of poverty in in our locality is very low	1	2	3	4	5
14	The level of poverty in in our locality is medium	1	2	3	4	5
15	The level of poverty in in our locality is high	1	2	3	4	5
16	The level of poverty in our locality is very high	1	2	3	4	5
17	There are strategies put forth by NSSF to alleviate poverty	1	2	3	4	5
18	There are known impacts of NSSF performance on poverty alleviation	1	2	3	4	5

19	There are direct contribution of NSSF to the community	1	2	3	4	5
20	NSSF is not associated by poverty alleviation	1	2	3	4	5
21	NSSF has no impact on communities' income	1	2	3	4	5
22	NSSF is not interested by other non members	1	2	3	4	5
23	NSSF employees have negative impact to the organization	1	2	3	4	5
G	**The role of merged SSF on improving credit facilities**					
24	The way NSSF is perceived by the community	1	2	3	4	5
25	The community is expected to improve credit facilities through merged SSF	1	2	3	4	5
26	If the community gaining anything from NSSF performance	1	2	3	4	5
27	If there is future anticipated by the community from NSSF	1	2	3	4	5
28	Merging of SSF will improve financial access to the communities	1	2	3	4	5
29	NSSF has nothing to do with credit facility	1	2	3	4	5

	improvement					
30	There is no relationship between NSSF performance and income access to the community	1	2	3	4	5
H	**Economic impacts for merging SSF**					
31	NSSF is potential for economic growth	1	2	3	4	5
32	NSSF has increased income to the customers	1	2	3	4	5
33	The major aim of merging SSF was to improve country economy	1	2	3	4	5
34	The country wills directly gain income from merged SSF	1	2	3	4	5
35	There is direct relationship between NSSF and country economic growth	1	2	3	4	5

Thanks in advance for your cooperation

Appendix 2: Work plan for 2018

Activity	**2018**					
	May	**Jun**	**Jul**	**Aug**	**Sept**	**Oct**
Literature review						
Research problem definition						
Research questions' development						
Research objectives & hypothesis development						
Research methodology set-up						
Presentation of initial research proposal						
Review and re-writing research proposal						
Submission of final research proposal						
Data collection						

Data analysis and interpretation						
Research report writing – first draft						
Research report submission – first draft						
Review and re-writing research report						
Research report submission to External Examiner						
Research report re-writing – final						
Submission of final research report						

Appendix 3: Budget for Research Work

Items	Amount TZS	
	COST	**TOTAL**
Stationary and Printing:		
(a) Three reams of photocopy and printing		
papers @ TZS 7,500	12,500	
(b) Writing, printing and photocopy		
600 pages @ TZS 350	210,000	220,500
Internet Services:		
(a) Browsing for downloads 6 times x 5 months		
@ TZS 1000	30,000	
(b) Printing the downloads - est. at TZS 20,000	30,000	60,000.00
Field Survey Expenses :		
Per diem;	300,000	
6 days @50,000		
(b) Transport costs	100,000	400,000

Data analysis and reporting costs: (a) Data processing and analysis (b) Secretarial services (c) Report production & binding	 500,000 130,000 550,000	 1,630,000
Total cost		1,310,500
Contingency: 10% of total		131050
GRAND TOTAL		**2,230,550**